

Registration number: 07134810

University Academy Keighley

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 1 September 2021 to 30 April 2022

Forrester Boyd
Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

TL TUESDAY



ABEX5GSG

| | | |
|-----------------|------------|------|
| A09 | 18/10/2022 | #65 |
| COMPANIES HOUSE | | |
| *ABCG401U* | | |
| A24 | 13/09/2022 | #129 |
| COMPANIES HOUSE | | |

University Academy Keighley

Contents

| | |
|--|----------|
| Reference and Administrative Details | 1 |
| Trustees' Report | 2 to 8 |
| Governance Statement | 9 to 12 |
| Statement of Regularity, Propriety and Compliance | 13 |
| Statement of Trustees' Responsibilities | 14 |
| Independent Auditor's Report on the Financial Statements to the Members of University Academy Keighley | 15 to 17 |
| Independent Reporting Accountant's Assurance Report on Regularity to University Academy Keighley and the Education and Skills Funding Agency | 18 to 19 |
| Statement of Financial Activities for the period from 01 September 2021 to 30 April 2022 (including Income and Expenditure Account) | 20 to 21 |
| Balance Sheet as at 30 April 2022 | 22 |
| Statement of Cash Flows for the period from 01 September 2021 to 30 April 2022 | 23 |
| Notes to the Financial Statements | 24 to 43 |

University Academy Keighley

Reference and Administrative Details

| | |
|--|---|
| Members | J Marshall Prof M G Bradshaw P Hunter |
| Trustees (Directors) | Prof M G Bradshaw, Chair G Khan, Vice Chair N Kazmi A Rafiq G McFarlane G Logan G Hussain P Hunter |
| Accounting Officer | A Kneeshaw |
| Senior Management Team | A Kneeshaw, Executive Principal J Skurr, Head of School G Myers, Interim Finance Director (left trust on 31 January 2022) M Turvey, Head of School L Reeder, Interim Finance Director (appointed 1 February 2022) |
| Principal and Registered Office | Green Head Road Keighley BD20 6EB |
| Company Registration Number | 07134810 |
| Auditors | Forrester Boyd Chartered Accountants 66-68 Oswald Road Scunthorpe North Lincolnshire DN15 7PG |
| Bankers | Lloyds Bank PLC Hustlergate Bradford West Yorkshire BD1 1NT |
| Solicitors | Schofield Sweeney LLP Church Bank House, Church Bank Bradford West Yorkshire BD1 4DY |

University Academy Keighley

Trustees' Report for the period from 1 September 2021 to 30 April 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 30 April 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an Academy for pupils aged 11 to 16 in Keighley, West Yorkshire. It has a pupil capacity of 800 and had a roll of just over 700 at the time of writing this report (June 2022).

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of University Academy Keighley are also the directors of the charitable company for the purposes of company law. The charitable company is known as University Academy Keighley which has since rebranded from 1st May 2022 as Carlton Keighley. The principal sponsor is the University of Bradford and the co-sponsor is the City of Bradford Metropolitan District Council.

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 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 cease to be a member.

Trustees' indemnities

Trustees' indemnity insurance is covered by the insurance policies taken out by the Academy Trust.

Principal Activities

The principal activity of the charitable company is the education provision of teaching and learning. The main ambition for our students is encapsulated in the statement "Aspire, Accomplish, Achieve"; and we support the learning of all our students to the highest standards possible, creating the environment where effective teaching and learning can take place, endeavouring to remove barriers for learning such as deprivation, behaviour or social issues.

Method of recruitment and appointment or election of Trustees

The membership of the main board of trustees is in accordance with the structure contained within its Memorandum and Articles of Association. Trustees are appointed based on the levels of skill, knowledge and experience they can offer the trust in required areas of expertise. In addition, trustees should also demonstrate congruence with the ethos and culture by which the trust operates. No trustees are paid for their services although they may claim reasonable expenses incurred within the scope of their duties.

To date all members and trustees have been recruited through the professional networks and contacts of other members/trustees. There are no elections or voting systems for the appointment of trustees or members.

University Academy Keighley

Trustees' Report for the period from 1 September 2021 to 30 April 2022 (continued)

Policies and procedures adopted for the induction and training of Trustees

When appointed, new trustees are provided with an induction which outlines the structure, expectations of their role and familiarisation with the current context and recent history of the academy. They will also be allocated a link governor role according to their particular knowledge and experience.

Trustees will also be provided with access to ongoing training, with the academy currently signed up to Gold membership with the National Governors Association. Membership includes monthly magazines, weekly newsletters, training webinars, online resources and resources specifically aimed at those new to the role.

Trustees have easy access to all academy policies via the website or internal academy systems, and are actively encouraged to visit to attend events, observe daily practice and to undertake duties relating to their link responsibilities.

Organisational structure

The structure and operation of the Trust follows the guidelines as set out in the Academies Trust Handbook and Academies Governance Handbook.

Members are the original subscribers to the Trust and are the equivalent to shareholders in a company. Their role is to ensure Trustees perform their duties in a competent manner in accordance with the charitable purposes of its founding/articles of association.

The Trustees have overall responsibility and ultimate decision-making authority for the effective operation of the academy. Their role is strategic rather than operational, holding senior leaders to account for the performance of the school across all areas of operation. This is mainly achieved through quality assurance methodologies, budget monitoring, school visits and oversight of strategic planning.

Operational responsibilities are delegated from trustees to the school senior leaders. The most senior members of the senior leadership team are the Executive Principal, Executive Head (Secondary) and Head of School, who together ensure the effective implementation of strategic initiatives and policies as defined by Trustees and are responsible for the overall performance of UAK. The Head of School in turn delegates some responsibilities to other senior leaders at the school.

UAK has been working under a formal service level agreement with Carlton Academy Trust (CAT) since September 2018 in advance of them formally joining the trust. This conversion was due to take place on September 1, 2021, but was delayed on a number of occasions before finally being completed on May 1, 2022. Ignoring the legal considerations, UAK has been operating as de-facto member of CAT for a protracted period prior to the conversion date, with the CAT CEO operating as Executive Principal at UAK.

Arrangements for setting pay and remuneration of key management personnel

The performance of senior leaders is overseen by the Head of School, who makes pay recommendations on the basis of these. The Head of School's performance is appraised by the Executive Headteacher, in association with the Chair of Trustees. All pay decisions are then ratified by the Trust board.

Connected organisations, including related party relationships

University Academy Keighley operates as a sole entity and is not part of a wider network or federation. The University of Bradford is the principal sponsor. The City of Bradford Metropolitan District Council is the co-sponsor.

Carlton Academy Trust has been offering support under a Service Level Agreement (SLA), prior to conversion. UAK is charged 4% of gross income as part of the SLA, with charges to cover the period of this report (September 1, 2021, to 30 April 2022) totalling £191,940.

Objectives and activities

Objects and aims

The Trust aims to provide outstanding education and education outcomes to all students irrespective of race, culture, gender, disability or any other defining characteristic. This includes academic/exam outcomes, as well as relating to the broader social, moral and cultural development of students.

University Academy Keighley

Trustees' Report for the period from 1 September 2021 to 30 April 2022 (continued)

Objectives, strategies and activities

The main strategic objectives for the accounting period were:

- 1) School Improvement: Continue the recent rapid improvement at the school on its journey to being rated an Outstanding school. This would primarily be judged by academic outcomes (achievement and progress), but also through other variables such as behaviour and attendance data, and information gained through quality assurance procedures.
- 2) Smooth transition to Carlton Academy Trust: This would be achieved through completing the legal conversion process; full alignment of the school to CAT systems and procedures; change of signage and other marketing communications.
- 3) Investment for Outstanding: This mainly comprised additional recruitment of teaching staff to reduce class sizes, as well as adding key leadership roles to further advance standards. Other investments included improvements to the facilities and buildings including development of a conditioning/fitness suite and a climbing wall.

Public benefit

As a publicly funded organisation, all activities undertaken are exclusively for public benefit. In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Trustees have complied with the duty to have due regard to guidance on public benefit as published by the Charity Commission in exercising their powers or duties.

University Academy Keighley

Trustees' Report for the period from 1 September 2021 to 30 April 2022 (continued)

Strategic Report

Achievements and performance

Due to the Trust converting on May 1, 2022, prior to the completion of external GCSE (or equivalent) exams, it is not possible to have a formal externally validated analysis of academic performance. Despite this, all internal data and analysis indicates the school is on a trajectory to achieve an 'outstanding' rating from Ofsted.

Financial performance of the school/Trust continues to be very strong, with a large in-year surplus obtained at conversion and forecast for the year end.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the academy trust would have adequate resources to continue in operational existence for the foreseeable future should it have remained independent and not been converted to Carlton Academy Trust. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern can be found in the Statement of Accounting Policies.

Financial review

During the year the Trust's principal risk and uncertainty was the timing of the conversion to Carlton Academy Trust. This was initially due to be September 1, and then every subsequent month following delays from the PFI funders. To deal with this uncertainty, and so as not to unsettle the staff, the Trust acted as if the conversion had gone ahead on that date with the school and its staff referring to itself as 'Carlton Keighley' from that date. This created a great deal more certainty and stability to all stakeholders.

There have been no significant financial impacts on the school, and despite a considerable investment in additional staff (investing for outstanding), the trust converted to CAT in a very healthy financial position with a large in-year surplus of £710,338 (before actuarial movement and depreciation). This is due to a combination of ongoing efficiency savings and productivity gains, as well as increasing revenue resulting from an expanding school roll.

This healthy position supports the school as it strives for 'Outstanding' status, and also provides a buffer against future rises in PFI costs.

Should the Trust have continued in operation it would have two significant factors to potentially affect its' financial position going forward, as follows:

- PFI Payments until 2035 which increase by a compound annual 3.4% each year.
- Inflationary increase in costs, particularly in energy costs

The principal funding sources for the year were:

- GAG (General Annual Grant)
- Pupil Premium funding
- Special/Higher Needs Funding

The trusts fundraising activities were overwhelmingly comprised of external lettings of the schools' sports facilities, which have brought in £50,753 to the trust in revenue over the accounting period. UAK does not employ the services of an external fundraiser.

The Trust has latterly invested its' reserves into short notice savings accounts. These have offered meagre returns over the last year but have provided the requisite liquidity in advance of the impending conversion to CAT.

University Academy Keighley

Trustees' Report for the period from 1 September 2021 to 30 April 2022 (continued)

Strategic Report

Reserves policy

The trust held £3,134,738 in reserves at the date of conversion to CAT on May 1, 2022. Of this £1,096,238 are in restricted funds and £2,038,500 in unrestricted funds. No funds had been designated for specific purposes, due to the impending conversion to CAT.

The reserves policy has the following main objectives:

- Cover for short term cash flow problems: For this purpose, it looks to have reserves which cover 3 months of (average) expenditure.
- Cover for future PFI payments: Annual payments are considerable, approaching £1.5m in the 2021-22 financial year. These significantly increase by a compound 3.4% each year over the remaining term of the contract (finishes 2035), which may compromise the school's ability (without the use of reserves) to provide an outstanding education to students.
- Investment for Outstanding: Reserves provide the funds to invest in additional resources to attain outstanding, where the need arises.

Considering this rationale, the trustees feel the level of reserves is appropriate. There has been a considerable extra investment in staffing and resources, and as such is doing all that can reasonably be expected to attain outstanding. The considerable size of reserves is also appropriate when considering the increase in PFI payments over the remaining 13 years of the contract, which are nearly £800k more in the final year of the contract (2034/35) than during 2021-22.

Free reserves for the period ending 30 April 2022 are £4,023,624 (2021: £3,419,533). There is also a pension deficit totalling £1,186,000 (2021: £3,004,000), which is underwritten by DfE.

Investment policy

Due to the impending conversion to CAT, the trust has only invested in short-notice savings accounts. These have provided very low returns but are in a very liquid/accessible form for conversion, where CAT may invest in line with their investment policy.

Principal risks and uncertainties

The principal risks facing the trust during this accounting period were:

• **Potential Non-Conversion to CAT:** This threat arose due to the repeated failures by the PFI funders to approve the conversion of the trust to CAT. This was a threat as the school/trust has been run for several years as a de facto part of CAT, with CAT senior leadership occupying virtually all the senior roles within UAK. These include the Executive Principal and Accounting Officer, Secondary Executive Head Teacher, Interim Finance Director, as well as many other personnel providing support services. Should the conversion not have gone ahead, this would have meant a withdrawal of all these personnel, leaving a significant leadership vacuum at UAK. To mitigate this risk, the trust worked with their legal advisers and the DfE to progress approval for conversion, which was eventually obtained for a May 1 conversion.

• **Cybersecurity Threats:** This threat relates to the potential of trust IT networks being compromised by hackers, key data being taken, and a ransom requested for their return. Consequences include a loss of business continuity and ability to operate effectively, potential payment of a large ransom, fines from the Data Commissioners office for breaches of personal data, and reputational damage to the trust. To prevent this, the trust has undergone a DEFCON 6 review to identify weaknesses in cybersecurity, with all recommendations acted upon. This has been complemented by significant training on cybersecurity threats amongst senior staff, and training amongst all staff to enable the trust to be compliant with the requirements of RPA insurance cover.

• **Inflationary Costs:** These affect many areas of trust expenditure, reflecting inflationary rises within the broader economy. However, the greatest impact has been within energy costs which have risen well above the inflation average. The impact of this has been considerable, exacerbated by the large usage of energy at the trust. The effects of these price rises are difficult to avoid unless on a long-term fixed tariff and have comprised scanning the market and moving to the most competitive tariff, and exploring energy saving measures.

University Academy Keighley

Trustees' Report for the period from 1 September 2021 to 30 April 2022 (continued)

Strategic Report

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Streamlined Energy and Carbon Reporting

As the academy trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for future periods

Not applicable, as the trust was officially wound up when converting to CAT on 1 May 2022.

University Academy Keighley

Trustees' Report for the period from 1 September 2021 to 30 April 2022 (continued)

Funds held as Custodian Trustee on behalf of others

The trust holds no funds as custodian on behalf of others.

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 10 August 2022 and signed on its behalf by:



P Hunter
Trustee

University Academy Keighley

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that University Academy Keighley 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

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

The Board of Trustees has formally met 1 times during the period. The agenda includes the presentation of annual accounts as well as discussions of standards across key areas. There was full oversight of the school/trust as the Executive Principal is also CEO at CAT. As such UAK was included in all CAT quality assurance procedures throughout the year as if they had converted on September 1. This included trust-wide quality assurance reviews, and inclusion in all CAT trustees' meetings (Standards; Risk and Audit, Full Trustees).

The knowledge of trustees is developed through being directed to relevant DfE documentation such as the Governance Handbook, Academy Trust Handbook and The Essential Trustee, as well as access to resources provided through Gold membership of the National Governor's Association (NGA). Resources currently being utilised by the NGA include the Skills Matrix, which is completed annually to assess the relative strengths of trustees.

Attendance during the period at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------------------|-------------------|-------------------|
| Prof M G Bradshaw, Chair | 1 | 1 |
| N Kazmi | 1 | 1 |
| G Khan, Vice Chair | 0 | 1 |
| G McFarlane | 1 | 1 |
| A Rafiq | 1 | 1 |
| G Logan | 1 | 1 |
| G Hussain | 0 | 1 |
| P Hunter | 1 | 1 |

Governance reviews

A review was not undertaken as it was not deemed practical and useful due to the proximity of conversion to Carlton Academy Trust.

Conflicts of Interest

The trust manages potential conflicts of interest by having trustees, members and senior leaders with significant control all signing annual declarations relating to personal and professional interests and being made aware of the need to declare any relevant changes to these during the year.

University Academy Keighley

Governance Statement (continued)

Meetings

Although the trustees only met once over the accounting period, they did maintain appropriate oversight of the trust finances. This was achieved through finance bulletins being forwarded to trustees monthly, showing the current budget position against set budget, outlining any major variances, and predicted year end position. From this, any financial issues could easily be identified and discussed.

In addition, UAK was considered by CAT as being part of their from September 1, 2021. As such its financial position was considered and discussed in detail through monthly budget/finance reports, and within half-termly Risk and Audit committee and Full Trustee meetings.

Attendance at meetings during the period was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------------|-------------------|-------------------|
| Prof M G Bradshaw, | 0 | 0 |
| G Khan, | 0 | 0 |
| G Logan | 0 | 0 |
| P Hunter | 0 | 0 |

Review of value for money

As accounting officer, the trustee 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 academy 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Effective procurement and tendering processes across a broad range of providers to enable better deals and greater financial efficiencies to be attained.
- Completion of internal audit reviews to identify best practice and where efficiencies may be obtained.
- Benchmarking spending against other schools/trusts, including through the government financial benchmarking website

The continued success of these initiatives and practices can be seen through the large in-year surplus across this accounting period and the extensive cumulative reserves at conversion.

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 ongoing 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 University Academy Keighley for the period ended 30 April 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ended 30 April 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

University Academy Keighley

Governance Statement (continued)

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 General Purposes 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;
- identification and management of risks.

The Board of Trustees has decided to buy in internal audit services over the course of this accounting period through two external specialist providers.

The role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular the checks carried out in the current period included:

Gallaghers Insurance and Risk Management:

This internal audit process evaluated cybersecurity risks faced by the trust and how robust networks are to compromise from outside actors, particularly those who wish to take and hold key data for a ransom payment. Their review found no major flaws in the trusts' current cybersecurity systems but did make a series of recommendations which have already been actioned.

Red Box Services:

This review evaluated cost and quality parameters of the academy's catering provision. The recommendations of this review led to several recommendations in operating practice, as well as the recruitment and employment of a Catering Director to oversee operations.

These options were chosen because both providers possessed the necessary expertise in specialist areas of practice, which was not available within the trust.

When an internal audit process has been completed, the findings are reported to the Risk and Audit Committee, which in turn reported to full trustees.

Prior to this accounting period, the findings of internal audit procedures, systems of control and discharge of the board of trustee's financial responsibilities were reported through half termly risk and audit committee meetings. These were summarised into an annual report, outlining areas reviewed, key findings, recommendations, and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

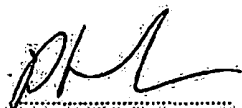
As Accounting Officer, A Kneeshaw has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive leaders 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 August 2022 and signed on its behalf by:

University Academy Keighley
Governance Statement (continued)



P Hunter
Trustee

A Kneeshaw

A Kneeshaw
Trustee

University Academy Keighley

Statement of Regularity, Propriety and Compliance

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

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

A Kneeshaw

.....
A Kneeshaw
Accounting officer

10 August 2022

University Academy Keighley

Statement of Trustees' Responsibilities

The Trustees (who act as governors of University Academy Keighley and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 10 August 2022 and signed on its behalf by:



P Hunter
Trustee

University Academy Keighley

Independent Auditor's Report on the Financial Statements to the Members of University Academy Keighley

Opinion

We have audited the financial statements of University Academy Keighley (the 'Academy') for the period from 1 September 2021 to 30 April 2022, which comprise the Statement of Financial Activities for the year ended 30 April 2022, Balance Sheet for the year ended 30 April 2022, Statement of Cash Flows for the year ended 30 April 2022, and Notes to the Financial Statements for the year ended 30 April 2022, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs as at 30 April 2022 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We draw your attention to Note 1 in the financial statements, which indicates on 30 April 2022 University Academy Keighley ceased to operate as an Independent Academy Trust following the transfer on 1 May 2022 of the Academy Trust's operations, including its assets and liabilities to Carlton Academy Trust, a Multi Academy Trust incorporated under Company Registration Number 11963458.

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

University Academy Keighley

Independent Auditor's Report on the Financial Statements to the Members of University Academy Keighley (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and Directors' Report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 14], the Trustees (who are also directors of the Academy Trust for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance held;
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability;
- Testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen;
- Identification of key laws and regulations central to the academy's operations and review of compliance with such laws including a review of the Academy Trust Handbook 2021 and correspondence with solicitors to identify any on-going litigation;
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

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

University Academy Keighley

Independent Auditor's Report on the Financial Statements to the Members of University Academy Keighley (continued)

Use of our report

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

Forrester Boyd

Carrie Anne Jensen ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

10 August 2022

University Academy Keighley

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

In accordance with the terms of our engagement letter dated 13 June 2022 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 University Academy Keighley during the period 1 September 2021 to 30 April 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 University Academy Keighley and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to University Academy Keighley and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than University Academy Keighley and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of University Academy Keighley's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of University Academy Keighley's funding agreement with the Secretary of State for Education dated 1 September 2010 and the Academies 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 from 1 September 2021 to 30 April 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:

- Evaluating the systems and control environment as well as assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy Trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

University Academy Keighley

Independent Reporting Accountant's Assurance Report on Regularity to University Academy Keighley and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2021 to 30 April 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1: The ESFA was not notified within 14 days of changes to the Chief Finance Officer and Accounting Officer.

Matter 2: There are several control weaknesses that were identified in previous audits and have not been rectified. These include:

- Monthly management accounts have not been shared with the Chair of Trustees monthly.
- There is a lack of segregation of duties over the month end checklist and bank reconciliations.
- The BACS reports are not signed by the Head Teacher and Finance Director.
- Orders were not always in place where necessary, although there was no evidence of irregular expenditure identified.
- Invoices were not always authorised in line with the delegation limits.
- Monthly gross pay reports are not signed off by the Head Teacher.

Forrester Boyd

Carrie Anne Jensen ACA

For and on behalf of Forrester Boyd, Chartered Accountants

Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

10 August 2022

University Academy Keighley

**Statement of Financial Activities for the Period from 1 September 2021 to 30 April 2022
(including Income and Expenditure Account)**

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2021/22 Total £ | 2020/21 Total £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|-----------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | - | - | 9,788 | 9,788 | 31,161 |
| Other trading activities | 5 | 274,934 | - | - | 274,934 | 290,389 |
| Investments | 6 | 533 | - | - | 533 | 993 |
| <i>Charitable activities:</i> | | | | | | |
| Funding for the Academy trust's educational operations | 4 | - | 4,513,250 | - | 4,513,250 | 6,260,269 |
| Total | | 275,467 | 4,513,250 | 9,788 | 4,798,505 | 6,582,812 |
| Expenditure on: | | | | | | |
| <i>Charitable activities:</i> | | | | | | |
| Academy trust educational operations | 8 | 90,040 | 4,250,127 | 52,064 | 4,392,231 | 5,833,705 |
| Net income/(expenditure) | | 185,427 | 263,123 | (42,276) | 406,274 | 749,107 |
| Transfers between funds | | - | (96,458) | 96,458 | - | - |
| Other recognised gains and losses | | | | | | |
| Actuarial gains on defined benefit pension schemes | 24 | - | 2,070,000 | - | 2,070,000 | 337,000 |
| Net movement in funds | | 185,427 | 2,236,665 | 54,182 | 2,476,274 | 1,086,107 |
| Reconciliation of funds | | | | | | |
| Total funds/(deficit) brought forward at 1 September 2021 | | 1,853,073 | (1,437,541) | 242,932 | 658,464 | (427,643) |
| Total funds carried forward at 30 April 2022 | | 2,038,500 | 799,124 | 297,114 | 3,134,738 | 658,464 |

Comparative figures are stated on page 21.

University Academy Keighley

**Statement of Financial Activities for the Year Ended 31 August 2021
(including Income and Expenditure Account)**

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2020/21 Total £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | - | - | 31,161 | 31,161 |
| Other trading activities | 5 | 290,389 | - | - | 290,389 |
| Investments | 6 | 993 | - | - | 993 |
| Charitable activities: | | | | | |
| Funding for the Academy trust's educational operations | 4 | 1,640 | 6,258,629 | - | 6,260,269 |
| Total | | 293,022 | 6,258,629 | 31,161 | 6,582,812 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| Academy trust educational operations | 8 | 85,760 | 5,655,947 | 91,998 | 5,833,705 |
| Net income/(expenditure) | | 207,262 | 602,682 | (60,837) | 749,107 |
| Transfers between funds | | - | (53,636) | 53,636 | - |
| Other recognised gains and losses | | | | | |
| Actuarial gains on defined benefit pension schemes | 24 | - | 337,000 | - | 337,000 |
| Net movement in funds/(deficit) | | 207,262 | 886,046 | (7,201) | 1,086,107 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2020 | | 1,645,811 | (2,323,587) | 250,133 | (427,643) |
| Total funds/(deficit) carried forward at 31 August 2021 | | 1,853,073 | (1,437,541) | 242,932 | 658,464 |

University Academy Keighley
(Registration number: 07134810)
Balance Sheet as at 30 April 2022

| | Note | 30 April 2022 £ | 31 August 2021 £ |
|--|------|--------------------|------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 297,114 | 242,931 |
| Current assets | | | |
| Stocks | 13 | 2,605 | 2,635 |
| Debtors | 14 | 464,085 | 400,579 |
| Cash at bank and in hand | | <u>4,122,322</u> | <u>3,458,515</u> |
| | | <u>4,589,012</u> | <u>3,861,729</u> |
| Creditors: Amounts falling due within one year | 15 | <u>(565,388)</u> | <u>(442,196)</u> |
| Net current assets | | <u>4,023,624</u> | <u>3,419,533</u> |
| Total assets less current liabilities | | <u>4,320,738</u> | <u>3,662,464</u> |
| Net assets excluding pension liability | | 4,320,738 | 3,662,464 |
| Pension scheme liability | 24 | <u>(1,186,000)</u> | <u>(3,004,000)</u> |
| Net assets including pension liability | | <u>3,134,738</u> | <u>658,464</u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted general fund | | 1,985,124 | 1,566,460 |
| Restricted fixed asset fund | | 297,114 | 242,931 |
| Restricted pension fund | | <u>(1,186,000)</u> | <u>(3,004,000)</u> |
| | | <u>1,096,238</u> | <u>(1,194,609)</u> |
| Unrestricted funds | | | |
| Unrestricted general fund | | <u>2,038,500</u> | <u>1,853,073</u> |
| Total funds | | <u>3,134,738</u> | <u>658,464</u> |

The financial statements on pages 20 to 43 were approved by the Trustees, and authorised for issue on 10 August 2022 and signed on their behalf by:



P Hunter
Trustee

University Academy Keighley

Statement of Cash Flows for the period from 01 September 2021 to 30 April 2022

| | Note | 30 April 2022 £ | 31 August 2021 £ |
|---|------|--------------------|------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 19 | 759,733 | 688,070 |
| Cash flows from investing activities | 20 | <u>(95,926)</u> | <u>(35,488)</u> |
| Change in cash and cash equivalents in the period | | 663,807 | 652,582 |
| Cash and cash equivalents at 1 September | | <u>3,458,515</u> | <u>2,805,933</u> |
| Cash and cash equivalents at 30 April | 21 | <u>4,122,322</u> | <u>3,458,515</u> |

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022

1 Accounting policies

The academy trust is a public benefit entity set up as a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:
The offices of the Vice Chancellor
The University of Bradford
Richmond Road
Bradford
West Yorkshire
BD7 1DP

These financial statements were authorised for issue by the Board on 10 August 2022.

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

Basis of preparation

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

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

University Academy Keighley meets the definition of a public benefit entity under FRS 102.

The financial statements cover the individual entity, University Academy Keighley.

Going concern

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

The academy joined a MAT on 1 April 2022 who will financially support the academy.

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.

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

1 Accounting policies (continued)

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. 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 fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

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.

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

1 Accounting policies (continued)

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.

Tangible fixed assets

Assets costing more than £1,000 or where collective value exceeds £5,000 (i.e. bulk purchases of computers, projectors etc.) 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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

| Asset class | Depreciation method and rate |
|------------------------------|---|
| Leasehold land and buildings | 20% straight line |
| Furniture and equipment | 20% straight line |
| Motor vehicles | 20% straight line |
| Computer equipment | 20% straight line, 10% straight line, 33% straight line |

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.

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

1 Accounting policies (continued)

Private Finance Initiative commitments

The University Academy Keighley building was built under a private finance initiative ("PFI") agreement by City of Bradford Metropolitan District Council.

When the school converted to an academy the agreement was legally amended to take account of the change in circumstances. For the length of the agreement City of Bradford Metropolitan District Council undertake to fund the payments under the PFI agreement. The proportion of the cost that relates to the operation and maintenance of the building is charged to University Academy Keighley by City of Bradford Metropolitan District Council on a monthly basis, and is re-calculated annually. The proportion of the cost that relates to the capital and finance costs payments under the agreement is charged to University Academy Keighley by City of Bradford Metropolitan District Council, however University Academy Keighley receive equivalent funding each year from the Education and Skills Funding Agency (ESFA) to cover the capital and finance costs payments in their entirety.

The income received from the ESFA for the PFI contribution is included in the Statement of Financial Activities under 'Funding for the academy trust's education operations'. The expenditure incurred is included in the Statement of Financial Activities under 'Academy trust educational operations'.

The private finance liability remains with City of Bradford Metropolitan District Council and, therefore, the governors have decided to treat the payments to City of Bradford Metropolitan District Council as if they were made under an operating lease agreement.

Leased assets

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

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

1 Accounting policies (continued)

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust makes 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 30 April 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.

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 30 April 2022 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has exceeded these limits during the year ended 30 April 2022.

3 Donations and capital grants

| | Restricted fixed asset funds £ | 2021/22 Total £ | 2020/21 Total £ |
|----------------------|---|-----------------------|-----------------------|
| Capital grants | 9,788 | 9,788 | 14,007 |
| Donated fixed assets | - | - | 17,154 |
| | <u>9,788</u> | <u>9,788</u> | <u>31,161</u> |

4 Funding for the Academy Trust's educational operations

| | Restricted funds £ | 2021/22 Total £ | 2020/21 Total £ |
|---|--------------------------|-----------------------|-----------------------|
| DfE/ESFA revenue grants | | | |
| General Annual Grant (GAG) | 4,135,878 | 4,135,878 | 5,587,100 |
| Other DfE/ESFA grants | 52,773 | 52,773 | 71,440 |
| Pupil Premium | 162,989 | 162,989 | 234,280 |
| Teacher Pay and Pension Grants | - | - | 161,794 |
| | <u>4,351,640</u> | <u>4,351,640</u> | <u>6,054,614</u> |
| Other government grants | | | |
| Local Authority Funding | 124,858 | 124,858 | 153,215 |
| Exceptional government funding | | | |
| Coronavirus Job Retention Scheme grant | - | - | 1,640 |
| Covid-19 additional funding (DfE/ESFA) | | | |
| Covid 19 Catch up Premium | <u>36,752</u> | <u>36,752</u> | <u>50,800</u> |
| Total grants | <u>4,513,250</u> | <u>4,513,250</u> | <u>6,260,269</u> |

The academy received £36,752 (2020: £50,800) of funding for Covid 19 catch up premium and costs incurred in respect of this funding totalled £50,333 (2020: £35,112).

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

5 Other trading activities

| | Unrestricted funds £ | 2021/22 Total £ | 2020/21 Total £ |
|---|----------------------------|-----------------------|-----------------------|
| Hire of facilities | 167,858 | 167,858 | 142,841 |
| Catering income | 77,157 | 77,157 | 113,720 |
| Income from other charitable activities | 29,919 | 29,919 | 33,828 |
| | <u>274,934</u> | <u>274,934</u> | <u>290,389</u> |

6 Investment income

| | Unrestricted funds £ | 2021/22 Total £ | 2020/21 Total £ |
|---------------------|----------------------------|-----------------------|-----------------------|
| Short term deposits | <u>533</u> | <u>533</u> | <u>993</u> |

7 Expenditure

| | Non Pay Expenditure | | | 2021/22 Total £ | 2020/21 Total £ |
|----------------------------------|---------------------|----------------|------------------|-----------------------|-----------------------|
| | Staff costs £ | Premises £ | Other costs £ | | |
| Academy's educational operations | | | | | |
| Direct costs | 2,419,613 | | 188,275 | 2,607,888 | 3,264,112 |
| Allocated support costs | <u>535,196</u> | <u>969,656</u> | <u>279,491</u> | <u>1,784,343</u> | <u>2,569,593</u> |
| | <u>2,954,809</u> | <u>969,656</u> | <u>467,766</u> | <u>4,392,231</u> | <u>5,833,705</u> |

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

7 Expenditure (continued)

Net income/(expenditure) for the period includes:

| | 2021/22 £ | 2020/21 £ |
|---------------------------------|--------------|--------------|
| Operating lease rentals | 40,375 | 11,746 |
| Depreciation | 52,064 | 74,844 |
| Fees payable to auditor - audit | 10,243 | 9,750 |
| - other audit services | 1,250 | 1,250 |

8 Charitable activities

| | 2021/22 £ | 2020/21 £ |
|--|------------------|------------------|
| Direct costs - educational operations | 2,607,888 | 3,264,112 |
| Support costs - educational operations | 1,784,343 | 2,569,593 |
| | <u>4,392,231</u> | <u>5,833,705</u> |

| | Educational operations £ | 2021/22 Total £ | 2020/21 Total £ |
|---------------------------|--------------------------------|-----------------------|-----------------------|
| Analysis of support costs | | | |
| Support staff costs | 535,196 | 535,196 | 723,788 |
| Depreciation | 52,064 | 52,064 | 74,844 |
| Technology costs | 86,810 | 86,810 | 127,035 |
| Premises costs | 917,592 | 917,592 | 1,370,442 |
| Other support costs | 180,898 | 180,898 | 252,734 |
| Governance costs | 11,783 | 11,783 | 20,750 |
| Total support costs | <u>1,784,343</u> | <u>1,784,343</u> | <u>2,569,593</u> |

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

9 Staff

Staff costs

| | 2021/22 £ | 2020/21 £ |
|--|-------------------|---------------------------------|
| Staff costs during the period were: | | |
| Wages and salaries | 2,132,189 | 2,815,476 |
| Social security costs | 170,716 | 220,720 |
| Operating costs of defined benefit pension schemes | 551,556 | 728,531 |
| | <u>2,854,461</u> | <u>3,764,727</u> |
| Supply staff costs | 100,348 | 59,358 |
| Staff restructuring costs | - | 24,236 |
| | <u>2,954,809</u> | <u>3,848,321</u> |
| | 2022 £ | 31 August 2021 £ |
| Staff restructuring costs comprise: | | |
| Redundancy payments | - | 4,093 |
| Severance payments | - | 20,143 |
| | - | <u>24,236</u> |

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2021: £Nil).

Staff numbers

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

| | 2021/22 No | 2020/21 No |
|----------------------------|---------------|---------------|
| Teachers | 47 | 40 |
| Administration and support | 46 | 53 |
| Management | 3 | 1 |
| | <u>96</u> | <u>94</u> |

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

| | 30 April 2022 No | 31 August 2021 No |
|--------------------|---------------------|-------------------------|
| £60,001 - £70,000 | - | 1 |
| £90,001 - £100,000 | <u>1</u> | <u>1</u> |

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

9 Staff (continued)

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 benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £189,150 (2021: £166,180).

10 Related party transactions - trustees' remuneration and expenses

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

A Rafiq (Staff Trustee):

Remuneration: £5,000 - £10,000 (2021 - £25,000 - £30,000)

Employer's pension contributions: £0 - £5,000 (2021 - £0 - £5,000)

During the period ended 30 April 2022, travel and subsistence expenses totalling £Nil (2021 - £Nil) were reimbursed or paid directly to trustees (2021 - 0).

Other related party transactions involving the trustees are set out in note 25.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligence acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £137 (2021: £137).

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

12 Tangible fixed assets

| | Leasehold land and buildings £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|-------------------------|---|---------------------------------|----------------------------|------------------------|------------------|
| Cost | | | | | |
| At 1 September 2021 | 15,691 | 290,961 | 893,864 | 11,400 | 1,211,916 |
| Additions | - | 46,263 | 2,294 | 57,780 | 106,337 |
| Disposals | - | - | (111,570) | (11,400) | (122,970) |
| At 30 April 2022 | <u>15,691</u> | <u>337,224</u> | <u>784,588</u> | <u>57,780</u> | <u>1,195,283</u> |
| Depreciation | | | | | |
| At 1 September 2021 | 15,691 | 265,564 | 676,330 | 11,400 | 968,985 |
| Charge for the year | - | 10,714 | 34,127 | 7,223 | 52,064 |
| Eliminated on disposals | - | - | (111,480) | (11,400) | (122,880) |
| At 30 April 2022 | <u>15,691</u> | <u>276,278</u> | <u>598,977</u> | <u>7,223</u> | <u>898,169</u> |
| Net book value | | | | | |
| At 30 April 2022 | <u>-</u> | <u>60,946</u> | <u>185,611</u> | <u>50,557</u> | <u>297,114</u> |
| At 31 August 2021 | <u>-</u> | <u>25,397</u> | <u>217,534</u> | <u>-</u> | <u>242,931</u> |

13 Stock

| | 30 April 2022 £ | 31 August 2021 £ |
|-------|--------------------|------------------------|
| Stock | <u>2,605</u> | <u>2,635</u> |

14 Debtors

| | 30 April 2022 £ | 31 August 2021 £ |
|--------------------------------|--------------------|------------------------|
| Trade debtors | 13,197 | 128,415 |
| VAT recoverable | 228,718 | 115,677 |
| Other debtors | 3,461 | 633 |
| Prepayments and accrued income | <u>218,709</u> | <u>155,854</u> |
| | <u>464,085</u> | <u>400,579</u> |

University Academy Keighley

**Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022
(continued)**

15 Creditors: amounts falling due within one year

| | 30 April 2022 | 31 August 2021 |
|------------------------------------|----------------------|-----------------------|
| | £ | £ |
| Trade creditors | 229,953 | 224,040 |
| Other taxation and social security | 61,730 | 55,704 |
| Other creditors | 2,400 | 2,400 |
| Accruals | 151,305 | 160,052 |
| Deferred income | <u>120,000</u> | <u>-</u> |
| | <u>565,388</u> | <u>442,196</u> |
| | | 30 April 2022 |
| | | £ |
| Deferred income | | |
| Resources deferred in the period | | <u>120,000</u> |

At the balance sheet date the academy was holding fund from Beccoliffe school totalling £120,000 (2021: £Nil), relating to income from building lettings.

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

16 Funds

| | Balance at 1 September 2021 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 30 April 2022 £ |
|-------------------------------------|--|----------------------------|----------------------------|-------------------------------------|----------------------------------|
| Restricted general funds | | | | | |
| General annual Grant | 1,550,772 | 4,135,878 | (3,607,174) | (96,459) | 1,983,017 |
| Other IDN/RSFA grants | - | 52,773 | (52,773) | - | - |
| Local Authority Funding | - | 124,858 | (124,858) | - | - |
| Pupil Premium | - | 162,989 | (162,989) | - | - |
| Covid 19 Catch up Premium | 15,688 | 36,752 | (50,333) | - | 2,107 |
| | <u>1,566,460</u> | <u>4,513,250</u> | <u>(3,998,127)</u> | <u>(96,459)</u> | <u>1,985,124</u> |
| Restricted fixed asset funds | | | | | |
| Restricted FA Fund | 242,931 | 9,788 | (52,064) | 96,459 | 297,114 |
| Restricted pension funds | | | | | |
| Pension reserve | <u>(3,004,000)</u> | <u>-</u> | <u>(252,000)</u> | <u>2,070,000</u> | <u>(1,186,000)</u> |
| Total restricted funds | <u>(1,194,609)</u> | <u>4,523,038</u> | <u>(4,302,191)</u> | <u>2,070,000</u> | <u>1,096,238</u> |
| Unrestricted funds | | | | | |
| Unrestricted general funds | <u>1,853,073</u> | <u>275,467</u> | <u>(90,040)</u> | <u>-</u> | <u>2,038,500</u> |
| Total funds | <u><u>658,464</u></u> | <u><u>4,798,505</u></u> | <u><u>(4,392,231)</u></u> | <u><u>2,070,000</u></u> | <u><u>3,134,738</u></u> |

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

16 Funds (continued)

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

| | Balance at 1 September 2020 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2021 £ |
|-------------------------------------|--|----------------------------|----------------------------|-------------------------------------|-----------------------------------|
| Restricted general funds | | | | | |
| General annual Grant | 688,413 | 5,587,100 | (4,671,106) | (53,635) | 1,550,772 |
| Other DfE/ESFA grants | - | 233,234 | (233,234) | - | - |
| Local Authority Funding | - | 153,215 | (153,215) | - | - |
| Pupil Premium | - | 234,280 | (234,280) | - | - |
| Covid 19 Catch up Premium | - | 50,800 | (35,112) | - | 15,688 |
| | <u>688,413</u> | <u>6,258,629</u> | <u>(5,326,947)</u> | <u>(53,635)</u> | <u>1,566,460</u> |
| Restricted fixed asset funds | | | | | |
| Restricted FA Fund | 250,133 | 31,161 | (91,998) | 53,635 | 242,931 |
| Restricted pension funds | | | | | |
| Pension reserve | <u>(3,012,000)</u> | <u>-</u> | <u>(329,000)</u> | <u>337,000</u> | <u>(3,004,000)</u> |
| Total restricted funds | <u>(2,073,454)</u> | <u>6,289,790</u> | <u>(5,747,945)</u> | <u>337,000</u> | <u>(1,194,609)</u> |
| Unrestricted funds | | | | | |
| Unrestricted general funds | <u>1,645,811</u> | <u>293,022</u> | <u>(85,760)</u> | <u>-</u> | <u>1,853,073</u> |
| Total funds | <u>(427,643)</u> | <u>6,582,812</u> | <u>(5,833,705)</u> | <u>337,000</u> | <u>658,464</u> |

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

Restricted general funds have been spent with the terms of the Master Funding Agreement.

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of University Academy Keighley.

The restricted pension fund is in deficit to the value of £1,186,000 as at 30 April 2022 however, this deficit had been inherited upon conversion to Academy status and is underwritten by the DfE.

17 Analysis of net assets between funds

Fund balances at 30 April 2022 are represented by:

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|----------------------------|----------------------------------|---|------------------|
| Tangible fixed assets | - | - | 297,114 | 297,114 |
| Current assets | 2,038,500 | 2,550,512 | - | 4,589,012 |
| Current liabilities | - | (565,388) | - | (565,388) |
| Pension scheme liability | - | (1,186,000) | - | (1,186,000) |
| Total net assets | <u>2,038,500</u> | <u>799,124</u> | <u>297,114</u> | <u>3,134,738</u> |

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

17 Analysis of net assets between funds (continued)

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

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|----------------------------|----------------------------------|---|------------------|
| Tangible fixed assets | - | - | 242,931 | 242,931 |
| Current assets | 1,853,073 | 2,008,656 | - | 3,861,729 |
| Current liabilities | - | (442,196) | - | (442,196) |
| Pension scheme liability | - | (3,004,000) | - | (3,004,000) |
| Total net assets | <u>1,853,073</u> | <u>(1,437,540)</u> | <u>242,931</u> | <u>658,464</u> |

18 Long-term commitments, including operating leases

Operating leases

At 30 April 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 30 April 2022 £ | 31 August 2021 £ |
|--|--------------------|------------------------|
| Amounts due within one year | 39,492 | 40,375 |
| Amounts due between one and five years | <u>78,984</u> | <u>118,476</u> |
| | <u>118,476</u> | <u>158,851</u> |

Private Finance Initiative commitments

At 30 April 2022 the academy trust was committed to making annual payments under PFI arrangements as follows:

| | 30 April 2022 £ | 31 August 2021 £ |
|--|--------------------|------------------------|
| Amounts due within one year | 883,316 | 853,445 |
| Amounts due between one and five years | 3,853,434 | 3,723,125 |
| Amounts due after five years | <u>9,496,141</u> | <u>10,509,766</u> |
| | <u>14,232,891</u> | <u>15,086,336</u> |

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

| | 2021/22 | 2020/21 |
|---|----------------|----------------|
| | £ | £ |
| Net income | 406,274 | 749,107 |
| Depreciation | 52,064 | 74,844 |
| Capital grants from DfE and other capital income | (9,788) | (31,161) |
| Interest receivable | (533) | (993) |
| Defined benefit pension scheme obligation inherited | 219,000 | 278,000 |
| Defined benefit pension scheme finance cost | 33,000 | 51,000 |
| Decrease in stocks | 30 | 1,466 |
| Increase in debtors | (63,506) | (176,746) |
| Increase/(decrease) in creditors | 123,192 | (257,447) |
| Net cash provided by Operating Activities | <u>759,733</u> | <u>688,070</u> |

20 Cash flows from investing activities

| | 2021/22 | 2020/21 |
|---|-----------------|-----------------|
| | £ | £ |
| Dividends, interest and rents from investments | 533 | 993 |
| Purchase of tangible fixed assets | (106,337) | (67,642) |
| Proceeds from sale of tangible fixed assets | 90 | - |
| Capital funding received from sponsors and others | 9,788 | 31,161 |
| Net cash used in investing activities | <u>(95,926)</u> | <u>(35,488)</u> |

21 Analysis of cash and cash equivalents

| | 30 April 2022 | 31 August 2021 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Cash in hand and at bank | <u>4,122,322</u> | <u>3,458,515</u> |
| Total cash and cash equivalents | <u>4,122,322</u> | <u>3,458,515</u> |

22 Analysis of changes in net debt

| | At 1 September 2021 | Cash flows | At 30 April 2022 |
|-------|---------------------|----------------|------------------|
| | £ | £ | £ |
| Cash | <u>3,458,515</u> | <u>663,807</u> | <u>4,122,322</u> |
| Total | <u>3,016,319</u> | <u>663,807</u> | <u>3,680,126</u> |

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

23 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 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 cease to be a member.

24 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 West Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £236,278 (2021: £326,088).

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.

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

24 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 30 April 2022 was £132,000 (2021 - £188,000); of which employer's contributions totalled £94,000 (2021 - £135,000) and employees' contributions totalled £38,000 (2021 - £53,000). The agreed contribution rates for future years are 15.8 per cent for employers and 5.5 to 9.9 per cent for employees.

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

Principal actuarial assumptions

| | 30 April 2022 | 31 August 2021 |
|--|---------------|----------------|
| | % | % |
| Rate of increase in salaries | 4.10 | 3.90 |
| Rate of increase for pensions in payment/inflation | 2.80 | 2.60 |
| Discount rate for scheme liabilities | 3.00 | 1.70 |
| Inflation assumptions (CPI) | 2.80 | 2.60 |
| RPI increases | 2.80 | 2.60 |

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

| | 30 April 2022 | 31 August 2021 |
|------------------------------|---------------|----------------|
| Retiring today | | |
| Males retiring today | 21.80 | 21.90 |
| Females retiring today | 24.60 | 24.70 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 22.50 | 22.60 |
| Females retiring in 20 years | 25.70 | 25.80 |

Sensitivity analysis

| | 30 April 2022 | 31 August 2021 |
|--|---------------|----------------|
| | £ | £ |
| 0.1% decrease in real discount rate | 164,000.00 | 203,000.00 |
| Mortality assumption – 1 year increase | 205,000.00 | 308,000.00 |
| 0.1% increase in salary increase rate | 19,000.00 | 24,000.00 |

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

24 Pension and similar obligations (continued)

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

| | 30 April 2022 | 31 August 2021 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Equities | 4,160,000 | 4,099,000 |
| Corporate bonds | 220,000 | 225,000 |
| Government bonds | 371,000 | 409,000 |
| Property | 199,000 | 194,000 |
| Cash and other liquid assets | 193,000 | 112,000 |
| Other | 84,000 | 72,000 |
| Total market value of assets | <u>5,227,000</u> | <u>5,111,000</u> |

The actual return on scheme assets was £36,000 (2021 - £985,000).

Amounts recognised in the statement of financial activities

| | 2021/22 | 2020/21 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Current service cost | 313,000 | 413,000 |
| Interest income | (58,000) | (69,000) |
| Interest cost | 91,000 | 120,000 |
| Total amount recognized in the SOFA | <u>346,000</u> | <u>464,000</u> |

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

| | 2021/22 | 2020/21 |
|------------------------|------------------|------------------|
| | £ | £ |
| At start of period | 8,115,000 | 7,056,000 |
| Current service cost | 313,000 | 413,000 |
| Interest cost | 91,000 | 120,000 |
| Employee contributions | 38,000 | 53,000 |
| Actuarial (gain)/loss | (2,092,000) | 579,000 |
| Benefits paid | <u>(52,000)</u> | <u>(106,000)</u> |
| At 30 April | <u>6,413,000</u> | <u>8,115,000</u> |

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

| | 2021/22 | 2020/21 |
|------------------------|------------------|------------------|
| | £ | £ |
| At start of period | 5,111,000 | 4,044,000 |
| Interest income | 58,000 | 69,000 |
| Actuarial gain/(loss) | (22,000) | 916,000 |
| Employer contributions | 94,000 | 135,000 |
| Employee contributions | 38,000 | 53,000 |
| Benefits paid | <u>(52,000)</u> | <u>(106,000)</u> |
| At 30 April | <u>5,227,000</u> | <u>5,111,000</u> |

University Academy Keighley

Notes to the Financial Statements for the Period from 1 September 2021 to 30 April 2022 (continued)

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

Expenditure related party transactions

During the period the academy made the following related party transactions:

Carlton Bolling

(The trust has a Service Level Agreement with Carlton Bolling)

During the year, the charges to cover the Service Level Agreement were £282,972 (2021: £262,066). Further to this, the academy has seconded staff in the year, incurring costs of £73,305 (2021: £213,498). There were also other costs recharged in the year of £Nil (2021: £4,689).

At the balance sheet date the amount due to Carlton Bolling was £20,050 (2021 - £71,714).

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.