

Company registration number 10818575 (England and Wales)

THE KEYS ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE KEYS ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 17
Governance statement	18 - 23
Statement on regularity, propriety and compliance	24
Statement of trustees' responsibilities	25
Independent auditor's report on the accounts	26 - 29
Independent reporting accountant's report on regularity	30 - 31
Statement of financial activities including income and expenditure account	32 - 33
Balance sheet	34
Statement of cash flows	35
Notes to the accounts including accounting policies	36 - 60

THE KEYS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

represented by Tony Wilson, Director

Rev Liz Jackson
Gordon Joyner
Oxford Diocesan Board of Education
Jane Peters

Trustees

David Cousins (Appointed 16 September 2022)
Rev Hannah Hobday (Resigned 22 July 2022)
David Horrocks (Vice Chairperson)
Michael Mill
Bethan Morey (Appointed 14 September 2021)
Jane Peters (Chairperson)
Rachel Pither
Penelope Jane Williams
Hester Wooller (Accounting Officer)

Senior management team

Chief Executive Officer and Accounting Officer

Hester Wooller

Chief Finance Officer

Julia Mead

Director of Learning

Alex Powley

Governance Professional

Jodie Page

Company registration number

10818575 (England and Wales)

Principal and registered office

PO Box 3168
Church Road
Earley
Reading
Berkshire
RG6 9TR

Academies operated

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

Location

Arborfield
Earley
Wokingham
Sonning
Crazies Hill
Hurst
Shinfield
Twyford
Twyford

Head

Luke Henderson
Hester Wooller
Martin Gater
Phil Sherwood
Jo Shell
Sarah Hilling
Hester Wooller
Helen Ball
Helen Ball

Independent auditor

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

THE KEYS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
35 Broad Street
Reading
Berkshire
RG1 2BT

Solicitors

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

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The trust incorporated on 14 June 2017 and its first academy school, Earley St Peter's C of E Primary School (ESP) converted to academy status on 1 July 2017. Since incorporation The Keys Academy Trust has been given academy sponsor status. On 1 September 2017, The Coombes C of E Primary School (The Coombes) joined the trust as a sponsor academy. As at 31 August 2022, there are nine primary schools operating within the trust, with a combined capacity of 2,162 pupils and 1,985 pupils on roll as at October 2021 Census. The schools serve catchments within the Wokingham area for children aged 3 to 11.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

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

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

The Articles of Association provide for the appointment by members of a minimum of 3 Trustees.

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

Policies and procedures adopted for the induction and training of trustees

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

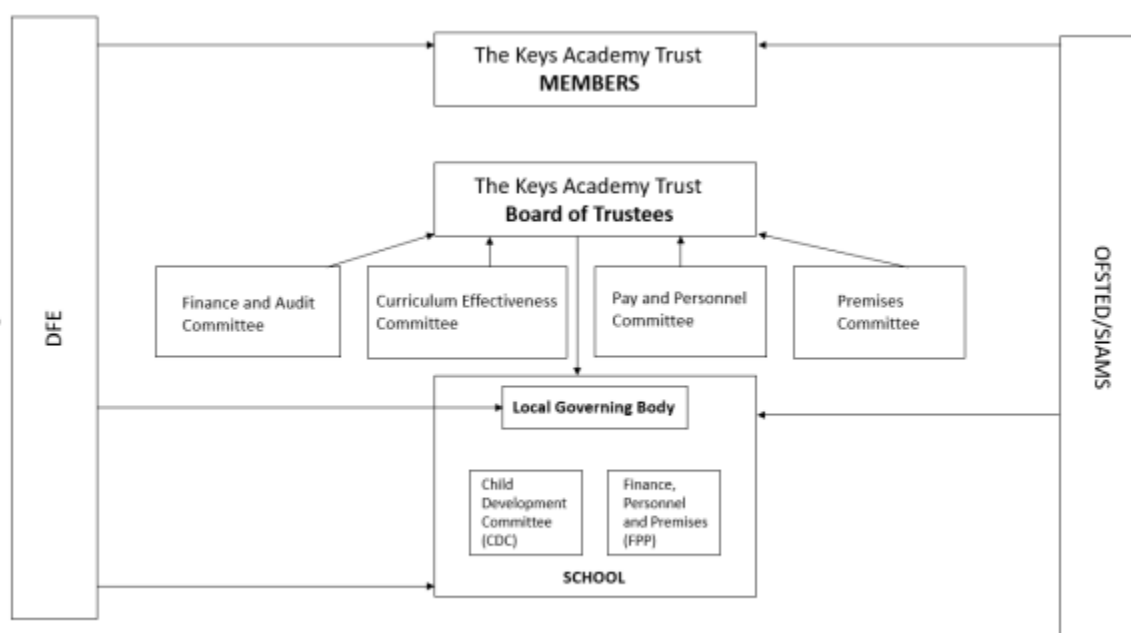
THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Organisational structure

The organisation structure of the Trust is illustrated below:



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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

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

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

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	£6,468,330
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Engagement with employees

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

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

The trust will ensure that all job applicants, employees (part-time or full-time), contractors and temporary workers are treated equally and is willing to make reasonable adjustments where appropriate for disabled applicants and employees. The trust seeks to provide an environment that fosters a climate of respect for all employees, contractors and temporary workers where they are free from harassment, bullying, intimidation and victimisation.

Related parties and other connected charities and organisations

The members of the trust are the Oxford Diocesan Board of Education (acting corporately), two persons appointed by the Oxford Diocesan Board of Education, Gordon Joyner, Reverend Liz Jackson and the Chair of Trustees. The Academy Trust purchases certain services from the Oxford Diocesan Board of Education and the details of these transactions are disclosed in note 24 to the financial statements.

There is one close family member working in the Trust. For further details of related parties and transactions during the year, see notes 11 and 24 to the financial statements.

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

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Objects and aims

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

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

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

Objectives, strategies and activities

We are a family of distinctive schools at the heart of the diverse communities we serve. We aspire to excellent learning and pastoral care for pupils and staff. In line with our Christian ethos, we are committed to being open and welcoming to all. Our family will include convertor schools, sponsor schools or those graded "Requires Improvement" which will require a significant level of support and establishing new schools.

The Keys Academy Trust:

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

Public benefit

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

The Keys Academy Trust is motivated by Christian values to serve local communities but it does not impose those values. The Admissions policies have remained unchanged. We welcome those of all faiths, and none, and celebrate the ethnic diversity within our schools. The schools in the Trust host a variety of clubs including Scouts, Cubs, Dance Clubs, Judo, Fencing, Art Club, Street Dance, Sewing Club, and Football which also are attended by pupils from other local schools.

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

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

The Trust has nine schools: Earley St Peter's Church of England Primary School (convertor school), The Coombes Church of England Primary School (sponsor school) and St Sebastian's Church of England Primary School (convertor school), Sonning Church of England Primary School (convertor school), St Nicholas Church of England Primary School, Hurst (convertor school), Crazies Hill Church of England Primary School (convertor school), Polehampton Church of England Infant School (convertor school), Polehampton Church of England Junior School (convertor school) and Alder Grove Church of England Primary School (new free school).

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

END OF KS2 OUTCOMES 2022

PERCENTAGE OF PUPILS WORKING AT THE EXPECTED STANDARD OR ABOVE

	English Reading	English Writing (TA)	SPaG	Maths	Combined*
National Data	74	69	72	71	59
Whole Trust Data	78	55	75	73	47
Alder Grove CE Primary	-	-	-	-	-
Crazies Hill CofE Primary	53	60	73	66	46
Earley St. Peter's CofE Primary	75	52	75	70	51
Polehampton CofE Infant	-	-	-	-	-
Polehampton CofE Junior	83	63	81	81	60
St. Sebastian's CofE Primary	80	80	76	88	76
Sonning CofE Primary	96	96	96	96	90
St. Nicholas CofE Primary, Hurst	70	80	50	75	70
The Coombes CE Primary	74	59	70	56	47

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

END OF KS2 OUTCOMES 2022 –
PERCENTAGE OF PUPILS WORKING AT GREATER DEPTH

	English Reading	English (TA) Writing	SPaG	Maths
National Data	28	13	28	22
Whole Trust Data	30	9	32	24
Alder Grove CE Primary	-	-	-	-
Crazies Hill CofE Primary	33	0	26	20
Earley St. Peter's CofE Primary	31	15	42	28
Polehampton CofE Infant	-	-	-	-
Polehampton CofE Junior	40	13	26	26
St. Sebastian's CofE Primary	26	15	30	19
Sonning CofE Primary	50	10	43	43
St. Nicholas CofE Primary, Hurst	10	5	10	35
The Coombes CE Primary	21	13	31	10

END OF KS1 OUTCOMES 2022
PERCENTAGE OF PUPILS WORKING AT THE EXPECTED STANDARD OR ABOVE

	English Reading	English Writing (TA)	Maths	Science	Combined*
National Data	67	58	68	77	
Whole Trust Data	73	64	74	84	60
Alder Grove CE Primary	-	-	-	-	-
Crazies Hill CofE Primary	78	71	78	78	71
Earley St. Peter's CofE Primary	67	61	65	91	54
Polehampton CofE Infant	85	65	88	96	61
Polehampton CofE Junior	-	-	-	-	-
St. Sebastian's CofE Primary	68	43	68	56	43
Sonning CofE Primary	90	83	83	93	76
St. Nicholas CofE Primary, Hurst	60	50	60	70	50
The Coombes CE Primary	71	67	75	75	65

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

END OF KS1 OUTCOMES 2022 –
PERCENTAGE OF PUPILS WORKING AT GREATER DEPTH

	English Reading	English Writing (TA)	Maths	Combined
National Data	18	8	15	
Whole Trust Data	26	11	22	8
Alder Grove CE Primary	-	-	-	-
Crazies Hill CofE Primary	35	21	28	14
Earley St. Peter's CofE Primary	11	7	10	5
Polehampton CofE Infant	43	8	38	8
Polehampton CofE Junior	-	-	-	-
St. Sebastian's CofE Primary	37	6	25	6
Sonning CofE Primary	33	30	33	16
St. Nicholas CofE Primary, Hurst	25	5	10	0
The Coombes CE Primary	19	13	15	7

***Not including science**

YEAR 1 PHONICS SCREENING CHECK OUTCOMES 2022

	Average Score	Working Towards (%)	Working At (%)
National Data			75
Whole Trust Data	33.6	17	80
Alder Grove CE Primary	36.5	6	93
Crazies Hill CofE Primary	35.1	7	84
Earley St. Peter's CofE Primary	30.1	37	62
Polehampton CofE Infant	35.1	10	88
Polehampton CofE Junior	-	-	-
St. Sebastian's CofE Primary	37.3	5	80
Sonning CofE Primary	36.0	10	89
St. Nicholas CofE Primary, Hurst	32.4	25	75
The Coombes CE Primary	32.5	16	83

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

END OF RECEPTION ELG REPORT – SUBJECT AVERAGE (2022)

	Emerging (%)	Expected (%)
National Data		
Whole Trust Data	12	79
Alder Grove CE Primary	15	81
Crazies Hill CofE Primary	3	83
Earley St. Peter's CofE Primary	17	81
Polehampton CofE Infant	9	88
Polehampton CofE Junior	-	-
St. Sebastian's CofE Primary	21	78
Sonning CofE Primary	14	82
St. Nicholas CofE Primary, Hurst	13	81
The Coombes CE Primary	8	90

Key Stage 2 Outcomes

Nationally, 59% of pupils achieved the expected standard and above in reading, writing and maths. In the Trust, pupils in four out of six schools with Key Stage 2 pupils achieved above the national figure with regard to the expected standard and above in reading writing and maths.

Across the Trust, the percentage of pupils who achieved greater depth in reading, spelling, punctuation and Grammar (SPaG) and maths was above the national figures but in writing it was lower.

Key Stage 1 Outcomes

In the Trust the percentage of pupils who achieved the expected standard and above in reading, writing maths and science was above the national percentages for each subject.

Across the Trust, the percentage of pupils who achieved greater depth in reading, writing, spelling, punctuation and Grammar (SPaG) and maths was above the national figures

Phonics Screening Year 1

In all schools apart from one, a larger percentage of pupils passed the phonics screening test compared to the national figure of 75%.

Early Years Foundation Stage

In the Trust, 79% of pupils achieved a Good Level of Development. This is above the national percentage of 72% in 2019. (Figures for 2022, yet to be published).

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

National statistics are yet to be published for comparison for 2022. Figures for 2019 below:

Earley St Peter's Church of England Primary School

Reading	Writing	Maths
Above average 1.6	Well above average 2.9	Average -0.7

The Coombes Church of England Primary School

Reading	Writing	Maths
Average 1.4	Average 1.6	Average -1.3

St Sebastian's Church of England Primary School

Reading	Writing	Maths
Average 2.5	Average 1.3	Above average 2.5

Sonning Church of England Primary School

Reading	Writing	Maths
Average 1.8	Average 0.7	Above average 2.4

St Nicholas Church of England Primary School

Reading	Writing	Maths
Average 1.1	Average -1.6	Average 0.1

Crazies Hill Church of England Primary School

Reading	Writing	Maths
Average -1.6	Average -2.2	Average -1.8

(Polehampton CE Junior School is not included in this table as it only joined the Trust on 1 September 2020).

Impact of Covid-19

All our schools were responsive in the provision of remote learning during the pandemic and national lockdowns. Our schools sought innovative ways to work in partnership with parents and pupils to develop a whole new approach to learning online whilst supporting vulnerable pupils and the pupils of key workers in school. There has been an impact on progress and attainment of our pupils across the Trust and we have seen that remote learning worked better for some groups of pupils and for some subjects. In terms of reading, writing and maths, better progress was made in reading and maths and writing continues to be a focus across our schools. The widening of the attainment gap between pupil premium and non-pupil premium pupils reflected in national and local figures is also seen across the Trust. Schools continue to be affected by Covid-19 in terms of staffing absence and broken weeks for pupils.

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Key Performance Indicators

Growth Strategy	To work with local stakeholders, WBC and DfE to prepare for the opening of St Cecilia's CE Primary School	PARTIALLY MET – due to open January 2023
	To appoint a Head of School for St Cecilia's to prepare for the Ofsted pre-registration inspection and opening the school	MET
	To work with the Construction Company Reds10 and WBC to ensure the Matthewsgreen school building will be ready for handover for opening date	MET
	To continue to develop the network meetings with Senior Leaders and the Director of Learning/CEO to have a direct influence on their leadership skills/practice and a greater opportunity to talent spot future leaders	MET
	To identify and work with schools to create a pipeline of convertor schools for the Trust	PARTIALLY MET
	To establish The Keys as a local delivery provider for Teaching School Hub Berkshire with the UCL ECT programme	MET
	To work in partnership with CEFEL as a delivery partner for the NPQS.	MET
School Performance	EYFS, Phonics, KS1 and 2 DATA 2022: To ensure % of pupils achieving expected and GD (IN KS1/2) in r,w,m are in line with national averages. For progress measures to be at least in line with national figures in r,w,m in all schools	PARTIALLY MET Progress figures not published
	EYFS data: all schools to be in line or above with national GLD figures	Figures not published but above 2019
	To develop regular network meetings for Deputy/Assistant Heads across the Trust	MET
	To develop regular network meetings with SENDCos and the Director of Learning/CEO to enable the Trust to better support pupils with SEND by sharing expertise	MET
	To embed the online process for rigorous moderation across the Trust	MET

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

HR and Finance	To ensure the HR and Finance Access systems are embedded across the Trust and induct new staff as appropriate.	MET
	To advise LGBs on models of leadership, produce financial models and develop the role of Executive Leaders within the Trust	MET
Governance	To expand the number of Trustees within the Trust to build capacity and appropriate skillsets	MET
	To review a skills audit submitted by the Local Governing Bodies and follow up any issues	MET
	To hold termly briefings for Chairs and Headteachers	MET
	To hold termly briefings for Governance Professionals	
	To offer governance training for all schools within the trust and in the pipeline	MET
	To review the Scheme of Delegation for September 2022	MET
	To hold a strategy day for Trustees to develop Growth Strategy	MET
Sponsor school	Director of Learning to lead teaching and learning in The Coombes	PARTIALLY MET
	To recruit an Interim Executive Headteacher and Headteacher for September 2022	MET
	To increase the number on roll at Census day, October 2021	MET
	To support budget management and cost control	MET
	To support recruitment of Teaching staff for September 2022	MET

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

Going concern

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

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

The majority of the Trust's income for the year was received through the Education and Skills Funding Agency, which is a recurrent revenue grant into the Restricted General Fund. The grants received during the year ended 31 August 2022 and the associated expenditure are shown in the Statement of Financial Activities.

The revenue grants have increased from £9,845,845 to £10,434,219. The majority of this income is spent on wages and salaries and these represent 78% of total costs.

The total funds before capital, fixed assets and pension reserve have increased over the year from £1,811,954 to £1,997,026. This increase included £157k of additional extended services income and £91k of unbudgeted donations.

The balance sheet includes an amount of £1,551,000 (2021: £6,139,000) for the Defined benefit pension liability that arises on the deficit on the LGPS scheme. This amount has decreased due to the actuarial gain of £5,597,000. The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits. Parliament has agreed, at the request of the Secretary of State for Education to a guarantee that, in the event of academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education.

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits.

Reserves policy

There is a Trust policy for revenue and capital reserves. The Trust's policy for revenue reserves is that a minimum of 3% of ESFA General Annual Grant Statement is retained for each school and that schools should increase the level to a minimum of 8% by 31 August 2024.

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

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

On 31 August 2022 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£
Unrestricted General Funds	916,505
Restricted Capital Funds	394,211
Restricted General Funds	<u>1,080,521</u>
Reserves at 31 August 2022	<u>2,391,237</u>

These reserves are being held for the purpose as set out in the Trust's reserve policy and for the management of the impact on funding due to declining pupil numbers over the next two years across two of the schools within the Trust and for significant planned capital projects across the trust.

The trustees review the level of reserves annually.

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Investment policy

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

Principal risks and uncertainties

The Trust has a Risk Management Policy and all risks are reflected in the Trust's risk register and are reviewed at the Finance and Audit Committee

The major risks to which the MAT is exposed are:

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

Fundraising

All fundraising activities are organised independently by each school. During the year, pupils have been involved in fundraising activities including cake sales, sponsored events and non-uniform days. They have donated the funds raised to local, national and international charities and to support school.

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

School Improvement

The School Improvement Offer by the Trust continues to focus on developing quality first teaching and improving teacher assessment skills using Target Tracker as a tool to drive both planning and assessment. In addition, the Trust has delivered CPD focussing on curriculum review and design and introduced the use of knowledge organisers in all the schools to support the development of a knowledge led curriculum. The School Improvement team continues to lead moderation sessions for teachers at the end of EYFS, KS1 and KS2.

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

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

The Trust continues to work in partnership with the Forest Learning Alliance (FLA), a local Teaching School to deliver sessions on curriculum design. The Trust has been asked to deliver further sessions and continues to run a programme Intelligent Subject Leadership in 2021/22 which will be accessed by schools in Bracknell Forest and Wokingham LA. The Trust continues to develop its online CPD offer through Roundtables led by our Director of Learning has successfully switched from face to face to remote training during the national lockdown and will build on this approach as it enables a higher level of engagement across the Trust.

The Trust set up regular network meetings for SENDCos across the Trust to support the provision for pupils. This will continue in 2022/23. SEND policy, processes and documentation have been rationalised across the Trust and a Speech and Language resource which was identified as a need in all our schools post pandemic has been successfully implemented.

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

Early Career Framework

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

National Professional Qualifications (NPQs)

The Keys also continues to be a Delivery Partner with Church of England's Foundation for Educational Leadership (CEFEL) to deliver the new NPQ suite of training. The Director of Learning is the lead facilitator for the NPQLTD and the CEO facilitates on the NPQH. We have also identified Senior Leaders in our schools to be trained as coaches for the programme.

THE KEYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

New Schools

Our first new school, Alder Grove Church of England Primary School opened in September 2020 and has established itself successfully in the heart of the Shinfield community. It opened with 30 Reception pupils and a nursery. Due to demand, the school expanded to 60 Reception places in September 2021 and had 90 pupils on roll plus nursery for 2021/22 which expanded to 150 pupils plus nursery in September 2022.

As part of our Growth Strategy Plan, the Trust was appointed to run the new school in Matthewsgreen, St Cecilia's Church of England Primary School, which is scheduled to open in January 2023.

Convertor Schools

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

Funds held as custodian trustee on behalf of others

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

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2022 and signed on its behalf by:



.....
Jane Peters

Chairperson

THE KEYS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The board of trustees has formally met five times during the year. The Finance and Audit Committee has met six times during the year, where the monthly management accounts are reviewed and this ensures that the trust board has maintained its effective oversight of funds.

Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
David Cousins (Appointed 16 September 2022)	0	0
Rev Hannah Hobday (Resigned 22 July 2022)	5	5
David Horrocks (Vice Chairperson)	5	5
Michael Mill	5	5
Bethan Morey (Appointed 14 September 2021)	4	5
Jane Peters (Chairperson)	5	5
Rachel Pither	3	5
Penelope Jane Williams	5	5
Hester Wooller (Accounting Officer)	5	5

The trustees have carried out a review of governance during the year. The scheme of delegation is reviewed annually and the terms of reference for the committees have been reviewed.

At the Trust Strategy day in January 2022, the board carried out a skills audit and identified the need to appoint trustees with education, legal and premises experience. A new trustee was identified and appointed in September 2022.

The trust commissioned the Oxford Diocese to carry out an external review of governance at two of the schools in the trust.

The next self-evaluation review of governance will be carried out at the Trust Strategy Day in January 2023.

THE KEYS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

There are 4 sub committees of the main board of trustees;

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

Finance and Audit Committee

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

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

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

- To review the Trust Finance Manual with all appropriate policies and procedures
- To review the risk within the Trust
- To produce an annual timetable of the key deliverables

There were 4 finance and audit committee meetings in the year ended 31 August 2022. Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
David Horrocks (Vice Chairperson)	4	4
Michael Mill	4	4
Bethan Morey (Appointed 14 September 2021)	4	4
Jane Peters (Chairperson)	3	4
Penelope Jane Williams	4	4
Hester Wooller (Accounting Officer)	4	4

THE KEYS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Curriculum Effectiveness and Church Ethos

The purpose of the CE and CE Committee is to:

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

There were six curriculum effectiveness and church ethos committee meetings in the year ended 31 August 2022. Attendance during the year at meetings of the curriculum effectiveness and church ethos committee was as follows:

Trustee/committee member	Meetings Attended	Out of a possible
Claire Ferris	6	6
Rev Hannah Hobday (Chair)	6	6
David Horrocks	6	6
Jane Peters	5	6
Hester Wooller	6	6

Premises Committee

The purpose of the Premises Committee is to:

- Ensure that the Trust has a planned site maintenance and development programme strategy for the schools within the trust, with appropriate timescales and costs.
- Ensure that each school has a detailed costed site development plan and monitor their progress
- Review the Trust's Health and Safety policy annually, and oversee the action plans of the individual schools and make recommendations to ensure that the Trust takes all reasonable steps to comply with the Health and Safety at Work etc Act 1974 and related legislation.
- Oversee site matters relating to the construction, improvement, and major repair, together with associated insurance. (Cleaning, catering and upkeep of the academy buildings and grounds will usually be delegated to the LGB though the Trust will keep an oversight of such delegation).
- Monitor and review external contracts of the individual schools (with a value in excess of that specified in the Finance Manual) and for the Trust, considering proposals for renewal or otherwise as appropriate.
- Monitor use of the whole estate and ensure all sites are fit for purpose for use during the school day and outside of the school day by the school community, local community and hirers

There were four premises committee meetings in the year ended 31 August 2022. Attendance during the year at meetings of the premises committee was as follows:

Trustee/committee member	Meetings Attended	Out of a possible
Michael Mill	4	4
Julia Mead	4	4
Christopher Peck	3	4
Jane Williams	4	4
Hester Wooller	4	4

THE KEYS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Pay & Personnel Committee

The purpose of the pay and personnel committee is to:

Pay and Conditions

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

Personnel

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

There were five pay and personnel meetings in the year ended 31 August 2022.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Michael Mill	5	5
Bethan Morey (Appointed 14 September 2021)	2	5
Jane Peters (Chairperson)	4	5
Rachel Pither	5	5
Hester Wooller (Accounting Officer)	5	5

THE KEYS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Review of value for money

As Accounting Officer, the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- During the year, the trust undertook a large tender process to procure a new catering contract. The trust's previous contract was for only four schools, whereas the new contract was for all nine schools in the Trust. This has resulted in a significant improvement on the value for money on this expenditure category.
- The trust used a framework by a purchasing body to procure the Broadband services across all nine of its schools. The outcome, resulted in a better quality service at a competitive price.
- The trust has commenced changing its pupil MIS provider this academic year with two schools converting in 2021/2022. The remaining schools in the trust will convert in 2022/2023.
- Operations Managers attend a briefing monthly and identify opportunities to obtain trust wide contracts on various licences and products.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Keys Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

THE KEYS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The board of trustees has considered the need for specific internal audit work and determined that assurance to be obtained to ensure that the trust is not exposed to unwarranted cyber risk. Securious, specialist consultants in cyber security, were appointed to carry out this work for the year ended 31 August 2022. The scope of the work included:

- External vulnerability assessments of the Head Office and a sample of schools
- Deployment of cloud agents to capture device vulnerabilities
- A Desktop build and configuration review
- A Server build and configuration review
- A high-level audit of the Microsoft 365 tenancy
- A review of on-premises Active Directory
- A review of policies and procedures in relation to IT and specifically Cyber Security
- A high-level review of the firewall rule bases on 2 or 3 firewall devices
- A Policy and Procedure document review

Securious has delivered their schedule of work as planned and have produced a report to identify the issues that have been identified from their work. The trust has produced an action plan to address the issues raised by the report which is being reviewed by the Trust's Finance and Audit Committee.

Review of effectiveness

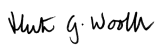
As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the board of trustees on ~~6 December 2022~~ and signed on its behalf by:


Jane Peters
Chairperson


Hester Wooller
Accounting Officer

THE KEYS ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of The Keys Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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

Hester G. Wooller

Hester Wooller
Accounting Officer

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THE KEYS ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of The Keys Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6 December 2022, and signed on its behalf by:



Jane Peters
Chairperson

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

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of The Keys Academy Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of 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 accounts 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.

THE KEYS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

THE KEYS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

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

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

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

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

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

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

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

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

THE KEYS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Use of our report

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



**Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP**

19/12/2022.....

**Chartered Accountants
Statutory Auditor**

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

THE KEYS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 18 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Keys Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Keys Academy Trust's funding agreement with the Secretary of State for Education dated 28 June 2017 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

THE KEYS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

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

Dated: ..19/12/2022.....

THE KEYS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds	Restricted funds:		Total 2022	Total 2021
			General	Fixed asset		as restated - see note 27
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	126,060	74,410	609,843	810,313	13,656,845
Donations - transfer from local authority on conversion	26	-	(566)	223,611	223,045	(864,908)
Charitable activities:						
- Funding for educational operations	4	673,146	10,434,219	-	11,107,365	10,298,365
Other trading activities	5	52,737	-	-	52,737	13,677
Investments	6	178	-	-	178	992
Total		<u>852,121</u>	<u>10,508,063</u>	<u>833,454</u>	<u>12,193,638</u>	<u>23,104,971</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	676,436	11,754,075	230,297	12,660,808	11,383,102
Total	7	<u>676,436</u>	<u>11,754,075</u>	<u>230,297</u>	<u>12,660,808</u>	<u>11,383,102</u>
Net income/(expenditure)		175,685	(1,246,012)	603,157	(467,170)	11,721,869
Transfers between funds	17	-	53,399	(53,399)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	5,790,000	-	5,790,000	(768,000)
Revaluation of fixed assets	13	-	-	(4,988,436)	(4,988,436)	-
Net movement in funds		<u>175,685</u>	<u>4,597,387</u>	<u>(4,438,678)</u>	<u>334,394</u>	<u>10,953,869</u>
Reconciliation of funds						
Total funds brought forward		<u>740,820</u>	<u>(5,067,866)</u>	<u>13,850,458</u>	<u>9,523,412</u>	<u>(1,430,457)</u>
Total funds carried forward		<u>916,505</u>	<u>(470,479)</u>	<u>9,411,780</u>	<u>9,857,806</u>	<u>9,523,412</u>

THE KEYS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2021		funds	General	Fixed asset	2021
As restated - see note 27	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	30,179	147,669	13,478,997	13,656,845
Donations - transfer from local authority on conversion	26	17,173	(917,887)	35,806	(864,908)
Charitable activities:					
- Funding for educational operations	4	452,520	9,845,845	-	10,298,365
Other trading activities	5	13,677	-	-	13,677
Investments	6	992	-	-	992
Total		<u>514,541</u>	<u>9,075,627</u>	<u>13,514,803</u>	<u>23,104,971</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	453,895	10,441,263	487,944	11,383,102
Total	7	<u>453,895</u>	<u>10,441,263</u>	<u>487,944</u>	<u>11,383,102</u>
Net income/(expenditure)		60,646	(1,365,636)	13,026,859	11,721,869
Transfers between funds	17	-	(110,877)	110,877	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(768,000)	-	(768,000)
Net movement in funds		60,646	(2,244,513)	13,137,736	10,953,869
Reconciliation of funds					
Total funds brought forward		680,174	(2,823,353)	712,722	(1,430,457)
Total funds carried forward		<u>740,820</u>	<u>(5,067,866)</u>	<u>13,850,458</u>	<u>9,523,412</u>

THE KEYS ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	as restated - see note 27	
				£	£
Fixed assets					
Tangible assets	13		9,017,569		13,609,271
Current assets					
Debtors	14	769,654		647,165	
Cash at bank and in hand		2,961,511		2,479,179	
		<u>3,731,165</u>		<u>3,126,344</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,339,928)		(1,073,203)	
Net current assets			<u>2,391,237</u>		<u>2,053,141</u>
Net assets excluding pension liability			11,408,806		15,662,412
Defined benefit pension scheme liability	19		(1,551,000)		(6,139,000)
Total net assets			<u>9,857,806</u>		<u>9,523,412</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			9,411,780		13,850,458
- Restricted income funds			1,080,521		1,071,134
- Pension reserve			(1,551,000)		(6,139,000)
Total restricted funds			<u>8,941,301</u>		<u>8,782,592</u>
Unrestricted income funds	17		<u>916,505</u>		<u>740,820</u>
Total funds			<u>9,857,806</u>		<u>9,523,412</u>

The accounts on pages 32 to 60 were approved by the trustees and authorised for issue on 6 December 2022 and are signed on their behalf by:



Jane Peters
Chairperson

Company registration number 10818575

THE KEYS ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	20		88,793		641,044
Cash funds transferred on conversion	26		-		215,092
			<hr/>		<hr/>
			88,793		856,136
Cash flows from investing activities					
Dividends, interest and rents from investments		178		992	
Capital grants from DfE Group		687,751		53,623	
Capital funding received from sponsors and others		109,030		-	
Purchase of tangible fixed assets		(403,420)		(324,395)	
		<hr/>		<hr/>	
Net cash provided by/(used in) investing activities			393,539		(269,780)
			<hr/>		<hr/>
Net increase in cash and cash equivalents in the reporting period			482,332		586,356
Cash and cash equivalents at beginning of the year			2,479,179		1,892,823
			<hr/>		<hr/>
Cash and cash equivalents at end of the year			2,961,511		2,479,179
			<hr/> <hr/>		<hr/> <hr/>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

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

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 13.

1.4 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

Transfer of assets on conversion

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land and buildings	50 years from conversion (125 years for land)
Leasehold improvements	10-30 years
Asset under construction	Not depreciated until brought into use
Computer equipment	3 years
Furniture and equipment	5 years

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

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

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 19).

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donated fixed assets	-	-	-	13,238,436
Capital grants	-	586,843	586,843	240,561
Other donations	126,060	97,410	223,470	177,848
	<u>126,060</u>	<u>684,253</u>	<u>810,313</u>	<u>13,656,845</u>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE / ESFA grants				
General annual grant (GAG)	-	8,676,938	8,676,938	7,854,726
Other DfE / ESFA grants:				
UIFSM	-	331,209	331,209	263,559
Pupil premium	-	274,974	274,974	254,386
Others (see below)	-	355,915	355,915	582,397
	-	9,639,036	9,639,036	8,955,068
Other government grants				
Local authority grants (see below)	-	759,808	759,808	718,317
COVID-19 additional funding (DfE/ESFA)				
Recovery premium	-	35,375	35,375	-
Catch-up premium	-	-	-	151,360
Other DfE/ESFA COVID-19 funding	-	-	-	21,100
	-	35,375	35,375	172,460
Other incoming resources (see below)	673,146	-	673,146	452,520
Total funding	673,146	10,434,219	11,107,365	10,298,365

The academy received Covid recovery premium of £35,375 (2020/2021: £151,360 for catch-up premium). Costs incurred in respect of this funding totalled £35,375, with £29,774 costs in respect of catch-up premium (2020/2021: £120,100 for catch-up premium),

Other incoming resources include income from clubs £315,436 (2020/21: £184,105), trips and activities £164,358 (2020/21: £35,278), insurance claims £61,296 (2020/21: £118,586) and catering £30,735 (2020/21: £20,815).

Other ESFA grants include Teachers' Pension Grant of £8,094 (2020/21: £288,130), Teachers' Pay Grant £2,864 (2020/21: £96,202), Sports Grant £160,530 (2020/21: £144,270), and Rates Reclaim £25,175 (2020/21: £46,145).

Local Authority grants include Early Years funding £413,637 (2020/21: £380,074), SEN funding £260,984 (2020/21: £217,596) and growth funding for Alder Grove of £82,500 (2020/21: £88,000).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	52,737	-	52,737	13,677

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	178	-	178	992

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2022 £	Total 2021 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	7,484,310	-	642,956	8,127,266	7,476,608
- Allocated support costs	2,271,421	1,085,099	1,177,022	4,533,542	3,906,494
	<u>9,755,731</u>	<u>1,085,099</u>	<u>1,819,978</u>	<u>12,660,808</u>	<u>11,383,102</u>

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	16,500	16,775
- Other services	7,825	8,300
Operating lease rentals	19,399	15,179
Depreciation of tangible fixed assets	230,297	273,685
Loss on disposal of fixed assets	-	207,214
Net interest and administration costs on defined benefit pension liability	108,000	71,000

8 Central services

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

- governance
- finance support
- policy
- school improvement

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

5% of GAG income

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2022	2021
	£	£
The Coombes CE School	85,899	78,957
Earley St Peter's CE School	98,021	90,295
St Sebastian's CE Primary School	34,648	33,302
Sonning CE Primary School	43,846	41,194
Crazies Hill CE Primary School	24,837	23,876
St Nicholas CE Primary School	30,984	30,164
Alder Grove CE Primary School	26,858	12,487
Polehampton CE Junior School	50,244	47,070
Polehampton CE Infant School	38,509	35,278
	<u>433,846</u>	<u>392,623</u>

9 Charitable activities

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Direct costs				
Educational operations	676,436	7,450,830	8,127,266	7,476,608
Support costs				
Educational operations	-	4,533,542	4,533,542	3,906,494
	<u>676,436</u>	<u>11,984,372</u>	<u>12,660,808</u>	<u>11,383,102</u>

	2022	2021
	£	£
Analysis of support costs		
Support staff costs	2,271,466	1,766,804
Depreciation	230,297	480,899
Technology costs	267,334	220,512
Premises costs	854,802	677,217
Other support costs	889,010	737,490
Governance costs	20,633	23,572
	<u>4,533,542</u>	<u>3,906,494</u>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

Staff costs

Staff costs during the year were:

	2022	2021
	£	£
Wages and salaries	6,461,856	6,187,761
Social security costs	554,785	519,782
Pension costs	2,485,097	1,970,952
	<hr/>	<hr/>
Staff costs - employees	9,501,738	8,678,495
Agency staff costs	167,461	145,150
Staff restructuring costs	86,532	13,397
	<hr/>	<hr/>
Staff development and other staff costs	9,755,731	8,837,042
	23,638	22,108
	<hr/>	<hr/>
Total staff expenditure	9,779,369	8,859,150
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Redundancy payments	6,474	500
Severance payments	80,058	12,897
	<hr/>	<hr/>
	86,532	13,397
	<hr/> <hr/>	<hr/> <hr/>

Severance payments

The academy trust paid 3 severance payments in the year, disclosed in the following bands:

0 - £25,000	1
£25,001 - £50,000	2

Staff numbers

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

	2022	2021
	Number	Number
Teachers	101	99
Administration and support	208	211
Management	17	17
	<hr/>	<hr/>
	326	327
	<hr/> <hr/>	<hr/> <hr/>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

(Continued)

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

	2022 Number	2021 Number
Teachers	73	75
Administration and support	95	97
Management	15	15
	<u>183</u>	<u>187</u>

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	-	2
£80,001 - £90,000	4	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £330,810 (2021: £287,309).

11 Trustees' remuneration and expenses

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

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

Hester Wooller (CEO and trustee):

- Remuneration £100,001 - £110,000 (2021: £90,001 - £95,000)
- Employer's pension contributions £20,001 - £25,000 (2021: £20,001 - £25,000)

One trustee received reimbursed travel costs of £60 during the year. There were no reimbursed expenses to trustees in 2020/21.

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

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Trustees' and officers' insurance

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

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

13 Tangible fixed assets (as restated - see note 27)

	Leasehold land and buildings £	Leasehold improvements £	Asset under construction £	Computer equipment £	Furniture and equipment £	Total £
Cost						
At 1 September 2021	13,462,047	52,595	192,592	143,387	102,258	13,952,879
Transfer on conversion	223,611	-	-	-	-	223,611
Transfer in year	-	192,592	(192,592)	-	-	-
Additions	-	351,124	28,570	-	23,726	403,420
Revaluation (see note below)	(4,988,436)	-	-	-	-	(4,988,436)
At 31 August 2022	8,697,222	596,311	28,570	143,387	125,984	9,591,474
Depreciation						
At 1 September 2021	234,384	601	-	65,456	43,167	343,608
Charge for the year	136,425	37,402	-	39,887	16,583	230,297
At 31 August 2022	370,809	38,003	-	105,343	59,750	573,905
Net book value						
At 31 August 2022	8,326,413	558,308	28,570	38,044	66,234	9,017,569
At 31 August 2021	13,227,663	51,994	192,592	77,931	59,091	13,609,271

Transfers on conversion

In the year ended 31 August 2021 the academy trust entered into a Supplemental Agreement with Church land trustees for the use of land and buildings at Polehampton CE Infant School and Polehampton CE Junior School. The academy trust has permission to use the land and buildings for an indefinite period, subject to a 2 year termination notice period. Other than the caretaker's cottage transferred in the year, the land and buildings have not been recognised as a fixed asset as the trustees consider that the academy trust does not have sufficient control over the premises.

Valuation adjustment

In the year ended 31 August 2021 additions to leasehold land and buildings included donated land and buildings at Alder Grove Primary School from Wokingham Borough Council. At 31 August 2021 a formal valuation of the assets was not available, and the value was estimated at £13,238,436 on the basis of build costs per square metre of a similar school.

The Academy Trust has now received the formal ESFA valuation, which is lower than the previous estimate by £4,988,436. This is reflected above.

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

14 Debtors

	2022	2021
	£	£
Trade debtors	124,035	5,793
VAT recoverable	349,745	111,495
Other debtors	47,550	-
Prepayments and accrued income	248,324	529,877
	<u>769,654</u>	<u>647,165</u>

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	376,823	216,160
Other taxation and social security	123,167	121,393
Other creditors	154,758	152,227
Accruals and deferred income	685,180	583,423
	<u>1,339,928</u>	<u>1,073,203</u>

16 Deferred income

	2022	2021
	£	£
Deferred income is included within:		
Creditors due within one year	<u>389,268</u>	<u>363,362</u>
Deferred income at 1 September 2021	363,362	249,694
Released from previous years	(363,362)	(249,694)
Resources deferred in the year	<u>389,268</u>	<u>363,362</u>
Deferred income at 31 August 2022	<u><u>389,268</u></u>	<u><u>363,362</u></u>

At the balance sheet date the academy trust was holding funding received specifically for the next financial year totalling £358,206 (2021: £326,800), together with lettings, trips, activities and other income received in advance totalling £31,063 (2021: £36,562).

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	942,989	8,676,938	(8,619,591)	53,399	1,053,735
UIFSM	-	331,209	(331,209)	-	-
Pupil premium	-	274,974	(274,974)	-	-
Catch-up premium	31,260	-	(29,774)	-	1,486
Recovery premium	-	35,375	(35,375)	-	-
Other DfE / ESFA grants	96,885	355,915	(452,500)	-	300
Other government grants	-	759,808	(759,808)	-	-
Other restricted funds	-	73,844	(48,844)	-	25,000
Pension reserve	(6,139,000)	-	(1,202,000)	5,790,000	(1,551,000)
	<u>(5,067,866)</u>	<u>10,508,063</u>	<u>(11,754,075)</u>	<u>5,843,399</u>	<u>(470,479)</u>
Restricted fixed asset funds					
Capital transferred on conversion	97,910	223,611	-	(255,445)	66,076
DfE group capital grants	141,906	586,843	-	(401,985)	326,764
Fixed assets fund (note 13)	13,609,271	-	(230,297)	(4,361,405)	9,017,569
Capital donations	1,371	23,000	-	(23,000)	1,371
	<u>13,850,458</u>	<u>833,454</u>	<u>(230,297)</u>	<u>(5,041,835)</u>	<u>9,411,780</u>
Total restricted funds	<u>8,782,592</u>	<u>11,341,517</u>	<u>(11,984,372)</u>	<u>801,564</u>	<u>8,941,301</u>
Unrestricted funds					
General funds	<u>740,820</u>	<u>852,121</u>	<u>(676,436)</u>	<u>-</u>	<u>916,505</u>
Total funds	<u>9,523,412</u>	<u>12,193,638</u>	<u>(12,660,808)</u>	<u>801,564</u>	<u>9,857,806</u>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

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

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2022.

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

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

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

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

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

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

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

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

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

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

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

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

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	544,896	7,854,726	(7,394,043)	(62,590)	942,989
UIFSM	-	263,559	(263,559)	-	-
Pupil premium	5,000	254,386	(259,386)	-	-
Catch up premium	-	151,360	(120,100)	-	31,260
Other DfE/ESFA COVID-19 funding	-	21,100	(21,100)	-	-
Other DfE / ESFA grants	57,911	582,397	(543,423)	-	96,885
Other government grants	140,840	718,317	(810,870)	(48,287)	-
Other restricted funds	-	309,782	(309,782)	-	-
Pension reserve	(3,572,000)	(1,080,000)	(719,000)	(768,000)	(6,139,000)
	<u>(2,823,353)</u>	<u>9,075,627</u>	<u>(10,441,263)</u>	<u>(878,877)</u>	<u>(5,067,866)</u>
Restricted fixed asset funds					
Capital transferred on conversion	77,647	35,806	(23,875)	8,332	97,910
DfE group capital grants	91,729	240,561	(190,384)	-	141,906
Fixed asset funds (note 13)	527,339	-	(273,685)	13,355,617	13,609,271
Capital donations	16,007	13,238,436	-	(13,253,072)	1,371
	<u>712,722</u>	<u>13,514,803</u>	<u>(487,944)</u>	<u>110,877</u>	<u>13,850,458</u>
Total restricted funds	<u>(2,110,631)</u>	<u>22,590,430</u>	<u>(10,929,207)</u>	<u>(768,000)</u>	<u>8,782,592</u>
Unrestricted funds					
General funds	<u>680,174</u>	<u>514,541</u>	<u>(453,895)</u>	<u>-</u>	<u>740,820</u>
Total funds	<u>(1,430,457)</u>	<u>23,104,971</u>	<u>(11,383,102)</u>	<u>(768,000)</u>	<u>9,523,412</u>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

Total funds analysis by academy

	2022	2021
	£	£
Fund balances at 31 August 2022 were allocated as follows:		
The Coombes CE School	526,980	496,553
Earley St Peter's CE School	620,991	498,808
St Sebastian's CE Primary School	218,761	159,924
Sonning CE Primary School	89,840	40,320
Crazies Hill CE Primary School	110,728	125,191
St Nicholas CE Primary School	13,889	58,447
Alder Grove CE Primary School	108,629	11,468
Polehampton CE Junior School	57,313	97,389
Polehampton CE Infant School	59,022	64,451
Central services	190,873	259,403
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,997,026	1,811,954
Restricted fixed asset fund	9,411,780	13,850,458
Pension reserve	(1,551,000)	(6,139,000)
	<hr/>	<hr/>
Total funds	<u>9,857,806</u>	<u>9,523,412</u>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
The Coombes CE School	1,297,477	145,349	268,858	376,219	2,087,903	1,901,793
Earley St Peter's CE School	1,776,535	199,837	147,117	263,370	2,386,859	2,270,589
St Sebastian's CE Primary School	565,381	67,916	95,915	90,275	819,487	742,399
Sonning CE Primary School	690,919	96,790	91,087	116,126	994,922	1,057,001
Crazies Hill CE Primary School	370,016	54,634	90,798	115,565	631,013	571,158
St Nicholas CE Primary School	561,729	59,528	58,839	81,072	761,168	728,715
Alder Grove CE Primary School	482,650	113,495	90,481	254,323	940,949	466,625
Polehampton CE Junior School	805,516	132,800	109,823	136,181	1,184,320	1,133,272
Polehampton CE Infant School	588,970	124,287	38,665	136,214	888,136	829,752
Central services	165,639	177,667	51,467	138,981	533,754	481,899
	<u>7,304,832</u>	<u>1,172,303</u>	<u>1,043,050</u>	<u>1,708,326</u>	<u>11,228,511</u>	<u>10,183,203</u>
Depreciation					230,297	273,685
Loss on disposal of property					-	207,214
Other finance costs and pension costs					1,202,000	719,000
Total expenditure per Note 7					<u>12,660,808</u>	<u>11,383,102</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	9,017,569	9,017,569
Current assets	990,006	2,346,948	394,211	3,731,165
Current liabilities	(73,501)	(1,266,427)	-	(1,339,928)
Pension scheme liability	-	(1,551,000)	-	(1,551,000)
Total net assets	<u>916,505</u>	<u>(470,479)</u>	<u>9,411,780</u>	<u>9,857,806</u>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	13,609,271	13,609,271
Current assets	765,339	2,119,818	241,187	3,126,344
Current liabilities	(24,519)	(1,048,684)	-	(1,073,203)
Pension scheme liability	-	(6,139,000)	-	(6,139,000)
Total net assets	740,820	(5,067,866)	13,850,458	9,523,412

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Royal County of Berkshire. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £154,724 were payable to the schemes at 31 August 2022 (2021: £105,993) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £912,481 (2021: £653,827).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.6% for employers and 6.50% for employees.

The LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of conversions from maintained schools and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2022 £	2021 £
Employer's contributions	499,000	408,000
Employees' contributions	109,000	117,000
Total contributions	<u>608,000</u>	<u>525,000</u>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations (Continued)

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	9.90	2.95
Commutation of pensions to lump sums	50.00	50.00

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

	2022 Years	2021 Years
Retiring today		
- Males	21.0	21.3
- Females	23.8	24.0
Retiring in 20 years		
- Males	22.3	22.6
- Females	25.3	25.4

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

	2022 £'000	2021 £'000
Discount rate + 0.1%	5,632	9,324
Discount rate - 0.1%	5,922	9,815
Mortality assumption + 1 year	5,950	9,949
Mortality assumption - 1 year	5,605	9,198

Defined benefit pension scheme net liability	2022 £	2021 £
Scheme assets	4,224,000	3,427,000
Scheme obligations	(5,775,000)	(9,566,000)
Net liability	(1,551,000)	(6,139,000)

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

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

	2022 Fair value £	2021 Fair value £
Equities	2,643,000	2,092,000
Other bonds	652,000	610,000
Target return portfolio	6,000	149,000
Longevity insurance	(172,000)	(193,000)
Property	566,000	404,000
Other assets	529,000	365,000
	<u>4,224,000</u>	<u>3,427,000</u>

The actual return on scheme assets was £255,000 (2021: £344,000).

Amount recognised in the statement of financial activities

	2022 £	2021 £
Current service cost	1,094,000	648,000
Interest cost	104,000	71,000
Administration expenses	4,000	2,000
	<u>1,202,000</u>	<u>721,000</u>

Changes in the present value of defined benefit obligations

	2022 £	2021 £
At 1 September 2021	9,566,000	5,578,000
Obligations acquired on conversion	-	1,693,000
Transferred in for new employees joining the academy trust	262,000	-
Current service cost	1,399,000	1,054,000
Interest cost	166,000	117,000
Employee contributions	109,000	117,000
Actuarial (gain)/loss	(5,597,000)	1,066,000
Benefits paid	(130,000)	(59,000)
	<u>5,775,000</u>	<u>9,566,000</u>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations (Continued)

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

	2022 £	2021 £
At 1 September 2021	3,427,000	2,006,000
Assets acquired on conversion	-	613,000
Transferred in for new employees joining the academy trust	68,000	-
Interest income	62,000	46,000
Actuarial gain	193,000	298,000
Employer contributions	499,000	408,000
Employee contributions	109,000	117,000
Benefits paid	(130,000)	(59,000)
Administration expenses	(4,000)	(2,000)
	<u>4,224,000</u>	<u>3,427,000</u>

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

	Notes	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(467,170)	11,721,869
Adjusted for:			
Net (surplus)/deficit on conversion to academy	26	(223,045)	864,908
Capital grants from DfE and other capital income		(609,843)	(13,478,997)
Investment income receivable	6	(178)	(992)
Defined benefit pension costs less contributions payable	19	1,094,000	648,000
Defined benefit pension scheme finance cost	19	108,000	71,000
Depreciation of tangible fixed assets		230,297	273,685
Loss on disposal of fixed assets		-	207,214
(Increase)/decrease in debtors		(309,427)	14,686
Increase in creditors		266,725	319,671
Stocks, debtors and creditors transferred on conversion	26	(566)	-
Net cash provided by operating activities		<u>88,793</u>	<u>641,044</u>

21 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	2,479,179	482,332	2,961,511
	<u>2,479,179</u>	<u>482,332</u>	<u>2,961,511</u>

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	14,308	12,362
Amounts due in two and five years	23,165	30,781
	<u>37,473</u>	<u>43,143</u>

23 Capital commitments

	2022 £	2021 £
Expenditure contracted for but not provided in the accounts	138,752	-
	<u>138,752</u>	<u>-</u>

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval when required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

E Wooller (daughter of H Wooller, CEO, Headteacher of Earley St Peter's and Trustee) received remuneration during the year, for her work as playworker, of £1,132 (2020/21: £Nil).

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

Connected charity transactions

The Oxford Diocesan Board of Education (ODBE) is a member of The Keys Academy Trust. During the year ended 31 August 2022, the Trust paid £16,022 (2020/21: £9,535) for support services from ODBE.

25 Members' liability

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

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

26 Conversion to an academy

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

In the 2020/21 accounts the transfer was accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The table below sets out the fair value of the caretaker's cottage at Polehampton CE Infant School which was only transferred to the Trust in 2021/22 after completion of dilapidation work, and an analysis of its recognition in the statement of financial activities.

Academy	Location	Date of conversion		
Polehampton CE Infant School	Twyford	1 September 2020		
	Unrestricted funds	Restricted funds:		Total
	£	General	Fixed asset	2022
Net assets transferred:		£	£	£
Leasehold land and buildings	-	-	223,611	223,611
Borrowing obligations	-	(566)	-	(566)
	-	(566)	223,611	223,045
	-	(566)	223,611	223,045
	Unrestricted funds	Restricted funds:		Total
	£	General	Fixed asset	2022
Funds surplus/(deficit) transferred:		£	£	£
Fixed assets funds	-	-	223,611	223,611
LA budget funds	-	(566)	-	(566)
	-	(566)	223,611	223,045
	-	(566)	223,611	223,045

27 Prior period adjustment

Reconciliation of funds	Notes	1 September 2020	31 August 2021
		£	£
Funds as previously reported		(1,430,457)	9,330,820
Adjustments arising:			
Capitalisation of expenditure		-	192,592
Funds as restated		(1,430,457)	9,523,412

THE KEYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

27 Prior period adjustment (Continued)

Reconciliation of net income for the previous financial period	Notes	2021 £
Net income as previously reported		11,529,277
Adjustments arising:		
Capitalisation of expenditure		192,592
Net income as restated		<u>11,721,869</u>

Notes to restatement

Restatement of comparative information

Comparative information has been restated to capitalise some items of expenditure incurred during the year ended 31 August 2021. The effect of this is to increase Tangible Fixed Assets at 31 August 2021 from £13,416,679 to £13,609,271, to reduce Expenditure for the year ended 31 August 2021 from £11,575,694 to £11,383,102 and to increase Net Income for the year ended 31 August 2021 from £11,529,277 to £11,721,869.