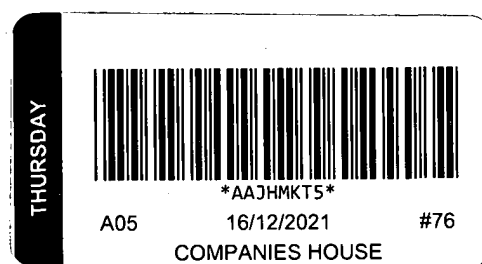


The Queen Katherine School Multi Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements Year Ended 31 August 2021



Company Registration Number: 07472799
(England & Wales)

The Queen Katherine School Multi Academy Trust

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Reference and Administrative Details

		Appointed	Resigned
Members			
	Richard Moore		
	Heather Dixon		02/06/2021
	Elizabeth Moffatt		
	Peter Townley	27/06/2021	
Trustees who are Directors			
	Beth Curl		
	Anna Gregg		17/11/2020
	Joanne Heather		
	Eddie Richards		
	Philip Clayton		
	Paul Edmondson		
	Joyce Hawthorn	23/10/2020	04/11/2021
	Lisa Marie Bibby	09/11/2020	
	Lynne Horne	01/11/2021	
Company Secretary	Michael James Walby		
MAT Senior Management Team:			
Chief Executive Officer (& Accounting Officer)	Paul Slater		
Chief Financial Officer	Joanne Hamer		31/08/2021
Chief Financial Officer	Billy Coxon	01/09/2021	
MAT Officer Lead	Tracy Houlden		
The Queen Katherine School			
Headteacher	Jon Hayes		
Walney School			
Headteacher	John Richardson		
George Hastwell			
Headteacher	Rachel Slattery	01/09/2021	
Associate Headteacher	Jon Hayes	01/09/2020	31/08/2021
Executive Headteacher	Paul Slater	01/09/2020	31/08/2021

The Queen Katherine School Multi Academy Trust

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Reference and Administrative Details (continued)

Principal and Registered Office	The Queen Katherine School Appleby Road Kendal LA9 6PJ
Academy Addresses	<div>The Queen Katherine School Appleby Road Kendal LA9 6PJ</div> <div>Walney School Sandy Gap Lane Barrow in Furness Cumbria LA14 3JL</div> <div>George Hastwell Moor Tarn Lane Barrow in Furness Cumbria LA14 3LW</div>
Company Registration Number	07472799 (England & Wales)
Independent Auditor	Saint & Co. Chartered Accountants The Old Police Station Church Street Ambleside Cumbria LA22 0BT
Bankers	<div>Yorkshire Bank Plc 7 Stricklandgate Kendal Cumbria LA9 4NB</div> <div>Lloyds Bank Plc 11 Finkle Street Kendal Cumbria LA9 4AG</div>
Solicitors	Burnetts 6 Victoria Place Carlisle CA1 1ES,

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a multi academy trust (MAT) for pupils aged 2 to 19 serving a catchment area in Cumbria. The MAT comprises of the following schools:

The Queen Katherine School which has a pupil capacity of 1440 and had a roll of 952 in the school census on 01 October 2021.

Walney School which has a pupil capacity of 900 and had a roll of 501 in the school census on 01 October 2021.

George Hastwell School which has a pupil capacity of 90 and had a roll of 77 in the school census on 01 October 2021.

Structure, Governance and Management

Constitution

The multi academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Queen Katherine Multi School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Queen Katherine School Multi Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustee's Indemnities

Each academy in the trust has purchased indemnity insurance to protect trustees and officers from claims arising in connection with Academy business.

Method of Recruitment and Appointment or Election of Trustees

The trustees are appointed under the terms of the academy's articles of association as follows:

- The members may appoint up to 30 trustees
- A minimum of two Local Parent trustees
- Up to 1 Local Authority trustee
- Number of staff trustees does not exceed one third of the total number of trustees
- Any Trustees elected by the Secretary of State for Education
- Number of co-opted trustees does not exceed one third of the total number of trustees

The term of office for all trustees and the chairs of each academy's LGB, is four years. The trustees who were in office and who served throughout the period, are listed on the reference and administrative details.

Policies and Procedures Adopted for the Induction and Training of Trustees.

The training and induction provided for new trustees will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the charitable company. As there is normally expected to be only a small number of new trustees each year, inductions tend to be done informally and are tailored specifically to the individual.

Trustees' Report (continued)

Organisational Structure

The structure consists of the following levels: the members, the directors (trustees), the MAT officers and Academy Local Governing Bodies. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels whilst maintaining accountability.

The trustees control the academies at an executive level, whilst the Senior Leadership Teams in each academy (Headteachers and Deputies) implement the policies laid down by the trustees and report back to them. The Senior Leaders are responsible, in line with the Trust Schemes of Delegation, for the authorisation of spending within agreed budgets and the appointment of the majority of staff.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The MAT Board holds responsibility for setting the pay and remuneration of the academy's key management personnel in accordance with the Pay Policy for Teachers, based on the format of the DfE's model policy and NJC terms and conditions for support staff. Pay progression is based on an annual cycle running from 1st September to 31st August and is determined by achievement of pre determined performance objectives. Responsibility for the appraisal process is held by the MAT Board. The MAT Board has delegated responsibility for the appointment and performance management of the academy heads to the CEO.

Connected Organisations, including Related Party Relationships

The multi academy trust is made up of the following schools

- The Queen Katherine School
- Walney School (Joined MAT on 01/09/2014)
- George Hastwell School (Joined MAT on 01/09/2015)

Furness Educational Consortium

The Furness Education Consortium consists of six secondary schools, one pupil referral unit, two special schools, two sixth form colleges and one college of further education. In addition to the core group members there is also representation from the Primary consortium. These establishments work in partnership to deliver educational provision for the young people of the Furness area.

QKS Meadowview Nursery Limited

QKS Meadowview is a wholly owned subsidiary of the academy. QKS Meadowview Nursery Limited formerly provided a nursery provision from 0 to 5 year olds. There were no transactions during the financial year.

Kendal Collaborative Partnership

The Kendal Collaborative Partnership is made up of all 17 schools in total from Kendal primary schools, Kendal Nursery, Sandgate and two Kendal secondary schools. The joint vision of working together to enhance the educational opportunities and experience of young people by furthering high quality school improvement; raising achievement and access for all; and driving high aspirations through continuous professional development.

Cumbria Association of Secondary Headteachers Ltd (CASH)

The Cumbria Association of Secondary Headteachers meets termly to discuss local and national issues, allowing Headteachers to work together on a range of projects and support mechanisms. The organisation has an Executive Officer and annual fees paid into CASH support administrative work, training events and projects.

Trustees' Report (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	5.27

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	6
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£1,765
Total pay bill	£9,576,587
% of total pay bill spent on facility time	0.018%

Paid trade union activities

There was no paid union activity during the period

Engagement with employees (including disabled persons)

The trust policy in respect of applications for employment including disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled person are detailed in the following policies:

- Attendance and Wellbeing Policy
- Recruitment and Selection Procedure

These policies are readily available.

Staff Council

Each of the academies hold regular staff council meetings at which staff can bring up any issues arising.

The Academy Consultative Committee (The ACC)

The ACC is not a negotiating body but may be involved in developing policies and agreements prior to formal negotiation where these have a formal impact. If there is a need for consultation relating to business transfer, TUPE or redundancy, the ACC would not take on this role, which would be undertaken through a consultancy mechanism specifically established for that purpose.

The Committee shall consist of the CEO and a representative from each recognised Trade Union Association. There will be one school based representative from each Trade Union and they will have been appointed as representative in the usual way. It is up to each Trade Union to select the attendee for each meeting. They will be members of the ACC for as long as they represent a Trade Union. The MAT Human Resources Manager will attend and where appropriate as deemed by the CEO, a MAT school Headteacher may attend. A regional representative may attend either by invitation or in lieu of a school representative.

The ACC will have powers of decision delegated, which will discuss MAT wide issues on the following:

- Pay and conditions of employment.
- Good practice with regards to matters of employment.
- Effective communication.
- Participation and involvement of staff.
- Effective and prompt resolution of issues and disputes.

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

The principle activity of the academy trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the mainstream academies) offering a broad and balanced curriculum.

An additional objective is to promote for the benefit of individuals living in areas where the academies are situated and the surrounding areas who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The aim of the academy trust is to provide education for pupils of different abilities between the ages of 2 and 19.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Objectives, Strategies and Activities

The main objectives of the academy trust during the year ended 31 August 2021 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

The Queen Katherine School Multi Academy Trust aims to develop individuals to achieve their full potential. As a trust we provide education of the highest quality in well-resourced premises. Relationships are constructive, with individuals being valued, nurtured and supported.

This is achieved through developing:

- a trusting, open, caring, inclusive friendly and structured atmosphere with comfortable relationships, clear expectations and with every individual valued;
- a focus on learning, guidance and monitoring for all students and staff, both inside and outside the classroom;
- showing commitment in our work, desire to learn, hard work, a spirit of enquiry and creativity, initiative.

The curriculum offered is distinctive and personalised to each school.

At key stage 3 we have a major focus on ensuring that all students develop core English, mathematics, science and ICT skills and the personal, learning and thinking skills to equip them with the competence and confidence to pursue both academic and vocational pathways in the future.

We focus on the development of vocational and work related education.

All students, at any age, are able to access the most appropriate provision offered in each of our academies to suit their particular interests and needs.

The academies enable a common approach to be taken to values and principles, standards, utilisation of management expertise, use of resources, and to the creation of a broad and rich opportunity for young people to achieve their maximum potential.

Trustees' Report (continued)

Achievements and Performance (continued)

The academies also provide enriched provision and integrated services for children and young people in the area, including comprehensive extended services, and enable a wide range of services and facilities to be made available to the community which supports and complements the local authority's children's services vision.

The academies follow the QKSMAT Equality Policy in respect of disabled persons regarding consideration to applications for employment, continuing their employment and their training, career development and promotion.

The academies hold weekly staff meetings, yearly performance management and produce termly newsletters to keep all staff aware of factors affecting the MAT.

Public Benefit

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The objective of the academies is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Strategic Report

Achievements and Performance

The Queen Katherine School Multi Academy Trust achievements in the year include:

- the ongoing work undertaken in developing a shared services model to realise economies of scale and reduce costs for the academies
- the ongoing close working relationship between the academies to share knowledge and expertise, to seek out best practice and to realise the vision of the Trust.

The Queen Katherine School achievements and performance

Covid continued to play a large part in 2020/21 with lockdowns and remote learning continuing to be a feature of school life. Our students were well supported via remote learning and on-site provision for the most vulnerable children. Since reopening fully we have continued to deliver our full academic curriculum with wider opportunities re-starting as soon as restrictions allowed. Centre Assessed Grades for Years 11 and 13 were submitted on time following a rigorous moderation process and showed a continued improvement across the school. The school finances remain healthy with strong reserves which are being used to improve the school premises to enrich the student's educational experience. Energy saving measures such as LED lighting across the school have been put in place to support our commitment to reducing our carbon footprint.

Walney School achievements and performance

2020-21 continued to present significant challenges to schools nationally. We remained immensely proud of the response of our school to the challenges of providing effective online learning, support for families during periods of lockdown and the huge adjustments needed to our mechanisms of operation whilst in school. Despite the disruption faced, we continued to deliver our full curriculum to students throughout the academic year.

The year was also one of significant action to address the forecasted budget challenges. Difficult decisions needed to be made and as a result the budget now presents as remaining in a positive reserves position over the next three years. Leadership team responsibilities have been restructured and the school is now operating with a smaller support staff team, all of which whilst challenging has been effectively managed.

The school has a calm, orderly and productive learning environment. External monitoring and visits from our CEO and Chair of Governors confirm this. We still await our next Ofsted inspection and hope that this will be in the course of the 2021-22 next academic year to recognise the ongoing improvement journey of the school.

Trustees' Report (continued)

George Hastwell School achievements and performance

Last year the school managed without a Headteacher in post and covered the duties between the CEO and the Headteacher of The Queen Katherine School. This was highly successful in terms of budget management as it gave the Trust a complete overview of staffing at George Hastwell School and the performance of the staff in regards to the quality of teaching and learning provided. From this, decisions were made to alter the staffing structure which resulted in savings being made throughout the year. Added to this was the income received by the successful challenging of SEND costs for a number of students (approx. 20%) resulting in greater financial support being provided to cover the needs of the students – without increasing staffing as this was already in place and being paid for from the school's overall budget. The continued presence of Covid caused a number of problems for the school including lockdowns, bubble closures, staffing problems and cover being required – but the school still managed to come through the pandemic in a stronger financial position and ready for the start of the newly appointed Headteacher in September 2021. SOLAR has been developed further to support pupil progress and skill development and the curriculum matches the students' needs and links very carefully with their EHCPs. Student numbers continue to grow and we are now looking at utilising rooms at Walney School for our sixth form in order to provide more space for students on the main campus. Plans are also being developed for repairs and general maintenance to further support the students and the staff learning and teaching areas. Further challenges to LA funding are to be made during the next financial year for specific pupils.

Key Financial Performance Indicators

The trust established a financial budget at the start of the year and then monitored performance against budget during the period. Further financial and non-financial indicators will be introduced as the trust develops. It is anticipated that benchmarking will be a key tool in ensuring the academies are delivering value for money.

The Queen Katherine School	2021	2020	2019	2018	2017	2016
Pupil numbers	986	1087	1087	1119	1221	1300
Staff costs as % of total costs	78.68%	83.52%	75.97%	78.77%	75.01%	75.36%
Full time equivalents teachers	55	58	58	61	69	76
Pupil teacher ratio	17.9	18.7	18.7	18.3	17.7	17.1
Walney School	2021	2020	2019	2018	2017	2016
Pupil numbers	501	559	559	587	637	643
Staff costs as % of total costs	73.79%	83.18%	79.57%	79.19%	75.78%	75.67%
Full time equivalents teachers	29	33	33	31	30	31
Pupil teacher ratio	17.3	16.9	16.9	18.9	21.2	20.7
George Hastwell School	2021	2020	2019	2018	2017	2016
Pupil numbers	68	68	68	68	68	67
Staff costs as % of total costs	83.82%	88.79%	85.26%	72.26%	85.76%	71.11%
Full time equivalents teachers	8	10	10	7	8	8
Pupil teacher ratio	8.5	6.8	6.8	9.7	8.5	8.4

Going Concern

After making appropriate enquiries, the MAT board has a reasonable expectation that each academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it adopts the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Trustees' Report (continued)

Financial Review

Overview

The majority of each academy's income is obtained from the Education and Skills Funding Authority (ESFA) in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the related expenditure are shown as restricted funds in the statement of financial activities.

The Covid-19 pandemic has had a significant effect on the Trust's ability to generate additional income streams, particularly from its catering provision and school lettings. However, the outturn for the year is significantly better than budget as losses were mitigated by additional grant funding received as part of the government's support package for educational catch up and employer costs.

The Academy Trust ends the year in a very strong financial position based on an increase in the net current assets to £1,830,467 (2020: £1,814,958). Trustees are mindful of the impact of the increasing pension fund deficit on future employer costs.

During the period ended 31 August 2021, total general expenditure of £13,173,198 was covered by recurrent grant funding from the DfE together with other incoming resources and reserves brought forward. The general income was £578,800 more than expenditure for the year.

At 31 August 2021 the net book value of fixed assets was £12,763,055 and movements in tangible fixed assets are shown in notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of each Academy.

COVID - 19 impact

Despite the upheaval caused by the Covid-19 pandemic, prudent spending and additional grant funding has resulted in a significant increase in the year end surplus and a very healthy reserves level of £1,371,065. Refurbishment work scheduled to take place over the summer break was severely hampered by a shortage of materials, contractor availability and other refurbishment projects. Trustees recognise that this contributed towards an increase in the level of reserves carried forward and have agreed these funds will be drawn down in the next financial year as the outstanding work is completed.

Staff employed in the organisation's catering provision were furloughed, where possible and the Coronavirus Job Retention Scheme helped to mitigate the loss of income during periods of extended lockdown.

Education support grants received from the Education and Skills Funding Agency were used to support student catch up sessions for lost learning, the implementation of additional health and safety measures in the school and the mass testing of students and staff to reduce viral transmission.

Despite the impact of the Covid-19 pandemic on income from catering provision and school lettings, the trust remains a going concern.

Trustees' Report (continued)

Reserves Policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of the reserves. The trustees will keep the level of reserves under review.

The general unrestricted fund balance was £715,675 (2020: £643,812) at the year end. The trustees believe that this level of reserves is required to support the running of the MAT during an anticipated reduction in funding.

The GAG fund balance at the year end was £587,226 (2020: £94,953).

The designated all weather pitch fund balance was £nil (2020: £10,080) at the year end, this fund is for the replacement of the all weather pitch.

The Trust aspires to hold reserves in the region of one month of annual expenditure to ensure it is able to produce a three year balanced budget, support a staffing model commensurate with curriculum requirements and maintain the Trust as a going concern in the event of unforeseen events, such as a pandemic. Trustees acknowledge that although the reserves level of £1,414,729 held at 31st August 2021 exceeds their expectations, this provides the security required to improve the learning environment during the next financial year.

Funds in Deficit

The trustees note that certain restricted funds are in deficit which have been disclosed in the funds note supporting the financial statements.

Pension Reserve Fund - this fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. Each academy has previously entered into an agreement effective from 01 April 2014 to make additional contributions in addition to normal funding levels. It is anticipated that further payments will be made over 13 years from 01 April 2020.

Investment Policy

Reserves are currently held in an instant access account with the academy trust's bankers.

Principal Risks and Uncertainties

The board has considered the risks faced by the trust throughout its normal operational business. It has sought to address the risks faced by the trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The board considers that these arrangements have been effective throughout the period being reported.

The board has created a risk management policy, which formally documents the managerial action that is taking place, and should enable future risk management to be more systematic.

Financial and Risk Management Objectives and Policies

For each academy a budget for the period was agreed prior to the beginning of the accounting period. Management accounts were presented at termly Trust Board meetings for each academy and income and expenditure monitored against budget. A new Risk, Audit and Finance Committee has been established to scrutinise financial performance in the new financial year.

The Trust's financial and risk management objectives are documented in its:

- Official budgets
- Scheme of delegation
- Finance manual
- Risk management policy

Trustees' Report (continued)

Principal Funding Sources

The majority of the academy's income is obtained from the Education and Skills Funding Authority (ESFA) and the Local Authority in the form of grants, the use of which is restricted to particular purposes.

Fundraising

During the period in question the Trust has not engaged professional fundraisers or commercial participators to undertake any fundraising activities on its behalf. The Trust has undertaken minor fundraising activities whereby students sought voluntary donations from parents, carers and the local community.

Plans for Future Periods

The Queen Katherine School became a Multi Academy Trust (MAT) on 18 February 2014, sponsoring its first academy on 1 September 2014 – Walney School. George Hastwell School joined the Trust on 1 September 2015. The MAT is open-minded to encouraging other Academies to join the Trust and is actively working with both single academies and other Local Authority schools to see if there are any functions that could be shared across schools, and whether there is any interest in becoming full members of the Trust.

The Trust has plans to grow in the future and has been approached by a number of schools who would like to become partner schools within a New Trust. At this time this plan is on hold due to Covid restrictions and also due to the fact that our current schools have not been re-visited by Ofsted and therefore are not yet seen as Good.

All three schools in the Trust have had recent OFSTED inspections and all have moved from Special Measures to becoming schools which Require improvement. Within the Trust's own evaluation of the schools, it is recognised that all schools are moving forward with vigour towards becoming Good schools within the next inspection round. This is the main focus for the CEO who has significant experience of moving schools forward through good and clear school improvement planning. Support has also continued from ELT and Tor View academies.

All three schools have benefited year on year from successful Conditional Improvement Fund bids. The Trust will continue to submit bids to improve the quality of the buildings in its care.

The colocation project of Sandgate School, to provide accommodation for Key Stage 3, being reshaped to develop the existing Sandgate Upper School Hub is still under discussion with the Local Authority and the Trust is working hard to enable this to happen.

Increasing student numbers in our two secondary schools is a priority for the two Local Governing Bodies to improve the financial stability of the schools. This is beginning to happen as the community feeling towards the schools grows and more applications are received for Year 7 places. George Hastwell School has a wide variety of student numbers per year group and therefore will always be a concern for roll prediction, however more places are currently being sought at the school by the Local Authority. The school has made working with the LA on funding for new admissions a priority to ensure that the correct funding comes immediately with the student, rather than having to be requested after they start.

Funds Held on Behalf of Others

The multi academy trust acts as an intermediary for the following projects, but has no responsibility for them. These are:

- 16-19 Bursary fund. The academy trust distributes the 16-19 bursary funds to students as an agent for the ESFA.

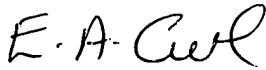
Trustees' Report (continued)

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 09 December 2021 and signed on its behalf by:



Beth Curl
Chair of Trustees

Governance Statement

Scope of Responsibility

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

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 the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Queen Katherine School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **MAT board** of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Beth Curl	4	4
Anna Gregg	1	1
Joanne Heather	4	4
Eddie Richards	4	4
Philip Clayton	3	4
Paul Edmondson	4	4
Joyce Hawthorn	3	3
Lisa Marie Bibby	3	3
Lynne Horne	0	0

The Risk, Audit and Finance Committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the board of trustees by ensuring sound management of the academy's finances and resources, including proper planning, risk management, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Joanne Heather	3	3
Philip Clayton	3	3
Paul Edmondson	3	3
Beth Curl	3	3

Governance Review

Key changes in the composition of the board of trustees

The QKS MAT Board has once again managed to recruit new Trustees to further increase the diversity and range of skills held by the Trust Board as a whole. IN the furtherance of this, they appointed Lisa Bibby who has an Education background and Joyce Hawthorne who has a background in Social Care and Safeguarding. The Board continues to look for further Trustees and is looking to appoint more Trustees in the coming twelve months. A new Member was also appointed, Peter Townley, following the resignation of Heather Dixon.

Governance Statement (continued)

The coverage of the Board's Work

The Board, with the CEO, sets the vision for the Trust and the strategy to achieve that vision. The Board has oversight of the running of the Trust and is closely involved with the monitoring the financial situation and in setting budgets. During the last financial year (2020-21), the CEO and RAF Committee have ensured that all schools are operating within their means and are setting balanced budgets, with increasing reserves within the % set out in the reserves policy. The Trust is now in a healthier and more sustainable financial position. The Risk, Audit and Finance Committee also will include a Finance Governor from each Local Governing Body in attendance at meetings so that they have a very clear overview of their school's finances.

A deputy headteacher at Walney School was made redundant during 2020-21 and a new headteacher for George Hastwell School was successfully appointed for a start date of 1st September 2021. The Board was grateful for the hard work of the headteacher from The Queen Katherine School and the CEO for managing and leading George Hastwell School for the last academic year, realising savings that could be made and for producing healthier reserves for future development of the school.

The Chair and CEO are in regular communication by phone and email and discuss issues as they rise. They have a good working relationship and support and challenge are exchanged in good balance.

The board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the board.

The Board has been small varying between 6 and 7 Trustees. This small number has meant that each Trustee has a strong sense of responsibility and accountability. The CEO in consultation with the Board has streamlined the information coming to the Board and focused on what the Board needs, avoiding duplication between the different levels of governance (Local Governing Bodies and the Trust Board).

The Skills Matrix for both Board Members and Local Governing Bodies has been updated, providing a tool for recognising strengths and development areas for Governors and Trustees. The Chair has introduced a standing review of performance at the end of each Board meeting inviting suggestions of how Governance can be improved and suggestions have been acted on. Training opportunities have been planned for Governance at all levels, and the MAT Board also reviewed its Mission, Vision and Values whilst revising the Scheme of Delegation. This has been shared with all levels of Governance and has now been adopted.

The continuing pandemic has been a huge challenge for all schools and academies and the Board have been very impressed by the way the CEO and Heads have addressed all the issues. Zoom and Teams meetings have become the norm and all Governance is able to work effectively in this way.

Information about the quality of the data used by the board, and why the board finds it acceptable

The CEO has continued to ensure that paperwork is in a consistent format and has introduced a clear data dashboard for Trustees to access and have an overview of all of our schools. He has also visited and met with other CEOs locally and nationally to compare paperwork and procedures which has benefitted the Trust. The Scheme of Delegation has been revised to ensure clarity for all levels of governance, and policies have been reviewed and updated where needed. The Board continues to receive a Business and Management Report, a Finance Report and the CEO Report for each board meeting.

Governance Statement (continued)

Review Of Value For Money

I accept that as Accounting Officer of The Queen Katherine Multi Academy Trust I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Set out below are examples of how the academy trust's use of its resources has provided good value for money during the academic year:-

- To generate income the MAT marketed payroll and HR services, housed a satellite of the Maths Hub, enabled Sandgate School to utilise spare classroom capacity, all bringing in additional revenue.
- Continued investment in staff training and computer software, to streamline training costs and reduce the need for postal and franking services. Teachers and support staff are upskilled and meet the latest curriculum and legislative requirements. Parents have instant communication via text messaging, which has delivered both safeguarding and cost benefits.
- A review of time expired contracts across the MAT - copiers, printers and general services, produced savings.
- Further Initiatives have been developed internally, which has further reduced the dependency on external educational provision providers.

Throughout the pandemic we have worked closely with all suppliers to support them where possible and ensure that the school continues as normally as possible whilst ensuring good value for money for all services and supplies. There have been costs for all schools to combat Covid-19 within schools, and for extra supply cover costs due to staff being notified of being a close contact to the virus. These have all been managed extremely well by the Trust and by the schools to ensure that there has been little impact on the running of the school and the overall budget costs.

COVID - 19 impact

As stated earlier, Governance has remained strong throughout the pandemic as all meetings were successfully transferred to virtual meetings, or were meetings held in large rooms so that the 2 metre distancing and good ventilation would enable face-to-face meetings.

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 multi academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Queen Katherine School Multi Academy Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

Internal Scrutiny

The board of trustees are aware of the revised FRC Ethical Standard for auditors which states that a firm providing external audit to an entity shall not also provide internal audit services to it. They have therefore considered the need for a specific internal audit function and appointed an internal auditor to scrutinise and report on the systems of financial control for the year ended 31 August 2021.

In addition, internal scrutiny of risk management and non-financial controls was delivered via a peer review by the chief financial officer from another academy trust. The Trust appointed Steven Holmes, Chief Financial Officer of the Lunesdale Learning Trust to conduct the review, based on his independence from the Trust and experience.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of bank reconciliations

On a termly basis the auditor reports to the Risk, Audit and Finance Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The board of trustees confirm that the auditor has worked with the Trust to deliver their schedule of work despite the issues arising from the Covid-19 pandemic.

Governance Statement (continued)

Review of Effectiveness

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

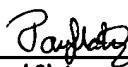
- The work of the peer reviewer;
- The work of the internal auditor
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal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

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

Approved by order of the members of the board of trustees on 09 December 2021 and signed on its behalf by:



Beth Curl
Chair of Trustees



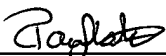
Paul Slater
Accounting Officer

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



Paul Slater
Accounting Officer

10/12/21

Date

Statement of Trustees' Responsibilities

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

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

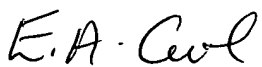
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards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

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

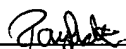
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been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

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

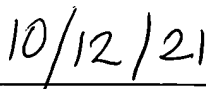
Approved by order of the members of the board of trustees and signed on its behalf by:



Beth Curl
Chair of Trustees



Paul Slater
Accounting Officer



Date

Independent Auditor's Report on the Financial Statements to the Members of The Queen Katherine School Multi Academy Trust

Opinion

We have audited the financial statements of The Queen Katherine School Multi Academy Trust for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Queen Katherine School Multi Academy Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. 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.

Independent Auditor's Report on the Financial Statements to the Members of The Queen Katherine School Multi Academy Trust (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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report on the Financial Statements to the Members of The Queen Katherine School Multi Academy Trust (continued)

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

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

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

Independent Auditor's Report on the Financial Statements to the Members of The Queen Katherine School Multi Academy Trust (continued)

Use of our report

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

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



Darren Little (Senior Statutory Auditor)
For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

09 December 2021 Date

Independent Reporting Accountant's Assurance Report on Regularity to The Queen Katherine School Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 15/08/2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Queen Katherine School Multi Academy Trust during the period 01 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective Responsibilities of The Queen Katherine School Multi Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of The Queen Katherine School Multi Academy Trust's funding agreement with the Secretary of State for Education dated 18 February 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- the school resource management self-assessment checklist (SRMSAT) was obtained and considered;
- responses to the top 10 'musts' for chairs and other trustees from the AFH was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governors declaration of interests;
- where present obtaining the accounting officer's file.

Independent Reporting Accountant's Assurance Report on Regularity to The Queen Katherine School Multi Academy Trust and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

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



Darren Little (Senior Statutory Auditor)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

09 December 2021 Date

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	2	14,957	-	290,361	305,318	1,088,695
Transfer from local authority on conversion	28	-	-	-	-	-
Charitable activities :						
- Funding for the Academy trust's educational operations	3	158,409	11,107,618	-	11,266,027	11,188,833
Other trading activities	4	307,358	-	-	307,358	378,873
Investment income	5	251	-	-	251	853
		-	-	-	-	-
Total		480,975	11,107,618	290,361	11,878,954	12,657,254
Expenditure on:						
Raising funds	7	267,529	-	-	267,529	263,087
Charitable activities:						
- Academy's educational operations	8	183,043	10,957,165	1,765,461	12,905,669	13,160,307
		-	-	-	-	-
Total	6	450,572	10,957,165	1,765,461	13,173,198	13,423,394
Net income / (expenditure) before transfers						
		30,403	150,453	(1,475,100)	(1,294,244)	(766,140)
Transfers between funds	11,19	32,243	(87,299)	55,056	-	-
Net income/(expenditure) for the year		62,646	63,154	(1,420,044)	(1,294,244)	(766,140)
Other recognised gains / (losses)						
Actuarial (losses) gains on defined benefit pension schemes	24	-	(444,000)	-	(444,000)	(96,000)
Net movement in funds		62,646	(380,846)	(1,420,044)	(1,738,244)	(862,140)
Reconciliation of funds						
Funds brought forward to 1 September 2020	19	721,193	(9,512,264)	14,698,837	5,907,766	6,769,906
Fund balances carried forward at 31 August 2021		783,839	(9,893,110)	13,278,793	4,169,522	5,907,766


All of the academy's activities derive from acquisitions and continuing operations during the above two financial periods.

Balance Sheet as at 31 August 2021

Company Number 07472799

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	14		12,763,055		13,619,808
Investments	15		100,000		100,000
Current assets					
Stock	16	7,290		8,771	
Debtors	17	897,238		1,278,958	
Cash at bank and in hand		<u>2,172,602</u>		<u>1,420,545</u>	
		3,077,130		2,708,274	
Liabilities					
Creditors: Amount falling due within one year	18	<u>(1,246,663)</u>		<u>(893,316)</u>	
Net current assets			<u>1,830,467</u>		<u>1,814,958</u>
Total assets less current liabilities			14,693,522		15,534,766
Defined benefit pension scheme liability	24		(10,524,000)		(9,627,000)
Total Net Assets			<u><u>4,169,522</u></u>		<u><u>5,907,766</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	19	13,278,793		14,698,837	
General funds	19	630,890		114,736	
Pension reserve	19,24	<u>(10,524,000)</u>		<u>(9,627,000)</u>	
Total restricted funds	19		3,385,683		5,186,573
Unrestricted income funds					
General fund	19	<u>783,839</u>		<u>721,193</u>	
Total unrestricted funds			783,839		721,193
Total funds			<u><u>4,169,522</u></u>		<u><u>5,907,766</u></u>

The financial statements were approved by the trustees, and authorised for issue on 09 December 2021 and signed on their behalf by:


 Paul Slater
 Accounting Officer


 Beth Curl
 Chair of Trustees

Statement of Cash Flows for the Year Ended 31 August 2021

	2021	2020			
Reconciliation of net income/expenditure to net cash inflow from operating activities	£	£			
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(1,294,244)	(766,140)			
Adjusted for:					
Interest receivable	(251)	(853)			
Depreciation	875,615	893,594			
Loss/(Profit) on disposal	(160)	-			
Capital grants from DfE and other capital income	(290,361)	(1,058,762)			
Decrease/(Increase) in stocks	1,481	(1,021)			
Decrease/(Increase) in debtors	381,720	(808,486)			
Increase/(Decrease) in creditors	353,347	(136,637)			
Decrease/(increase) in loans included in above	-	-			
Defined benefit pension scheme costs less contributions payable.	265,000	656,000			
Defined benefit pension scheme net finance costs	188,000	176,000			
Net cash provided by / (used in) operating activities	480,147	(1,046,305)			
Cashflows from investing activities					
Receipts from sale of tangible fixed assets	1,583	-			
Payments to acquire tangible fixed assets	(20,285)	(24,065)			
Capital grants from DfE and other capital income	290,361	1,058,762			
Interest received	251	853			
Net cash provided by / (used in) investing activities	271,910	1,035,550			
Cashflows from financing activities					
Repayments of borrowing	-	-			
Cash from new borrowing	-	-			
Net cash provided by / (used in) financing activities	-	-			
Change in cash and cash equivalents in the reporting period	752,057	(10,755)			
Reconciliation of net cash flow to movement in net funds					
(Decrease) / increase in cash in the period	752,057	(10,755)			
Change in net funds	752,057	(10,755)			
Cash and cash equivalents at 1 September 2020	1,420,545	1,431,300			
Cash and cash equivalents at 31 August 2021	2,172,602	1,420,545			
Analysis of cash and cash equivalents	01 Sep 20	Cashflows	31 Aug 21		
	£	£	£		
Cash in hand and at bank	1,420,545	752,057	2,172,602		
Total cash and cash equivalents	1,420,545	752,057	2,172,602		
Analysis of changes in net debt	01 Sep 20	Cash flows	New agreements	Other non-cash changes	31 Aug 21
	£	£	£	£	£
Cash	1,420,545	752,057	-	-	2,172,602
Loans falling due within one year	-	-	-	-	-
Loans falling due after more than a year	-	-	-	-	-
Finance lease obligations	-	-	-	-	-
Total	1,420,545	752,057	-	-	2,172,602

Notes to the Financial Statements for the Year Ended 31 August 2021

1. Statement of Accounting Policies

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

General Information

The academy trust is a public benefit entity and a private company limited by guarantee, registered in England and Wales and is an exempt charity. The address of the registered office is The Queen Katherine School, Appleby Road, Kendal, LA9 6PJ, United Kingdom.

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Queen Katherine School Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

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

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

• Grants Receivable

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

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

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

• Donations

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

• Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1. Statement of Accounting Policies (Continued)

- **Donated Services and Gifts in Kind**

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

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.

Deferred Income

Grants and other funding received for the Academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are exclusive of irrecoverable VAT, which is posted as a separate cost.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1. Statement of Accounting Policies (Continued)

Fixed Assets

Assets costing £2,000 or more (multiple assets not included if individual assets are under £2,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful economic life as follows:

Freehold buildings	- straight line over the estimated economic life (8 to 50 years)
Plant and machinery	- straight line over the estimated economic life (15 years)
Furniture and equipment	- straight line over 10 years
ICT equipment	- straight line over 4 years
Motor vehicles	- 25% reducing balance

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

Assets purchased during the year are depreciated from the date they are brought into use. The depreciation is time apportioned.

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.

Investment Fixed Assets

Investment fixed assets are carried at fair value and are not depreciated. They are included in the restricted fixed asset fund and any unrealised or realised gains or losses on investments are included in the Statement of Financial Activities.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**Financial Instruments**

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 taxation 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.

Pensions Benefits

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

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer 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.

Local Government Pension Scheme

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.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

Fund Accounting

Unrestricted funds reflect those resources which may be used towards meeting any of the objects of the academy at the discretion of the trustees.

Unrestricted designated funds consist of amounts allocated or designated for specific purposes. The use of designated funds for their designated purpose will remain at the discretion of the trustees.

Restricted fixed asset funds reflect the fixed assets and capital grants for the purchase of fixed assets to be used for charitable purposes.

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with ESFA guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes.

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, assumptions and judgements

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 the notes, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuers report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

2. Donations and capital grants	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
ESFA capital grants	-	185,208	185,208	1,058,762
Other capital grants	-	105,153	105,153	-
Donations	14,957	-	14,957	29,933
Gift in kind	-	-	-	-
	<u>14,957</u>	<u>290,361</u>	<u>305,318</u>	<u>1,088,695</u>
2020 total	<u>29,933</u>	<u>1,058,762</u>	<u>1,088,695</u>	
3. Funding for Academy's educational operations	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
DfE/ESFA Grants				
General Annual Grant (GAG)	-	8,688,907	8,688,907	8,933,367
Other DfE/ESFA grants				
Pupil Premium	-	320,378	320,378	332,914
Teachers pay grant	-	104,478	104,478	110,170
Teachers pension grant	-	295,229	295,229	311,176
Other ESFA grants	-	167,373	167,373	106,019
Other DfE Group grants	-	-	-	-
	<u>-</u>	<u>9,576,365</u>	<u>9,576,365</u>	<u>9,793,646</u>
Other Government Grants				
LA funds (Including Top-up SEN and Pupil Premium)	-	1,145,519	1,145,519	923,572
Other government grants	-	-	-	-
	<u>-</u>	<u>1,145,519</u>	<u>1,145,519</u>	<u>923,572</u>
Exceptional government funding				
COVID-19 additional funding (ESFA/DfE)				
Catchup premium	-	125,320	125,320	-
Coronavirus exceptional support	-	-	-	6,698
COVID-19 additional funding (non - ESFA/DfE)				
Mass testing fund	-	101,310	101,310	-
Coronavirus Job Retention Scheme grant	-	50,043	50,043	75,387
Other Coronavirus funding	-	-	-	10,000
	<u>-</u>	<u>276,673</u>	<u>276,673</u>	<u>92,085</u>
School Fund Income	7,479	7,200	14,679	18,070
Catering	144,953	-	144,953	246,098
Other Educational Operations				
Educational activities and visits	-	35,990	35,990	58,555
Other	5,977	65,871	71,848	56,807
	<u>158,409</u>	<u>11,107,618</u>	<u>11,266,027</u>	<u>11,188,833</u>
2020 total	<u>269,462</u>	<u>10,919,371</u>	<u>11,188,833</u>	

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

Exceptional government funding

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy trust furloughed some of its catering staff and sports staff under the government's CJRS. The funding received relates to staff costs in respect of 21 members of staff which are included within the wages note.

The funding received for coronavirus exceptional support covers cleaning costs. These costs are included in the expenditure note but not separately identified (received last financial year).

Other Coronavirus funding relates to funding received from Barrow Borough Council to support the reduction in sports lettings at Tummerhill for Walney School (received last financial year).

The academy received £125,320 of funding for catch-up premium and costs incurred in respect of this funding are shown in the funds note.

The academy received £101,310 of funding for the mass testing of staff and students and costs incurred in respect of this funding are shown in the funds note.

4. Other trading activities	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Lettings, room and All Weather Pitch (AWP) hire	98,313	-	98,313	117,746
Service provision	163,078	-	163,078	170,151
Insurance receipts - Trips	-	-	-	54,065
Primary Catering	45,967	-	45,967	36,911
	<u>307,358</u>	<u>-</u>	<u>307,358</u>	<u>378,873</u>
2020 total	<u>324,808</u>	<u>54,065</u>	<u>378,873</u>	

5. Investment Income	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Bank interest receivable	251	-	251	853
	<u>251</u>	<u>-</u>	<u>251</u>	<u>853</u>
2020 total	<u>853</u>	<u>-</u>	<u>853</u>	

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6. Resources Expended	Staff Costs £	Non Pay Premises £	Expenditure Other Costs £	2021 Total £	2020 Total £
Expenditure on raising funds	192,075	52,471	22,983	267,529	263,087
Academy's educational operations					
Direct costs	7,174,550	657,525	350,410	8,182,485	8,732,032
Allocated support costs	2,202,267	909,435	1,563,818	4,675,520	4,292,029
Teaching School	-	-	-	-	-
Educational activities and school fund costs	7,695	-	39,969	47,664	136,246
	<u>9,576,587</u>	<u>1,619,431</u>	<u>1,977,180</u>	<u>13,173,198</u>	<u>13,423,394</u>
2020 total	<u>10,543,674</u>	<u>1,592,595</u>	<u>1,287,125</u>	<u>13,423,394</u>	

Incoming/Outgoing Resources for the Year Include:

	2021 £	2020 £
This is stated after charging:		
Depreciation	875,615	893,594
Loss/(Profit) on disposal	(160)	-
Operating leases	67,745	45,649
Fees payable to current auditor	15,175	14,800
- audit of the financial statements		
- other assurance services	1,940	5,780
- other services	-	-

7. Expenditure on raising funds	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Teaching and educational support staff costs	18,539	-	18,539	45,611
Support staff costs	173,536	-	173,536	142,145
Heat and light	12,500	-	12,500	13,250
Rent and rates	6,250	-	6,250	6,500
Maintenance of premises and equipment	16,736	-	16,736	19,500
Cleaning	16,985	-	16,985	17,626
Catering	22,983	-	22,983	18,455
Other support costs	-	-	-	-
	<u>267,529</u>	<u>-</u>	<u>267,529</u>	<u>263,087</u>
2020 total	<u>263,087</u>	<u>-</u>	<u>263,087</u>	

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8. Charitable Activities	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Direct Costs - educational operations				
Teaching and educational support staff costs	-	7,174,550	7,174,550	7,738,872
Depreciation	-	657,685	657,685	659,748
Loss/(Profit) on disposal	-	(160)	(160)	-
Books, apparatus and stationery	-	154,227	154,227	128,213
Staff development	-	13,189	13,189	25,338
Examination fees	-	121,960	121,960	125,387
External Education Provision	-	17,128	17,128	10,921
Educational consultancy	-	3,041	3,041	1,778
Additional Pupil Premium costs	-	2,218	2,218	3,377
Other direct costs	-	38,647	38,647	38,398
	-	8,182,485	8,182,485	8,732,032
Support Costs - educational operations				
Support staff costs	104,560	2,097,707	2,202,267	2,603,866
Depreciation	-	217,930	217,930	233,846
Recruitment and support	-	25,591	25,591	13,054
Maintenance of premises	-	202,632	202,632	99,704
CIF expenditure	-	735,564	735,564	39,673
Equipment	-	54,657	54,657	52,201
Legal fees	-	700	700	10,941
Professional fees	-	21,280	21,280	12,699
Cleaning	-	215,346	215,346	241,760
Rent and rates	-	59,766	59,766	54,298
Water Rates	-	17,076	17,076	44,000
Heat and light	-	159,600	159,600	157,265
Insurance	-	30,075	30,075	29,265
Security	-	6,310	6,310	4,892
Transport	-	26,245	26,245	51,535
Catering	71,866	47,295	119,161	143,144
Technology costs	-	232,485	232,485	194,608
<u>Operating Leases</u>				
Photocopying	-	62,731	62,731	39,254
Other support costs	-	5,014	5,014	6,395
Photocopying	-	13,044	13,044	7,596
Bank Interest and Charges	-	3,199	3,199	5,583
Other support costs	-	28,183	28,183	32,846
	176,426	4,262,430	4,438,856	4,078,425
Educational activities and school fund costs				
Educational activities	-	28,434	28,434	111,247
Educational activities staff costs	-	7,695	7,695	13,180
School Fund expenditure	6,616	4,919	11,535	11,819
School Fund expenditure staff costs	-	-	-	-
	6,616	41,048	47,664	136,246
Support costs - governance				
Legal fees	-	5,500	5,500	4,900
Professional fees	-	26,049	26,049	12,124
Net finance costs in respect of defined benefit pension schemes	-	188,000	188,000	176,000
Other costs	-	-	-	-
Auditors remuneration	-	17,115	17,115	20,580
	-	236,664	236,664	213,604
Total direct and support costs	183,042	12,722,627	12,905,669	13,160,307
2020 total	255,551	12,904,756	13,160,307	

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9. Staff

a. Staff costs

	2021 £	2020 £
Staff costs during the period were:		
Wages and salaries	6,717,782	7,148,435
Social security costs	641,594	672,162
Pension costs	1,971,552	2,382,718
Apprenticeship Levy	18,820	20,799
	<u>9,349,748</u>	<u>10,224,114</u>
Supply staff costs	92,866	177,219
Staff restructuring costs	133,973	142,341
	<u>9,576,587</u>	<u>10,543,674</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	133,973	142,341
Other restructuring costs	-	-
	<u>133,973</u>	<u>142,341</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £42,843 (2020: £54,572). Individually, the payments were: £26,165, £6,000, £1,409, £6,929, £1,500, £737, £103 (2020: £12,000, £10,000, £4,000, £12,500, £500, £14,172, £700 and £700).

c. Staff numbers

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

	2021 No	2020 No
Charitable Activities		
Teachers	90	101
Administration and support	146	164
Management	12	13
	<u>248</u>	<u>278</u>

d. Higher paid staff

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

	2021 No	2020 No
£60,001 - £70,000	1	3
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
	<u>6</u>	<u>7</u>

e. 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 employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £448,661 (2020: £509,424).

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10. Central Services

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

- human resources
- financial services
- Health and safety and facilities management
- legal services
- educational support services
- professional services

The trust charges for these services on the following basis:

- Each academy was charged a lump sum, plus a percentage of estimated GAG income for the year. This is reviewed annually by the MAT board.

The actual amounts charges during the year were as follows:

	2021 £	2020 £
The Queen Katherine School	214,440	212,762
Walney School	139,184	148,005
George Hastwell School	94,620	94,620
	<u>448,244</u>	<u>455,387</u>

11. Transfers Between Funds

2021

Restricted general funds

General Annual Grant (GAG)

Unrestricted general funds contributions towards GAG deficits

Purchase of fixed assets

GAG contribution towards educational activities and visits

GAG contribution to condition improvement fund projects

GAG contribution towards AWP overspend

GAG contribution towards LED lighting

Contribution to catering fund overspend

(20,285)

(139)

(29,403)

(770)

(5,368)

(31,473)

(87,438)

GAG contribution towards educational activities and visits

139

(87,299)

Restricted fixed asset funds

Fixed assets used for charitable purposes

Purchases from General Annual Grant (GAG)

Purchases from unrestricted general funds

20,285

-

20,285

GAG contribution towards LED lighting

5,368

GAG contribution to condition improvement fund projects

29,403

55,056

Unrestricted funds

Unrestricted general funds

Unrestricted school contribution to condition improvement fund project

Purchase of fixed assets

Contributions towards GAG deficits

-

-

-

GAG Contribution to catering fund overspend

31,473

GAG contribution towards AWP overspend

770

Unrestricted catering fund to the General Annual Grant restricted general fund to cover the overhead costs that could not be directly allocated on a consistent basis (net transfer across academies).

-

32,243

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12. Related Party Transactions - Trustees' Remuneration and Expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The executive headteacher, headteachers and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

P Slater (Chief Executive Officer and trustee):

Remuneration	£55,001 - £60,000	(2020: £50,001 - £55,000)
Employer's pension contributions	£10,001 - £15,000	(2020: £10,001 - £15,000)

During the year ended 31 August 2021 there was £Nil (2020: £Nil) travel and subsistence expenses reimbursed to the trustees.

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

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 (2020: £5,000,000 via Department for Education's risk protection arrangement) on any one claim and the cost for the year ended 31 August 2021 was £183 (2020: £158).

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

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14. Tangible Fixed Assets

	Freehold Land & Buildings	Long Leasehold Land & Buildings	Plant & Machinery	Furniture & Equipment	ICT Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£	£	£
As at 1 September 2020	7,153,470	6,623,150	6,071,464	429,496	212,240	27,000	20,516,820
Assets on conversion	-	-	-	-	-	-	-
Additions	-	-	-	20,285	-	-	20,285
Disposals	-	-	-	-	-	(6,000)	(6,000)
As at 31 August 2021	<u>7,153,470</u>	<u>6,623,150</u>	<u>6,071,464</u>	<u>449,781</u>	<u>212,240</u>	<u>21,000</u>	<u>20,531,105</u>
Depreciation							
As at 1 September 2020	2,048,745	1,171,930	3,145,680	303,201	206,862	20,594	6,897,012
Charge in year	226,055	200,728	404,787	38,651	4,148	1,246	875,615
Disposals	-	-	-	-	-	(4,577)	(4,577)
As at 31 August 2021	<u>2,274,800</u>	<u>1,372,658</u>	<u>3,550,467</u>	<u>341,852</u>	<u>211,010</u>	<u>17,263</u>	<u>7,768,050</u>
Net book values							
As at 31 August 2021	<u>4,878,670</u>	<u>5,250,492</u>	<u>2,520,997</u>	<u>107,929</u>	<u>1,230</u>	<u>3,737</u>	<u>12,763,055</u>
As at 1 September 2020	<u>5,104,725</u>	<u>5,451,220</u>	<u>2,925,784</u>	<u>126,295</u>	<u>5,378</u>	<u>6,406</u>	<u>13,619,808</u>

Land valuation

The trustees have valued the land at £1 for each academy in the MAT. This valuation reflects the fact that the land is tied specifically to educational use. No account has been taken in any potential development value.

Lease arrangements

The academy has a 125 year lease with Cumbria County Council for the land and buildings of Walney school, which commenced on 1 September 2014.

The academy has a 125 year lease with Cumbria County Council for the land and buildings of George Hastwell school, which commenced on 1 September 2015.

The academy trust's transactions relating to land and buildings during the year included:

- None

Condition Improvement Fund (CIF) projects

During the year the academy trust incurred expenditure on various projects which were funded by ESFA Condition Improvement Grants. The full cost of these projects have been treated as resources expended in the Statement of Financial Activities and are included within maintenance of premises.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**14. Tangible Fixed Assets (continued)****Valuation Details****The Queen Katherine School**

Included within freehold buildings and plant and machinery are the following assets which were transferred on conversion to an academy. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £11,649,701, £2,285,006 and £907,610 respectively on 23 June 2011 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The valuation by Gary A Bushell was based on the estimated rebuild costs, which the trustees have amended downwards to get to the Existing Use Value using a depreciated replacement cost approach. Under this approach the buildings were valued at £5,682,023 at the date of conversion with integral features and plant and machinery remaining unchanged at £2,285,006 and £907,610 respectively.

The Sandgate building which was transferred to the academy in the year ended 31 August 2012 was valued on 23 June 2011 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £772,632, £231,790 and £99,338 respectively.

The trustees note that the valuation date is later than the date of conversion on 01 April 2011, but believe that the valuation will not be any different at the conversion date compared to the valuation date.

Walney School

In addition to the assets on conversion above there was also assets valued at £312,100 which fall below the capitalisation policy of the academy which have not been recognised.

Included within leasehold buildings and plant and machinery are the following assets which were transferred on conversion to an academy. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £12,337,677, £1,314,156 and £752,648 respectively on 24 June 2014 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The valuation by Gary A Bushell was based on the estimated rebuild costs, which the trustees have amended downwards to get to the Existing Use Value using a depreciated replacement cost approach. Under this approach the buildings were valued at £5,670,499 at the date of conversion with integral features and plant and machinery remaining unchanged at £1,314,156 and £752,648 respectively.

The trustees note that the valuation date is earlier than the date of conversion on 01 September 2014, but believe that the valuation will not be any different at the conversion date compared to the valuation date.

George Hastwell School

In addition to the assets on conversion above there was also assets valued at £107,373 which fall below the capitalisation policy of the academy which have not been recognised.

Included within leasehold buildings and plant and machinery are the following assets which were transferred on conversion to an academy. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £2,148,440, £230,572 and £149,129 respectively on 12 June 2015 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The valuation by Gary A Bushell was based on the estimated rebuild costs, which the trustees have amended downwards to get to the Existing Use Value using a depreciated replacement cost approach. Under this approach the buildings were valued at £952,650 at the date of conversion with integral features and plant and machinery remaining unchanged at £230,572 and £149,129 respectively.

The trustees note that the valuation date is earlier than the date of conversion on 01 September 2015, but believe that the valuation will not be any different at the conversion date compared to the valuation date.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15. Fixed Asset Investments

Movement in fair value (market value)	2021 £	2020 £
Fair value (market value) at 1 September 2020	100,000	100,000
Acquisitions at cost	-	-
Movement in fair value in the year	-	-
Fair value (market value) at 31 August 2021	<u>100,000</u>	<u>100,000</u>

Analysis of investments between funds

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2021 £	Total Funds 2020 £
UK Property	-	-	100,000	100,000	100,000

The investment represents the school site house. It was transferred from the local authority on conversion when Walney school joined the MAT. The open market value as at 1 September 2014 was £100,000, this valuation was made by the trustees. The trustees consider that the property's current market value has not significantly changed since 1 September 2014.

16. Stock	2021 £	2020 £
Catering	2,540	4,021
Stationery	4,500	4,500
Uniforms	250	250
	<u>7,290</u>	<u>8,771</u>

17. Debtors	2021 £	2020 £
Trade debtors	62,599	92,965
VAT recoverable	123,623	76,023
Prepayments	179,925	141,870
Accrued income	529,804	967,030
Other debtors	1,287	1,070
	<u>897,238</u>	<u>1,278,958</u>

18. Creditors: Amounts Falling due Within One Year	2021 £	2020 £
Trade creditors	523,600	310,779
Taxation and social security	149,697	160,424
Sundry creditors	255,576	195,213
ESFA creditor	30,594	25,020
Accruals	181,181	89,674
Deferred income	106,015	112,206
	<u>1,246,663</u>	<u>893,316</u>

Deferred Income	2021 £	2020 £
Deferred income includes:		
Deferred income at 1 September 2020	112,206	108,368
Resources deferred in the year	106,015	112,206
Amounts released from previous years	(112,206)	(108,368)
Deferred income at 31 August 2021	<u>106,015</u>	<u>112,206</u>

Deferred income comprises:

LA funded statements and top ups	94,418	39,721
ESFA rates for the period to March in the new academic year	-	17,024
School trips income for future trips	11,597	55,461
	<u>106,015</u>	<u>112,206</u>

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

19. Funds	Balance at 01-Sep 2020 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2021 £
Restricted General Funds					
General Annual Grant (GAG)	94,953	8,688,907	(8,109,196)	(87,438)	587,226
Pupil Premium	-	320,378	(320,378)	-	-
Teachers pay grant	-	104,478	(104,478)	-	-
Teachers pension grant	-	295,229	(295,229)	-	-
Other DfE/ESFA grants	-	167,373	(167,373)	-	-
LA funds	-	1,145,519	(1,145,519)	-	-
Catchup premium	-	125,320	(103,720)	-	21,600
Mass testing fund	-	101,310	(101,310)	-	-
Coronavirus Job Retention Scheme grant	-	50,043	(50,043)	-	-
Educational activities and visits	-	35,990	(36,129)	139	-
School Funds	19,783	7,200	(4,919)	-	22,064
Other restricted general funds	-	65,871	(65,871)	-	-
	114,736	11,107,618	(10,504,165)	(87,299)	630,890
Restricted Fixed Asset Funds					
Fixed assets used for					
Charitable purposes	13,619,808	-	(877,038)	20,285	12,763,055
Fixed asset investment	100,000	-	-	-	100,000
Devolved formula capital	-	42,338	(42,338)	-	-
Capital grants and donations	-	105,153	(110,521)	5,368	-
EFA capital maintenance fund 2020/21	979,029	(13,872)	(728,082)	29,403	266,478
EFA capital maintenance fund 2021/22	-	156,742	(7,482)	-	149,260
	14,698,837	290,361	(1,765,461)	55,056	13,278,793
Restricted Pension Reserve Funds					
Pension reserve fund	(9,627,000)	-	(453,000)	(444,000)	(10,524,000)
Total Restricted Funds	5,186,573	11,397,979	(12,722,626)	(476,243)	3,385,683
Unrestricted Funds					
Unrestricted general funds	643,812	321,545	(249,682)	-	715,675
Unrestricted school funds	67,301	7,479	(6,616)	-	68,164
Catering fund	-	144,953	(176,426)	31,473	-
All Weather Pitch designated fund	10,080	6,998	(17,848)	770	-
Total Unrestricted Funds	721,193	480,975	(450,572)	32,243	783,839
Total Funds	5,907,766	11,878,954	(13,173,198)	(444,000)	4,169,522

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

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

General Annual Grant (GAG) fund

This represents the core funding for the educational activities of the schools that has been provided to the multi academy trust via the Educational & Skills Funding Agency (ESFA).

Pupil Premium

This represents funding paid by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**LA Funds**

This represents funding paid by Cumbria County Council to support a continuum of provision for students with special educational needs (SEN), learning difficulties and disabilities. This also includes the top up funding not received from the ESFA for George Hastwell school.

Teachers pay and pension grants

Teachers pay grant is provided to support teacher pay awards. Teachers pension grant is provided to support the increase in employer contributions to the Teachers' Pension Scheme from September 2019.

Catch-up premium

This represents funding paid by the DfE to support pupils and disadvantaged young people catch up on missed education because of coronavirus (COVID-19)

School Funds

This represents restricted contributions to be extended on specific projects, activities and materials for the benefit of the pupils.

Educational Activities and visits

This represents mainly parental contributions. Voluntary income and educational income to be expended on specific projects, activities and materials for the benefit of the pupils.

All Weather Pitch

This represents funding paid by external users of the all weather pitch, a designated fund to be used for the replacement of the pitch.

Catering

This represents funding relating to the provision of school meals to students and staff.

Funds in Deficit

Pension Reserve Fund - this fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end.

The multi academy trust has entered into agreements effective from 01 April 2017 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 16 years from 01 April 2017.

Analysis of academies by fund balance

Fund balance at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
The Queen Katherine School	808,897	533,579
Walney School	104,617	99,434
George Hastwell	407,686	107,553
Central Services	93,529	95,363
Total before fixed assets and pension reserve	<u>1,414,729</u>	<u>835,929</u>
Restricted fixed asset fund	13,278,793	14,698,837
Pension reserve	<u>(10,524,000)</u>	<u>(9,627,000)</u>
Total	<u>4,169,522</u>	<u>5,907,766</u>

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding dep'n)	2021	2020
	£	£	£	£	£	£
Queen Katherine School	3,759,550	1,319,132	217,356	1,159,128	6,455,166	6,539,386
Walney School	2,258,968	445,632	85,883	874,813	3,665,296	3,749,107
George Hastwell	1,145,430	291,325	26,268	251,026	1,714,049	1,797,361
Central Services	29,141	327,409	20,903	84,197	461,650	443,946
Academy Trust	7,193,089	2,383,498	350,410	2,369,164	12,296,161	12,529,800

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

	Balance at 01-Sep 2019	Incoming resources	Resources expended	Gains, Losses and Transfers	Balance at 31-Aug 2020
	£	£	£	£	£
Restricted General Funds					
General Annual Grant (GAG)	79,637	8,933,367	(9,059,829)	141,778	94,953
Pupil Premium	-	332,914	(332,914)	-	-
Other DfE/ESFA grants	-	507,866	(493,573)	(14,293)	-
LA funds	-	923,572	(923,572)	-	-
Exceptional government funding	-	92,085	(92,085)	-	-
Educational activities and visits	-	112,620	(124,427)	11,807	-
School Funds	19,099	7,734	(7,050)	-	19,783
Other restricted general funds	-	63,278	(63,278)	-	-
	98,736	10,973,436	(11,096,728)	139,292	114,736
Restricted Fixed Asset Funds					
Fixed assets used for					
Charitable purposes	14,489,337	-	(893,594)	24,065	13,619,808
Fixed asset investment	100,000	-	-	-	100,000
Devolved formula capital	-	42,763	(42,763)	-	-
Capital grants and donations	-	-	-	-	-
EFA capital maintenance fund 2019/20	1,926	-	(2,702)	776	-
EFA capital maintenance fund 2020/21	-	1,015,999	(36,970)	-	979,029
	14,591,263	1,058,762	(976,029)	24,841	14,698,837
Restricted Pension Reserve Funds					
Pension reserve fund	(8,699,000)	-	(832,000)	(96,000)	(9,627,000)
Total Restricted Funds	5,990,999	12,032,198	(12,904,757)	68,133	5,186,573
Unrestricted Funds					
Unrestricted general funds	703,644	355,506	(246,521)	(168,817)	643,812
Unrestricted school funds	61,734	10,336	(4,769)	-	67,301
Catering fund	-	246,098	(250,782)	4,684	-
All Weather Pitch designated fund	13,529	13,116	(16,565)	-	10,080
Total Unrestricted Funds	778,907	625,056	(518,637)	(164,133)	721,193
Total Funds	6,769,906	12,657,254	(13,423,394)	(96,000)	5,907,766

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

20. Analysis of Net Assets Between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	12,763,055	12,763,055
Tangible fixed assets investment			100,000	100,000
Current assets	783,839	1,877,553	415,738	3,077,130
Current liabilities		(1,246,663)		(1,246,663)
Pension scheme liability	-	(10,524,000)	-	(10,524,000)
Total Net Assets	783,839	(9,893,110)	13,278,793	4,169,522

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	-	-	13,619,808	13,619,808
Tangible fixed assets investment			100,000	100,000
Current assets	721,193	1,008,052	979,029	2,708,274
Current liabilities		(893,316)		(893,316)
Pension scheme liability	-	(9,627,000)	-	(9,627,000)
Total Net Assets	721,193	(9,512,264)	14,698,837	5,907,766

21. Financial Commitments

Operating Leases

2021
£

2020
£

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

Assets other than land and buildings		
Amounts due within one year	37,819	36,996
Amounts due between two and five years inclusive	92,677	42,873
Amounts due after five years	1,404	-
	131,900	79,869

22. Capital Commitments

2021
£

2020
£

Contracted for, but not provided in the financial statements	492,041	1,033,029
	492,041	1,033,029

At the year end the Academy Trust had entered into a contracts for the 2021/22 CIF project works. The academy was committed to a further cost of £492,041 at the year end. The capital element and repairs element is £53,055 and £438,986 respectively.

Verbal agreement was made with the contractors for the CIF project. Some of the JCT contracts are due to be signed after the year end but the contract amounts are included in the above commitment as there was verbal agreement present.

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

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**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 Your Pension Service for Lancashire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions payable to the schemes at 31 August and included in creditors were as follows:

	2021 £	2020 £
Teachers' Pension Scheme	116,649	124,822
Local Government Pension Scheme	49,484	50,683
	<u>166,133</u>	<u>175,505</u>

The total pension costs to the academy during the year ended 31 August and included in staff costs were as follows:

	2021 £	2020 £
Teachers' Pension Scheme	1,005,605	1,078,860
Local Government Pension Scheme	465,213	433,448
Local Government Pension Scheme deficit recovery	235,734	214,410
LGPS current service cost/contributions adjustment	265,000	656,000
	<u>1,971,552</u>	<u>2,382,718</u>

Teachers' Pension Scheme**Introduction**

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

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

Valuation of the Teachers' Pension Scheme

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

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24. Pension and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme (continued)

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

The pension costs paid to TPS in the period amounted to £1,005,605 (2020: £1,078,860).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August were as follows:

	2021 £	2020 £
Employer's contributions	465,213	433,448
Employees' contributions	140,128	144,137
Local Government Pension Scheme deficit recovery	235,734	214,410
LGPS current service cost/contributions adjustment	265,000	656,000
Total contributions	<u>1,106,075</u>	<u>1,447,995</u>

The agreed contribution rates for future years are as follows:

The Queen Katherine School - 20.0% for employers and 5.5% to 12.5% for employees.

Walney School - 20.4% for employers and 5.5% to 12.5% for employees.

George Hastwell School - 19.1% for employers and 5.5% to 12.5% 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.

At the balance sheet date the scheme is in deficit. The Academy has entered into an agreement effective from 1 April 2014 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 1 April 2020, including £233,400 in the year ended 31 March 2021, £239,000 in 2021/22 and £244,600 in 2022/23.

Impact of McCloud judgement

In 2015, the government introduced reforms to public sector pensions, meaning many public sector workers were moved into new pension schemes. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to members in these schemes amounted to unlawful discrimination. This case is known as McCloud.

The Supreme Court decision in June 2019 not to allow the government leave to appeal, means the difference in treatment needs to be remedied across all relevant schemes, including the Local Government Pension Scheme (LGPS).

The impact of McCloud was taken into account in the FRS102 actuarial valuation and included for disclosure in the trust's 2019/20 financial statements. The impact is included in the past service cost figure as disclosed below.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24. Pension and similar obligations (Continued)

Principal Actuarial Assumptions	At 31 August 2021	At 31 August 2020
<i>Average across the academies in the MAT</i>		
Inflation assumption (CPI)	2.77%	2.33%
Rate of increase in salaries	4.27%	3.83%
Rate of increase for pensions in payment / inflation	2.87%	2.43%
Discount rate for scheme liabilities	1.70%	1.80%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	24.3	24.2
Females	27.2	27.1

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £	Fair value at 31 August 2020 £
Equities	4,568,000	3,242,000
Government bonds	2,005,000	1,818,000
Other bonds	-	19,000
Property	886,000	515,000
Cash / liquidity	443,000	909,000
Other	3,753,000	2,868,000
Total market value of assets	11,655,000	9,371,000
Present value of scheme liabilities		
- Funded	(22,179,000)	(18,998,000)
- Unfunded	-	-
Surplus/(deficit) in the scheme	(10,524,000)	(9,627,000)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

The actual return on scheme assets in the period was £1,629,000 (2020: £27,000).

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24. Pension and similar obligations (Continued)

Sensitivity analysis

The table below, as produced by Mercer sets out the impact of a small change in assumptions on the defined benefit obligation.

	At 31 August 2021		At 31 August 2020	
	Deficit	Change	Deficit	Change
Discount rate + 0.1%	10,054,000	(470,000)	9,224,000	(403,000)
Discount rate - 0.1%	11,004,000	480,000	10,038,000	411,000
Mortality assumption - 1 year increase	11,227,000	703,000	10,172,000	545,000
Mortality assumption - 1 year decrease	9,843,000	(681,000)	9,097,000	(530,000)
CPI rate + 0.1%	11,005,000	481,000	10,038,000	411,000
CPI rate - 0.1%	10,053,000	(471,000)	9,224,000	(403,000)
Pay growth + 0.1%	10,576,000	52,000	9,676,000	49,000

Amounts recognised in the Statement of Financial Activities are as follows:

	2021	2020
	£	£
Current service cost (net of employee contributions)	(966,000)	(982,000)
Past service (cost)/gain	-	(302,000)
Administrative expenses	(19,000)	(20,000)
Net Interest cost	(169,000)	(156,000)
Effect of curtailments	-	(31,000)
Total operating charge	<u>(1,154,000)</u>	<u>(1,491,000)</u>

Analysis of other recognised gains and (losses)

Remeasurements (liabilities)	(1,900,000)	175,000
Remeasurements (assets)	1,456,000	(271,000)
Total charge	<u>(444,000)</u>	<u>(96,000)</u>

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24. Pension and similar obligations (Continued)

	2021	2020
	£	£
Changes in the deficit in the year:		
Deficit in scheme at 1 September 2020	9,627,000	8,699,000
Current service cost	966,000	982,000
Past service cost/(gain)	-	302,000
Interest cost	344,000	321,000
Employer contributions	(701,000)	(659,000)
Actuarial (gain)/loss - Remeasurements	444,000	96,000
Administration expenses	19,000	20,000
Interest income	(175,000)	(165,000)
Plan introductions, benefit changes, curtailments and settlements	-	31,000
Deficit at 31 August 2021	10,524,000	9,627,000
Changes in the present value of defined benefit obligations were as follows:		
	2021	2020
	£	£
At 01 September 2020	18,998,000	17,563,000
Current service cost	966,000	982,000
Interest cost	344,000	321,000
Employee contribution	139,000	145,000
Past service cost/(gain)	-	302,000
Actuarial (gains)/losses - remeasurements	1,900,000	(175,000)
Curtailments	-	31,000
Benefits/transfers paid	(168,000)	(171,000)
Business combinations	-	-
Benefit obligation at 31 August 2021	22,179,000	18,998,000
Changes in the fair value of Academy's share of scheme assets:		
	2021	2020
	£	£
At 01 September 2020	9,371,000	8,864,000
Return on plan assets	175,000	165,000
Administrative expenses	(19,000)	(20,000)
Actuarial gain/(losses) - remeasurements	1,456,000	(271,000)
Employer contributions	701,000	659,000
Employee contribution	139,000	145,000
Benefits/transfers paid	(168,000)	(171,000)
Business combinations	-	-
Closing fair value of scheme assets at 31 August 2021	11,655,000	9,371,000

* Past service cost includes:

McCloud impact
GMP indexation

-	265,000
-	35,000
-	300,000

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25. Related Party Transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place within organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transactions

The following related party transactions took place in the period of account:

Burnetts Solicitors

The academy trust paid £700 (2020: £15,491) for professional advice to Burnetts Solicitors for whom, the company secretary Michael James Walby, has a close connection.

South Westmorland Multi Academy Trust (SWMAT)

The Chief Financial Officer (CFO) for the SWMAT also acted as the CFO for The Queen Katherine Multi Academy Trust (until 31 August 2021) through a non profit annual service level agreement. During the year the SWMAT invoiced The Queen Katherine School Multi Academy Trust £19,205 (2020: £9,972) for financial services.

- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook.

26. Subsidiary

QKS Meadowview Nursery Limited is a wholly owned subsidiary of the academy as it owns 100% of the ordinary share capital. The directors of QKS Meadowview Nursery Limited are S Wilkinson, S Pooley and P Townley.

Section 404 Companies Act 2006 requires group accounts to include a consolidated balance sheet and consolidated profit and loss account. The Queen Katherine School Multi Academy Trust has a subsidiary, QKS Meadowview Nursery Limited, which has been excluded from these accounts under section 405 Companies Act 2006 on the grounds that its inclusion is not material for the purpose of giving a true and fair view.

- The academy received a donation from the Nursery in the sum of £10,000 (2020: £nil) in the year.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**27. Agency Arrangements**

The academy acts as an intermediary for the following agency arrangements, but has no responsibility for them. The receipts and payments during the year have been excluded from the statement of financial activities. An amount is included in other creditors relating to undistributed funds that is repayable as shown below:

	16-19 Bursary
Fund balance at 31 August 2020	25,020
Receipts from ESFA during the year	16,094
Distributions during the year	<u>(10,520)</u>
Fund balance at 31 August 2021	<u>30,594</u>

16-19 Bursary Fund

The academy trust distributes the 16-19 bursary funds to students as an agent for the ESFA