

ANNUAL REPORT
AND
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2021

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)



Annual Report and Financial statements - Contents**Year ended 31 August 2021**

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Reference and Administrative Details

Year ended 31 August 2021

Members

Ms Caroline Bondy (resigned 10 December 2020)
 Ms Kathryn Cooper
 Ms Suzanna Hobart
 Mr Cosmo Lush
 Mr Toby Young

Trust Directors (Trustees)

Ms Suzanna Hobart* (Chair)
 Ms Nicola Arnold (appointed 1 September 2020, resigned 31 August 2021)
 Mr Cosmo Lush

***Members of the Finance and Operations Committee**

Mr Alexander Conabeare*
 Ms Kathryn Cooper
 Ms Jane Emmett
 Ms Penny Hunt
 Mr Ian Hunter*
 Ms Chloe Mawson (resigned 13 July 2021)
 Ms Laura McGaughey*
 Mr William Rollason (appointed 13 July 2021)
 Ms Beverley Trotman (appointed 13 July 2021)
 Ms Catherine Whelan (resigned 13 July 2021)

Company Secretary

Ms Anne Wickham

Company Name & registration number

Knowledge Schools Trust (the Trust) - 07493696

Principal address & registered Office

Cambridge Grove, Hammersmith, London, W6 0LB

Principal places of operation

West London Free School
 Palingswick House, 241 King Street, London W6 9LP
 Franklin House, 2 Bridge Avenue, London W6 9JP

West London Free School Primary and Earl's Court Free School Primary
 Cambridge Grove, London W6 0LB

Kensington Primary Academy
 205 Warwick Road, London W14 8PU

Edlesborough Primary Academy
 High Street
 Edlesborough
 Dunstable
 Bedfordshire LU6 2HS

KST Enterprises Limited
 21 Banim Street
 London W6 0DN

Trust Senior Management Team:

Chief Executive Officer (Accounting Officer)

Mr Ian Hunter

Chief Finance Officer

Ms Anne Wickham

Operations Director

Mr Stewart Keiller

WLFS Local Governing Body

Ms Catherine Whelan * (resigned 1 September 2020)

Ms Nicola Arnold * (Chair)

Ms Kathryn Cooper

****Members of the Finance and General Purposes Committee***

Ms Caroline Ffiske

Ms Ruth Fonseka (resigned 23 September 2020)

Ms Sarah Fletcher

Mr Anthony Henwood

Ms Gilat Levy

Ms Laura O'Brien (appointed 10 February 2021)

Ms Kim Stringer (appointed 7 July 2021)

Ms Nadia Touzani (appointed 7 July 2021)

Mr Robert Wilne (resigned 2 December 2020)

Mr William Rollason (appointed 23 September 2020)

Joint Headteachers of WLFS

Mr Ben McLaughlin

Mr Robert Peal

WLFS Primary, ECFS Primary and KPA Local Governing Body

Mr Alexander Conabeare* - Co-Chair

Ms Chloe Mawson - Co-Chair (resigned 10 May 2021)

Ms Hannah Abu-Ghaida (resigned 3 February 2021)

Ms Fiona Battah (resigned 21 January 2021)

Ms Julianne Daglish (resigned 21 June 2021)

Ms Emma Madden

Ms Jane Emmett

Ms Olivia Gautier (appointed 21 June 2021)

Ms Suzanna Hobart (resigned 22 October 2020)

Ms Kitty Leech (appointed 23 November 2020, resigned 1 August 2021)

Ms Milena Jakupovic

Mr Rikdeep Lit (appointed 21 June 2021)

Ms Abbe Martineau*

Mr Alvaro Montenegro (resigned 21 June 2021)

Ms Dee Purdy (appointed 21 June 2021)

Ms Emma Wakefield-Gray (appointed 21 January 2021)

Edlesborough Primary Academy Local Governing Body

Mr Alexander Conabeare - Acting Co-Chair (appointed 23 November 2020, resigned 30 March 2021)
 Ms Beverley Trotman* - Chair (appointed 30 March 2021)
 Mr Oliver Pengelly - Vice Chair (appointed 23 November 2020)
 Ms Simone Lawes (appointed 23 November 2020)
 Ms Kara March* (appointed 23 November 2020)
 Ms Carlene Read (appointed 23 November 2020, resigned 31 August 2021)
 Mr Andrew Brown (appointed 13 May 2021) *

*Members of the Finance and General Purposes Committee

Executive Headteacher of all the primary schools Laura Lund

Independent Auditor MHA MacIntyre Hudson
 2 London Wall Place
 London
 EC2Y 5AU

Bankers Lloyds Bank
 25 Gresham Street
 London
 EC2V 7HN

Solicitors Browne Jacobson
 6 Bevis Marks
 London
 EC3A 7BA

Trustees' Report**Year ended 31 August 2021**

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

Knowledge Schools Trust is an independent charitable trust set up to provide children attending its schools with a knowledge rich education, regardless of background or ability. The Trust currently has five schools:

- the West London Free School (WLFS), a secondary school with a sixth form, which opened in 2011. On 31 August 2021, the end of its tenth year of operation, WLFS had 881 pupils on roll of which 233 pupils were in the Sixth Form;
- the West London Free School Primary (WLFS Primary), which opened in 2013. On 31 August 2021, the end of its eighth year of operation, WLFS Primary had 420 pupils on roll;
- the Earl's Court Free School Primary (ECFS Primary), which opened in September 2014. On 31 August 2021, the end of its seventh year of operation, ECFS Primary had 180 pupils on roll; and
- Kensington Primary Academy (KPA), which opened in September 2016. At 31 August 2021, the end of its fifth year of operation, KPA had 173 pupils on roll, of which 28 pupils were in nursery.
- Edlesborough Primary Academy (EPA), which joined Knowledge Schools Trust on 1 November 2020. At 31 August 2021, EPA had 182 pupils on roll, of which 33 pupils were in nursery.

West London Free School

The school is a publicly funded school and is non-selective. There are 130 Year 7 places available at the school each year. We offer up to 12 places for children with musical aptitude and, in accordance with the School Admissions Code, priority is given to children with education, health and care plans and children who were or are looked after. We want to ensure that the school serves local families and, after we have allocated places to music scholars, statemented children, siblings, etc, we allocate 50% of the remaining places based on proximity. The remaining places are awarded by lottery, with a majority being allocated to those who live within a one-mile radius of the school and a smaller number to those within a three-mile radius. In-year admissions are managed via straight-line distance from the front gate of the school. The admission arrangements of West London Free School fully comply with the 2014 School Admissions Code. The school is open to anyone and is non-selective. The full admissions code and oversubscription criteria are set out in the admissions policy published on the school website.

West London Free School Primary, Earl's Court Free School Primary and Kensington Primary Academy

The primary schools' welcome applications from across the local communities and are non-selective. We prioritise 20% of places for disadvantaged children and, in accordance with the School Admissions Code, priority is given to children with education, health and care plans and children who were or are looked after. In the event of oversubscription places are allocated according to straight-line distance from the relevant school gate. The full admissions code and oversubscription criteria are set out in the admissions policy published on the school website.

Edlesborough Primary Academy

The primary schools' welcome applications from across the local communities and are non-selective. In accordance with the School Admissions Code, priority is given to children with education, health and care plans and children who were or are looked after. In the event of oversubscription places are allocated according to straight-line distance from the relevant school gate. The full admissions code and oversubscription criteria are set out in the admissions policy published on the school website.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

Knowledge Schools Trust is a non-registered exempt UK Charity and a company limited by guarantee, incorporated on 14 January 2011, with the company registration number 07493696. The primary governing documents of the charity are its Memorandum and Articles of Association dated 18 April 2013, when the Trust adopted new Articles of Association as part

Trustees' Report**Year ended 31 August 2021**

of the process of changing from a single academy trust to a multi-academy trust.

The Directors of the Trust act as the Trustees for the charitable activities of the Trust and are also the Trustees of the charitable company, known as Knowledge Schools Trust, for the purposes of company law.

Members' Liabilities

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, will be for the debts and liabilities contracted before they ceased to be a Member.

Trustees' Indemnities

There are no qualifying indemnity provisions in force for the benefit of one or more directors of the company.

Method of Recruitment and Appointment or Election of Trustees

Details of the Trustees who served during the year are included in the Reference and Administrative section of this document, commencing on page 2.

As specified in Trust's Articles of Association, the Members may nominate and appoint up to 12 Trustees. New Trustees may also be appointed by a majority vote of the existing Trustees. Potential Trustees are assessed with regard to the needs of the Trust and the particular skills and experience that they offer. Consequently, the Trustees represent a balance of private sector and public sector experience, including both primary and secondary school expertise.

Policies and Procedures Adopted for the Induction and Training of Trustees

Policies and procedures relating to the induction and training of Trustees are reviewed annually and updated in light of best practice guidance issued by the Trust's regulators. Induction for new Trustees includes visits to the schools in the Trust, meetings with the headteachers and the existing Trustees, as well as meetings and discussions with the Trust's Officers.

Organisational Structure

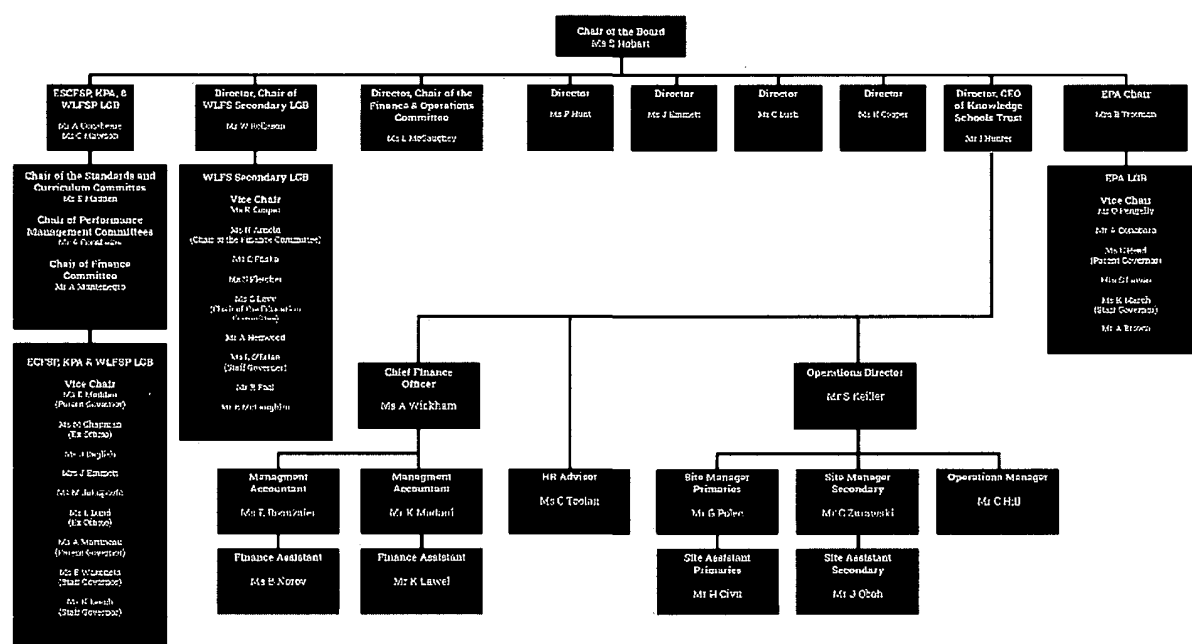
Since becoming a multi-academy trust, the organisation has established a scheme of delegation that delineates the roles and responsibilities of the Board of Trustees, the Local Governing Bodies (LGBs) and the head teachers of the schools within the Trust. The Chief Executive of Knowledge Schools Trust is the Accounting Officer.

The Trust has enshrined its scheme of delegation in a Terms of Reference document (available on its website) that describes how responsibilities are distributed between the Board, the LGBs and the head teachers in the following areas: Governance/Management, Education, Employment/Human Resources, Budgets, Sites/Facilities/ICT, Admissions/Exclusions and Marketing/Communications.

The diagram below shows the organisational structure of Knowledge Schools Trust as at 31 August 2021.

Knowledge Schools Trust Organisational Structure

Knowledge Schools Trust Organisation Chart



Arrangements for setting the remuneration of key management and staff

The key management personnel of the Trust responsible for directing and controlling the Trust are the Trustees and the Senior Executive Management Team. Trustees are not remunerated for their services as Director of the Trust, but the Senior Executive Management Team are. This includes the Chief Executive Officer who is also a Trustee.

There is a Remuneration Committee consisting of three Trustees that meets at least yearly to agree the remuneration of key management personnel (including the head teachers) in line with market rates and the achievement of performance objectives.

Trade union facility time

The Academy Trust does not have any staff who were relevant union officials during the year and no trade union expenses were incurred.

Related Parties and other Connected Charities and Organisations

Knowledge Schools Foundation Trust (KSFT), a company that raises money for Knowledge Schools Trust, is a registered charity with the registered company number 07292254. Related party transactions involving Trustees are set out in notes 10 and 29 to the financial statements.

On 16 May 2019, the Trust incorporated a wholly owned subsidiary called KST Enterprises. It is a private company limited by shares. The company number is 12000639. Its registered office is Cambridge Grove, London W6 0LB. The subsidiary provides staff to Knowledge Schools Trust and sells primary knowledge curriculum materials, and associated training and consultancy, to other schools and multi academy trusts. The primary knowledge curriculum materials include curriculum maps, subject and unit rationale documents explaining curriculum progression and content, lesson plans, knowledge organisers and assessment materials for history, geography, art and science. They also include synthetic phonics materials sold under the label of Essential Letters and Sounds. Training courses on the implementation of the materials and are offered to schools, either on a face-to-face basis or online. Schools are also able to purchase one-to-one consultancy services.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust's objectives are set out in its Articles of Association. They are to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, managing and developing schools offering a broad and balanced curriculum. The Trust's Articles of Association, available on the Trust website, set out the powers that the Trust has to deliver these objectives.

The Trust aims to:

- offer a knowledge rich, classical liberal education to all pupils regardless of background or ability
- to ensure the Trust remains in financial surplus
- to maintain budgetary discipline
- to attract and retain the best staff possible and
- to ensure all the schools under its umbrella are over-subscribed.

Trustees intend to expand the number of schools within the Trust and regularly discuss how to achieve this. The Trust has also invested in developing primary and secondary curriculum products to help other educational institutions adopt a similar knowledge rich approach.

Objectives, Strategies and Activities

To deliver these objectives and aims, the Trust engages in strategies and activities which:

- Encourage all children to be confident, hard-working and ambitious, regardless of background
- Transmit a core body of knowledge to all pupils
- Encourage every pupil to complete their education and do a sufficiently demanding course of Sixth Form study to progress to a good university
- Attain and retain outstanding teachers
- Instill a lifelong love of learning.

Further, the Trust aims to meet its objectives by engaging in activities which help create and develop schools which have:

- High aspirations, with a firm emphasis on academic attainment
- A classical academic curriculum
- Strong discipline
- A competitive atmosphere, particularly when it comes to Games
- Outstanding pastoral care
- Active parental and community involvement
- A specialism in Music
- A broad range of extra-curricular activities.

Ensuring our objectives are met

The Trust's schools are subject to regular inspection by Ofsted. In addition, all schools are required to have a pre-opening inspection by Ofsted, as well as receive regular monitoring visits from the Department for Education (DfE). Lesson observations take place and a head teacher performance review system is in place. Academic progress is monitored, and the head teachers of the schools report regularly on progress to their LGBs, which in turn report to the Board. Other evaluation measures include examination results, assessments of pupil progress, sporting and other successes, attendance rates and application rates. The West London Free School was inspected by Ofsted in May 2015 and was rated "Outstanding" in every area, and the Earl's Court Free School Primary was inspected in June 2017 and was rated "Outstanding" in every area. Kensington Primary Academy was inspected by Ofsted in November 2018 and was rated "Outstanding" in every area.

Public Benefit

In setting the objectives and planning the activities of the Trust, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard for the Charity Commission's general guidance on public benefit in exercising their powers and duties. The objectives, activities, achievements, and performance above explain the ways in which The Trust fulfils this obligation.

STRATEGIC REPORT

Achievements and Key Performance Indicators

The Trustees are satisfied that its key aims and objectives have been attained with pupils in both Year 11 and Year 13 achieving results in line with our previous excellent record of academic achievement. Despite an agreed investment from reserves in additional Sixth Form teaching, it has ended the year with a financial surplus.

Covid-19 response

In line with government guidance, all schools in the Trust were open to pupils from September 2020, and then closed for a week in October 2020, and then again from 1 January to 5th March 2021, with the exception of pupils of key workers and vulnerable pupils. During this period, learning for pupils was conducted online. Pupils were set homework as usual.

To ensure our online learning was accessible to all pupils, a laptop loan scheme was available for pupils without access to technology at home.

Academic attainment – West London Free School

As GCSE examinations for West London Free School were cancelled, schools submitted Teacher Assessment Grades (TAGs) for each pupil to the exam boards for each subject. The TAGs were created based on past assessment data, and summer assessment taken in May, moderated by our knowledge of departments' past performance and the prior attainment of each individual.

Our realistic assessment of TAGs allowed our pupils to pass successfully on to the next stage of their education with a valid set of qualifications commensurate with their ability and prior attainment in year 10 and year 11.

As with the GCSE results, A level grades were assessed based on a combination of past assessment data and summer assessments. Of our 126 applicants on UCAS, 112 went to their first or second choice of university. 56% of those who received confirmed destinations achieved places at Russell Group or Russell Group equivalent universities. 4 pupils achieved places at Oxbridge universities, and one pupil achieved a place to study medicine.

The pupils' achievements are a testament to their hard work and focus, as well as the efforts of our exceptional teaching and support staff. Progress in Years 7-10 is in line with this level of exam success in year 11. In line with the school's specialism in music, across the whole school, 20% of pupils had musical tuition in one or more instruments (2019-20: 26%)), which compares with less than 10% of secondary school pupils nationally. Attendance at the Secondary, excluding the period of school closure was 93.1% (2019:20: 93.1%). The school remains over-subscribed by a ratio of 10:1 (2019:20 10:1).

Academic attainment – Primary schools

For the primary schools, lessons during closure were provided via audio Loom lessons for Maths, English, and five specialist subjects. A bespoke style of learning was developed to ensure that the schools maintained the sequence of the curriculum and to ensure that all pupils had contact with a teacher. Primary teaching staff cooperated brilliantly across their schools to share resources and to create online lessons that were shared across schools.

In all four Primaries, pupil performance continues to be strong, particularly given the impact of the period of school closure and the challenges this creates for primary age children.

Early Foundation Profile	Years Stage	West London Free School Primary	Earl's Court Free School Primary	Kensington Primary Academy	Edlesborough Primary Academy	National (2019) -
% achieving GLD		75%	80%	70%	77%	71%

Year 1 Phonics Screening Check	West London Free School Primary		Earl's Court Free School Primary	Kensington Primary Academy	Edlesborough Primary Academy	National
% reaching the required standard	98%		97%	81%		82%
Key Stage 1 results – 2020 - 2021	West London Free School Primary		Earl's Court Free School Primary	Kensington Primary Academy	Edlesborough Primary Academy	National
Reading	EXS	85%	83%	53%	89%	75%
	GDS	25%	30%	20%	26%	Not available

Writing	EXS	82%	80%	40	67%	70%
	GDS	16%	27%	20%	19%	Not available
Maths	EXS	82%	80%	53%	85%	76%
	GDS	21%	33%	13%	26%	Not available

Key Stage 2 results – 2020 - 2021		West London Free School Primary	Earl's Court Free School Primary	Kensington Primary Academy	Edlesborough Primary Academy	National
Reading	EXS	90%	90%	n/a	82%	73%
	GDS	37%	58%	n/a	33%	Not available
Writing	EXS	85%	87%	n/a	74%	78%
	GDS	35%	48%	n/a	19%	Not available
Maths	EXS	88%	94%	n/a	74%	79%
	GDS	50%	61%	n/a	26%	Not available

EXS: Working at the 'Expected' standard

GDS: Working at a 'Greater Depth' within the 'Expected' standard

Due to school closure, attainment data was not submitted to the DfE, so national averages for the 2020/21 academic year are not available. The catchment areas of the schools are:

- West London Free School Primary and Earl's Court Free School Primary is the London Borough of Hammersmith and Fulham
- Kensington Primary Academy is the Royal Borough of Kensington and Chelsea
- Edlesborough Primary Academy is Buckinghamshire County.

Average attendance across the London based primary schools (excluding the period of school closure) was 95.4% (2019-20: 87%). The average attendance at EPA (excluding the period of school closure) was 96%. 28% of pupils at the London based primaries learn to play a musical instrument. 8% of pupils at EPA learn to play a musical instrument.

Key Financial Performance Indicators

The schools' LGBs, as well as the Board, regularly review the following financial performance indicators:

- Balance of incoming and outgoing resources
- Year-to-date spend against forecast
- Distribution of spend across categories (e.g. salaries, educational supplies, extra-curricular activities)
- Monthly cash balance
- Levels of donations to the schools
- On-going capital investment

Going Concern

After making appropriate enquiries, the Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the

Statement of Accounting Policies. Where necessary, the school continues to invest in personal protective equipment for pupils and staff, hand sanitiser, sprays and other anti-viral cleaning materials, screens to help prevent transmission of COVID-19 and the employment of day cleaners at all sites. Whilst none of these costs were specifically budgeted, the schools have contingency in their budgets and/or reserves which can be used to absorb these costs. The Board considers there is no impact on the Trust as a going concern from COVID-19.

FINANCIAL REVIEW

The Trustees take a cautious approach to the financial management of the Trust and consequently the Trust had an operating surplus after discharging its objects and aims as outlined above. This is in line with Charity Commission guidance, DfE guidance and with the Trustees' desire that funds be spent for the intended purpose. The Trust's principal source of funds is the DfE under the terms of the Trust's funding agreements.

The schools received £126,880 of Covid Catch-up Premium. WLFS used their share of this to fund an extra lesson per subject per week in the Sixth Form, and in the lower school, small group and one-on-one tutoring took place, mostly through the National Tutoring programme provided by the Department of Education. It also funded an additional responsibility allowance for a member of staff to coordinate the catch-up programme. At the London based primaries the money was used for one-to-one tutoring, interventions, planning and resourcing. At EPA the money was used to provide teacher led small group interventions, focusing on reading and writing in Key Stage 2 and to provide in classroom interventions in Key Stage 1.

WLFS ran a summer school in August 2020 for incoming year 7 parents. This was attended by 68 pupils, including 16 pupils entitled to Pupil Premium. The costs of the summer school was £14,557 and this was reimbursed by the Department of Education. WLFS also received £34,140 to cover the costs of the COVID-19 testing programme.

Reserves policy

The Trust's reserve policy is that, in any particular year, the total reserves should not fall below 10% of the total of General Annual Grant income and nursery funding for that year. At 31 August 2021, the level of reserves, excluding restricted fixed assets and prior to the pension adjustment of £657,693, was above this threshold.

Unrestricted General Fund Reserves

At 31 August 2021, the value of the free reserves held as unrestricted general funds was £1,289,719 (2020: £1,041,883). There is currently no target level for unrestricted reserves held. As and when this reserve grows, the Trustees will review reserves held to target necessary improvements throughout its property portfolio and its operational and organisational structure to improve teaching facilities, outcomes for pupils and the environment throughout the schools.

The Trust holds no other unrestricted reserves.

Restricted Reserves

The Trust aims to set a budget each year that will achieve a cumulative revenue (general restricted funds) surplus after all costs of between 2% and 5%. It is intended that the reserves will be held to allow the Trust in future periods to target necessary improvements throughout its property portfolio and its operational and organisational structure to improve the teaching facilities, outcomes for pupils and environment throughout the schools.

On 31 August 2021, the level of reserves held as restricted general funds was a deficit of £3,621,646. (August 2020: deficit of £1,684,942) and the level of reserves held as restricted fixed asset funds, was £61,032,910. (31 August 2020: £57,977,658), as shown in the Balance Sheet. The reason for the deficit in restricted general funds is due to the pension reserve being in deficit. After adjusting for the pension, the restricted general funds show a surplus of £401,354 (31 August 2020: surplus of £702,058).

Pension Reserve

At 31 August 2021, The Trust's share of the underlying Local Government Pension Scheme assets and liabilities was in deficit

by £4,023,000. (31 August 2020: £2,387,000).

Investment Policy

The Trust manages and holds its bank and petty cash balances and makes investment decisions with regards to use of those funds which are directed towards the provision of educational activities in line with the curricula of the schools and the identified support needs. The surplus cash reserves are prudently invested in interest-bearing bank deposits or similar. The Trust has no other investments.

Principal Risks and Uncertainties

The Board continues to keep the schools' activities under review to identify principal risks and regularly reviews the Trust's risk register. The risk register continues to include COVID-19 related risks, and a Pandemic Policy remains in place. School re-opening plans, including the detail of steps to minimise transmission of the virus, were reviewed, and approved by the Board. The Board continues to monitor the effectiveness of the system of internal controls (including insurance cover as appropriate), to ensure the risks already identified can best be mitigated. The major risks to which The Trust is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage those risks.

The financial and risk management objective of The Trust is to ensure effective financial management at the schools, such that the schools deliver their objectives within their budgets. To this end, The Trust ensures its schools comply with its Financial Regulations and Scheme of Delegation document, the guidance in the Academies' Financial Handbook, wider government guidance (e.g., on procurement) and charities regulation.

Principal risks and actions to mitigate these risks include:

- Lack of demand for places leading to the schools operating at less than 100% capacity
 - Mitigation: the schools ran an effective marketing and community outreach operation throughout the year and as a result were full during this financial year, except for our sixth form. As with the 2019/20 year, the Trust has invested additional financial resource in supporting and marketing the Sixth Form and this has reaped benefits in terms of increasing the roll in the Sixth Form from September 2022.
 - A targeted marketing plan is in place at EPA as pupil numbers are below our target and there has been a fall in roll in certain year groups. This has been caused by factors not specific to the school, for example, pupils moving out of the area.
- Uncertainty around running costs
 - Mitigation: The Trustees and the management accountants within the schools maintain a rigorous and effective set of financial procedures to support their overall financial and risk management objectives. In addition, contingencies are in place in the schools' budgets that minimise the impact of unforeseen costs during the year.
- The management of financial risks such as credit, cash flow and liquidity risk are not considered principal risks due to the nature of the Trust's funding profile. These areas are closely monitored at the schools and at Trust level on a regular basis.

As disclosed above, the Trust's share of the underlying Local Government Pension Scheme assets and liabilities was in deficit by £4,023,000 at 31 August 2021.

Financial impact of Covid-19

From a financial perspective, the impact of school closure due to the Covid was mixed. Lettings income was reduced during the three months of school closure, and before and after school care and holiday club income was reduced. Additional costs were also incurred to support remote learning, for personal protective equipment and for teaching supply costs (when staff were required to self-isolate). However, savings were also made in the areas of GCSE and A level exam fees, facilities hire, transport costs and department capitation spend.

Fundraising

The majority of fundraising that is done for the benefit of Knowledge Schools Trust is done via four independent charities. The schools within the Trust have Parent Teacher Associations (PTA). (1 PTA for the secondary and 3 PTAs for the Primaries). They raise money from parents and other sources. In addition, the Knowledge Schools Foundation Trust (KSFT) receives donations from parents, a few interested sponsors and high net worth individuals and foundations. KSFT has a contractual arrangement with an individual who raises funds which in some cases needs to be done in the name of the schools. The KSFT manages this process.

The Parent Teacher Associations and the KSFT comply with the Code of Fundraising practice and ensure that the privacy of possible donors is protected, that no unreasonable fundraising practices are employed, and that undue pressure is not placed on individuals or entities to donate. Annual confirmation of this is sought from both charities each year. No fundraising complaints have been received by any of the charities.

Plans for Future Periods

In September 2020, Kensington Primary Academy accepted its fifth cohort of reception pupils as well as continuing to operate a nursery for up to 30 pupils. It will continue to grow by 30 pupils each year until it reaches its full capacity of 240 pupils (including the nursery) in 2023/24. The West London Free School Primary has grown to capacity of 420 pupils and Earl's Court Free School Primary is now also at capacity with 210 pupils.

We are pleased also to have approval from the DfE to open a further secondary school in Cambridge which is expected to open in 2025. We continue to work with the DfE to open new schools or bring existing schools into our Trust in a managed and sustainable manner. Over the medium term (2021-23), the Trustees intend to further increase the number of schools under the Trust's management via a blend of new free schools and bringing established schools on board.

Auditor

In so far as the Trustees are aware:

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

A Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 23 December 2021 and signed on the Board's behalf by:

Signature:



Ms Suzanna Hobart
Trustee

Governance Statement**Year ended 31 August 2021****Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to them in the funding agreements between the Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees formally met four times during the year. In addition to the termly meetings, the Trustees maintain oversight of the operations of the Trust through regular communication by email and telephone, and via sharing of information via a file sharing portal designed for this purpose. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms Nicola Arnold	4	4
Mr Alexander Conabeare*	4	4
Ms Jane Emmett	4	4
Ms Kathryn Cooper	4	4
Ms Penny Hunt	3	4
Mr Ian Hunter*	4	4
Ms Suzanna Hobart (Chair)	4	4
Mr Cosmo Lush	4	4
Ms Chloe Mawson	3	3
Ms Laura McGaughey*	4	4
Mr William Rollason	1	1
Ms Beverley Trotman	1	1
Ms Catherine Whelan	3	3

*Members of the Finance and Operations Committee

COVID-19 did not impact the governance process. Meetings were conducted remotely using Microsoft Teams with little/no loss of effectiveness.

Governance Reviews

The Trust reviews its governance on an annual basis and has reviewed its formal delegation of responsibilities between the Trust Board and Local Governing Board of our schools. The Board has reviewed its composition and identified the requirement to appoint an experienced director with secondary and especially Sixth Form experience. The Board will also undertake a self-evaluation exercise in December 2021.

The Finance and Operations Committee (FOC) is a sub-committee of the main Board of Trustees. Its purpose is to ensure that all funds are spent for their proper purpose; those financial regulations are adhered to in all material respects and that budgets are monitored on a monthly and termly basis. The FOC has formally met four times during the year. Attendance during the year at meetings of the FOC was as follows:

Governance Statement**Year ended 31 August 2021**

Trustee	Meetings attended	Out of a possible
Ms Laura McGaughey (Chair)	4	4
Ms Nicola Arnold	4	4
Ms Suzanna Hobart	4	4
Mr Ian Hunter	4	4
Mr Alvaro Montenegro	4	4
Ms Catherine Whelan	1	1

Review of Value for Money

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year and reports to the Board of Trustees.

The Trust supported its contracted suppliers during the periods of school closure by continuing to pay amounts due or by agreeing alternative arrangements which took supplier furlough decisions into account.

Economies of Scale

In 2020-21, the Trust has continued to build on potential economies of scale derived from having five schools within the Trust. The addition of a fourth primary school in November 2020 has enabled further economies of scale to be achieved, with the central MAT team providing support to the school to improve the site and financial reporting.

Prudent Financial Management

Since 2011, the Trust has used its facilities efficiently and generated extra income from them wherever possible. In September 2020 the Trust in-sourced the letting of its properties to its trading subsidiary, KST Enterprises Limited (KSTE). This has meant that all lettings income accrues to KSTE, rather than the arrangement previously where a percentage was paid to a lettings management company. This has meant that the lettings income from our estate has increased from £246,795 in 2019-20 to £272,022 in 2020-21. Letting's income has been impacted by the period of school closure from January to March 2021 but we expect it to continue to increase from September 2021 and beyond. The income from wrap around care and holiday clubs has also been impacted by the ongoing pandemic, with parents seemingly needing less childcare, possibly due to increased working from home. The reduction in income from lettings and wrap around care has been offset however by the strong trading performance of the arm of KSTE which sells curriculum materials to other primary schools. Turnover in 2020/21 in this area was £229,169 (2019-20 £62,350). The amount due to KST from KSTE as a result of the gift aid payment arrangement in place is £75,275 (2019-20 £7,422).

Where possible, essential services are procured at a Trust level rather than at an individual school level in order to gain best value for money. All budget holders within the schools are required to familiarise themselves with the Trust's internal financial guidance document, the Financial Regulations and Scheme of Delegation, and follow the policies and procedures it sets out.

The Trust does not pay excessive salaries. In 2020-21, only two employees were paid a salary of more than £100,000, both of whom are headteachers.

Better procurement

Both revenue and capital budgets are subjected to close budgetary monitoring and value for money tests, with the schools' expenditure being overseen by the Finance and General Purposes Committees of their Local Governing Bodies and the Finance and Operations Committee of the Trust. The Trust reviews available frameworks and assesses suitability on a case-by-case basis. Where there is no suitable framework, bespoke tenders are produced and/or value for money exercises are

undertaken. In 2020/21 the Trust undertook the re-tendering of the coach service to transport pupils to games and broadband and internet filtering provision.

All senior staff are aware that FF&E and ICT budgets are one-off capital budgets to be drawn down over an extended period. They know that once these budgets are depleted, FF&E and ICT refreshment must be financed from General Annual Grant budgets, and they moderate their spending accordingly.

In the Secondary, department heads are allocated departmental capitation budgets decided by a formula based on pupil numbers and a multiplier to take account of the equipment needs of their departments. Additional departmental capitation budgets are available, but budget holders must bid for funds by producing a business case. This means staff must evaluate whether a purchase is necessary to support teaching and learning.

The Secondary

At the West London Free School, actions intended to improve educational outcomes include setting aspirational GCSE grade targets, keeping class sizes small, making Latin compulsory through to KS3 and setting across academic subjects in KS3, encouraging all children to learn a musical instrument and expecting all children to participate in our ambitious extra-curricular programme. The Trustees' Report describes key outcomes and achievements to illustrate that this approach is having a positive impact.

The West London Free School also has various measures in place to narrow the attainment gap between disadvantaged groups and their peers, including stretch and support classes in Maths and English, a curriculum tailored towards pupils with low prior attainment, and subsidised music lessons for students eligible for the Pupil Premium.

The focus during 2020-21 was to maintain the high standard achieved in our first set of GCSE results in 2016-17. As with 2020, this goal was overtaken by the cancellation of public examinations in 2021 and the requirement to report TAGS. Nevertheless, our impressive track record was maintained with a genuine concern to maintain standards and to avoid grade inflation. In the summer of 2021, we also had our fourth set of A level results which showed improvement over the results of the previous year but again these outcomes were based on TAGs. While the Sixth Form was not fully subscribed, we managed to retain a high proportion of our Year 11 pupils who chose to continue to Year 12 with WLFS, as well as attracting high calibre new pupils from a variety of schools. Three pupils gained places at either Oxford or Cambridge.

The Primaries

At our primary schools, measures are also in place continually to improve educational outcomes, such as setting high expectations, working with the children in small groups, organising them into ability groups in phonics and teaching an innovative, knowledge-based curriculum, which the school has developed. Again, there is evidence that this approach is having a beneficial impact, which is included within the Strategic Report.

The West London Free School Primary was inspected by Ofsted in May 2015 and was ranked "Outstanding" in every area, while the Earl's Court Free School Primary was inspected by Ofsted in June 2017 and was also ranked "Outstanding" in every area. Kensington Primary Academy was inspected in November 2018 and was also rated "Outstanding" in every area. Edlesborough Primary Academy has not been inspected since the school joined the Trust in November 2020.

The Purpose of the System of Internal Control

The system of internal control is designed to manage and reduce risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of The 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. A system of internal control has been in place in the Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Governance Statement**Year ended 31 August 2021**

Capacity to Handle Risk

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

The Risk and Control Framework

The 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 that are reviewed and agreed by the LGBs
- Regular reviews by the LGBs' Finance and General Purposes Committees of reports which assess 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

Robust key financial controls are crucial to ensure that the schools are complying with ESFA's requirements and expectations in relation to regularity, propriety, and the safeguarding of public funds.

The Board considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, since April 2014, RSM has been engaged to undertake an annual review of key financial controls across the Trust.

RSM reviews each school and identifies any weaknesses in the design of the overall control framework, which the Trust addresses. RSM provides a report to the Board overviewing the work they complete, the outcome, and recommendations for improvement which are implemented by the schools, overseen by the Finance Director. The checks that RSM carried out in the year to 31 August 2021, within its programme of work, included:

- Review and testing of payroll system and personnel files
- Review of access levels to accounting systems and controls over data amendments and transactions
- Review and testing of purchasing systems and supporting documentation
- Review and testing of income systems and supporting documentation
- Review of bank reconciliations and procedures
- Review and testing of IT recovery procedures

The Board also gains assurance via reviewing the reports prepared by external specialists who conduct reviews of the Trust and the schools' approach to safeguarding.

Review of Effectiveness

As accounting officer, Mr Ian Hunter 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 external auditor
- The work of RSM's annual review of financial controls
- The financial management and governance self-assessment process
- The information supplied by the Trust's finance teams led by the Finance Director
- The work of the Trust's Senior Management Team which has responsibility for the development and maintenance of the internal control framework

The Finance and Operations Committee has advised the accounting officer of the implications of RSM'S programme of works on the system of internal control. Plans are in place to address any weaknesses identified and to ensure continuous

improvement of the system.

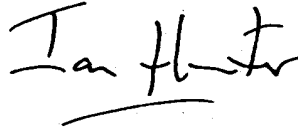
Approved by order of the members of the Board of Trustees on 23 December 2021 and signed on its behalf by:

Signature:



Ms Suzanna Hobart
Trustee

Signature:



Mr Ian Hunter
Accounting Officer and CEO

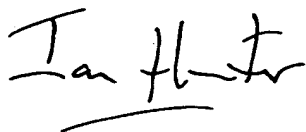
Statement on Regularity, Propriety and Compliance**Year ended 31 August 2021**

As accounting officer of Knowledge Schools Trust I have considered my responsibility to notify the Trust's Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreements in place between the 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 Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreements 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 the ESFA.

Signature:

A handwritten signature in black ink, appearing to read 'Ian Hunter', with a horizontal line underneath.

Mr Ian Hunter
Accounting Officer and CEO
23 December 2021

Statement of Trustees' Responsibilities**Year ended 31 August 2021**

The Trustees (who act as Governors of Knowledge Schools 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 2015 and the Academies Accounts Direction 2020 to 2021
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 on 23 December 2021 and signed on its behalf by:

Signature:



Ms Suzanna Hobart
Trustee

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE KNOWLEDGE SCHOOLS TRUST

Opinion

We have audited the financial statements of Knowledge Schools Trust (the 'Trust') and its subsidiary (the 'Group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Consolidated Balance Sheet, the Trust's Balance Sheet, the Statement of Consolidated Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group and the Trust's affairs as at 31 August 2021 and of the Group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

We are independent of the Group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group and the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE KNOWLEDGE SCHOOLS TRUST

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE KNOWLEDGE SCHOOLS TRUST

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

A further description of our responsibilities 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 Auditors' Report.

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
KNOWLEDGE SCHOOLS TRUST**

Use of our report

This report is made solely to the Trust'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 Trust's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Members for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 23 December 2021

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 10 September 2021 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 Knowledge School Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Knowledge School Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Knowledge School 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 Knowledge School Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Knowledge School Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Knowledge School Trust's funding agreement with the Secretary of State for Education dated 12 July 2016 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 year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

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

- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant
MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 23 December 2021

Knowledge Schools Trust
Consolidated Statement of Financial Activities
For the year ended 31 August 2021

(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Consolidated Total 2021 £	Unconsolidated Total 2020 £
Income and endowments from:						
Donations and capital grants	3	-	99,733	278,909	378,642	293,394
Transfer from local authority on conversion	31	-	(490,375)	2,875,000	2,384,625	-
Charitable activities						
Funding for the Trust's educational operations	4	-	13,256,009	3,037	13,259,046	11,756,518
Other trading activities	5	711,372	289,819	-	1,001,191	455,609
Investments	6	294	-	-	294	1,255
Total		711,666	13,155,186	3,156,946	17,023,798	12,506,776
Expenditure on:						
Raising funds	7	463,830	-	-	463,830	-
Charitable activities						
Trust's educational operations	8	-	14,369,485	251,098	14,620,583	13,848,613
Total		463,830	14,369,485	251,098	15,084,413	13,848,613
Net incoming resources before transfers		247,836	(1,214,299)	2,905,848	1,939,385	(1,341,837)
Gross transfers between funds	17	-	(149,404)	149,404	-	-
Net income for the year		247,836	(1,363,703)	3,055,252	1,939,385	(1,341,837)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	(573,000)	-	(573,000)	(458,000)
Net movement in funds		247,836	(1,936,703)	3,055,252	1,366,385	(1,799,837)
Reconciliation of funds						
Funds brought forward		1,041,883	(1,684,942)	57,977,658	57,334,599	59,134,436
Funds carried forward		1,289,719	(3,621,645)	61,032,910	58,700,984	57,334,599

All of Knowledge Schools Trust's activities derived from continuing operations.

The notes on pages 32-58 form part of these financial statements.

Knowledge Schools Trust
Consolidated Balance Sheet
As at 31 August 2021

Company number 07493696

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		60,973,858		57,977,658
Investments	14		1		1
			<u>60,973,859</u>		<u>57,977,659</u>
Current assets					
Debtors	15	944,557		1,535,310	
Cash at bank and in hand		2,882,118		1,798,678	
		<u>3,826,675</u>		<u>3,333,988</u>	
Liabilities					
Creditors: amounts falling due within one year	16	(2,076,551)		(1,590,048)	
Net current assets			<u>1,750,124</u>		<u>1,743,940</u>
Net assets excluding pension liability			<u>62,723,983</u>		<u>59,721,599</u>
Pension scheme liabilities	28		(4,023,000)		(2,387,000)
Total net assets			<u><u>58,700,983</u></u>		<u><u>57,334,599</u></u>
Funds of the Trust:					
Restricted funds					
Fixed asset funds	17		61,032,910		57,977,658
General funds	17		401,354		702,058
Pension reserve	17		(4,023,000)		(2,387,000)
Total restricted funds			<u>57,411,264</u>		<u>56,292,716</u>
Unrestricted funds					
General funds	17		1,289,719		1,041,883
Total unrestricted funds			<u>1,289,719</u>		<u>1,041,883</u>
Total funds			<u><u>58,700,983</u></u>		<u><u>57,334,599</u></u>

The financial statements on pages 28 to 58 were approved by the Trustees and authorised for issue on 23 December 2021 and are signed on their behalf by:

Signature:

Ms S Hobart
Trustee



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The notes on pages 32-58 form part of these financial statements.

Knowledge Schools Trust
Balance Sheet
As at 31 August 2021

Company number 07493696

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		60,973,858		57,977,658
Investments	14		1		1
			<u>60,973,859</u>		<u>57,977,659</u>
Current assets					
Debtors	15	961,956		1,535,310	
Cash at bank and in hand		<u>2,800,998</u>		<u>1,798,678</u>	
		3,762,954		3,333,988	
Liabilities					
Creditors: amounts falling due within one year	16	<u>(2,012,829)</u>		<u>(1,590,048)</u>	
Net current assets			<u>1,750,125</u>		<u>1,743,940</u>
Net assets excluding pension liability			<u>62,723,984</u>		<u>59,721,599</u>
Pension scheme liabilities	28		<u>(4,023,000)</u>		<u>(2,387,000)</u>
Total net assets			<u><u>58,700,984</u></u>		<u><u>57,334,599</u></u>
Funds of the Trust:					
Restricted funds					
Fixed asset funds	17		61,032,911		57,977,658
General funds	17		401,354		702,058
Pension reserve	17		<u>(4,023,000)</u>		<u>(2,387,000)</u>
Total restricted funds			<u>57,411,265</u>		<u>56,292,716</u>
Unrestricted funds					
General funds	17		<u>1,289,719</u>		<u>1,041,883</u>
Total unrestricted funds			<u>1,289,719</u>		<u>1,041,883</u>
Total funds			<u><u>58,700,984</u></u>		<u><u>57,334,599</u></u>

The financial statements on pages 28 to 58 were approved by the Trustees and authorised for issue on 23 December 2021 and are signed on their behalf by:

Signature:

Ms S Hobart
Trustee



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The notes on pages 32-58 form part of these financial statements.

Knowledge Schools Trust
Statement of Consolidated Cash Flows
For the year ended 31 August 2021

	Notes	2021 £	2020 £
Net cash (outflow) inflow from operating activities	22	1,048,066	(114,523)
Returns on investments and servicing of finance	23	294	1,255
Capital expenditure and financial investment		35,081	-
Decrease/Increase in cash in the year	25	1,083,441	(113,268)
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2020		1,798,678	1,911,946
Net funds at 31 August 2021		2,882,118	1,798,678

1. ACCOUNTING POLICIES

Basis of Preparation

Knowledge Schools Trust is a private company limited by guarantee, incorporated in England and Wales. The address of the registered office and the principal places of operation are detailed on page 1. The nature of the Trust's operations and principal activities are described in the Trustee's report. The financial statements of Knowledge Schools, a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with 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 (FRS102) (Charities SORP(FRS102)), the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust meets the definition of public benefit under FRS 102. The financial statements are presented in sterling (£) which is the functional currency of the Trust and are rounded to the nearest one pound.

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 one year from the date of approval of the financial statements. Due to the Covid-19 pandemic, the Trustees have also reviewed the going concern on a longer-term basis. Most of the funding for the Trust's activities is provided by central government. Whilst exact funding levels for the next three financial years is not certain, the Trustees consider that any material change in funding is unlikely. Following this assessment, the Trustees have determined that the accounts should be prepared on a going concern basis.

Basis of consolidation

The Consolidated Statement of Financial Activities (SOFA) and the Consolidated Balance Sheet consolidate the financial statements of Knowledge Schools Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. Knowledge Schools Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The Trust's Income and Expenditure account for the year dealt with in the accounts of the Trust was £1,291,109 (2020: £1799,836)

Income

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

• **Grant 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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general funds.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

1. ACCOUNTING POLICIES (continued)

- **Sponsorship income**

Sponsorship income provided to the Trust, which amounts to a donation, is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and is measurable.

- **Donations**

Donations are recognised on a receivable basis where there is entitlement, 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.

- **Donated goods, facilities and services and gifts in kind**

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of obligation can be measured reliably. Expenditure is classified by activity. The cost of each activity are made up of total of direct cost and shared cost, including support cost involved in undertaking each activity. Direct cost attributable to a single activity, are allocated directly to that activity. Shared costs, which contribute to more than one activity and support cost, 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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Fixed assets are assessed accordingly to their nature and are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. All fixed assets purchased using capital start up budgets provided by the Education and Skills Funding Agency are capitalised at cost irrespective of value. Fixed assets purchased from the General Annual Grant are capitalised if the value of an individual item is over £1,000.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the ESFA's capital budgets 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 Trust's depreciation policy.

1. ACCOUNTING POLICIES (continued)

Where fixed assets have been donated to the Trust, the asset is recognised at fair value and depreciated over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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

Freehold land	Not depreciated
Freehold buildings	50 years
Leasehold buildings	Over the term of the lease
Fixtures, fittings and equipment	4 years
ICT equipment	4 years
Motor Vehicles	4 years

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

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

Liabilities

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

Provisions

Provisions are recognised when the 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 benefit and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligations. 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 risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Investments

The Academy's shareholdings in its wholly owned subsidiary, KST Enterprises Ltd, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value, and the cost of valuation exceeds the benefits derived.

Financial Instruments

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

- Financial assets – VAT and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15.
- Prepayments are not financial instruments.
- Cash at bank is classified as a basic financial instrument and is measured at face value.
- Financial liabilities – Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in Note 16.

1. ACCOUNTING POLICIES (continued)

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.

Leased Assets

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

Taxation

Knowledge Schools Trust is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, Knowledge Schools 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

Retirement benefits to employees of the 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 Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the ESFA/DFE.

1. ACCOUNTING POLICIES (continued)

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.

The 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 significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2016 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 net book value of tangible fixed assets is based on the original cost of the assets net of provision for depreciation. The depreciation provision to date is based on the Trustees' assessment of the estimated useful economic lives of such assets.

Other than the estimates discussed above, the Trustees do not consider that there are any key judgements made in the preparation of the financial statements.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy 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 note 30.

Termination/severance payments

Termination benefits, including redundancy costs, are recognised when the Trust has the obligation to pay the benefits and they can be reliably measured.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Trust was not subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next.

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2021

3.	DONATIONS AND CAPITAL GRANTS	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
	Capital grants	-	218,359	218,359	75,340
	Donated fixed assets	-	60,550	60,550	
	Other donations	-	99,733	99,733	218,054
		-	378,642	378,642	293,394
	<i>Total 2020</i>	<i>7,422</i>	<i>285,972</i>	<i>293,394</i>	
4.	FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
	DfE/ESFA grants				
	General Annual Grant (GAG)	-	10,109,657	10,109,657	8,804,044
	Start-up Grants	-	60,000	60,000	84,000
	Other DfE/ESFA grant				
	UFSM	-	175,328	175,328	141,467
	Pupil premium	-	452,645	452,645	368,029
	Teachers' pension	-	351,904	351,904	316,184
	Others	-	870,697	870,697	757,475
		-	12,020,231	12,020,231	10,471,199
	Other Government grants				
	Local authority grants	-	741,767	741,767	453,655
	COVID-19 additional funding (DfE/ESFA)				
	Catch-up premium		126,880	126,880	-
	COVID-19 Mass testing funding		34,140	34,140	
	Other DfE/ESFA COVID-19 funding		14,557	14,557	-
	COVID-19 additional funding (non-DfE/ESFA)				
	Coronavirus job retention scheme grant	-	-	-	29,984
	Other COVID-19 funding		-	-	-
	Other income	-	321,471	321,471	801,680
		-	13,259,046	13,259,046	11,756,518
	<i>Total 2020</i>	<i>-</i>	<i>11,756,518</i>	<i>11,756,518</i>	

The academy received £126,880 of funding for catch-up premium and costs incurred in respect of this funding totalling £126,880.

KST Enterprises furloughed some of its lettings and after school and holiday club staff under the government's CJRS. The funding received of £38,300 relates to staff costs in respect of 19 staff which are offset against the staff costs in note 9 below.

4. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS (continued)

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

5. OTHER TRADING ACTIVITIES	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Hire of facilities	172,173	4,507	176,680	246,795
Other self generated income	100	285,312	285,412	208,814
Trading subsidiary income	539,099		539,099	-
	<u>711,372</u>	<u>289,819</u>	<u>1,001,191</u>	<u>455,609</u>

<i>Total 2020</i>	<i>246,795</i>	<i>208,814</i>	<i>455,609</i>	
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6. INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Short term deposits	294	-	294	1,255
	<u>294</u>	<u>-</u>	<u>294</u>	<u>1,255</u>
<i>Total 2020</i>	<i>1,255</i>	<i>-</i>	<i>1,255</i>	

7. EXPENDITURE	Staff Costs £	Non-pay Expenditure Premises £	Other costs £	Total 2021 £	Total 2020 £
Expenditure on raising funds:					
Direct costs - Trading subsidiary	277,822	-	186,008	463,830	-
Trust's educational operations					
Direct costs	8,438,482	122,628	789,613	9,350,723	10,122,037
Allocated support costs	2,522,235	1,209,132	1,538,493	5,269,860	3,726,576
	<u>11,238,539</u>	<u>1,331,760</u>	<u>2,514,114</u>	<u>15,084,413</u>	<u>13,848,613</u>
<i>Total 2020</i>	<i>9,142,188</i>	<i>1,957,979</i>	<i>2,748,446</i>	<i>13,848,613</i>	

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2021

7. EXPENDITURE (continued)

	2021 £	2020 £
Net Income / expenditure for the year includes:		
Fees payable to auditors		
- audit of the financial statements	24,750	20,500
- under accrual for prior year audit fees	5,500	10,968
- other audit services	9,175	8,925
Depreciation	122,628	1,342,746
Operating lease rentals	18,492	13,284

8. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Direct costs - educational support	-	9,350,722	9,350,722	10,122,037
Support costs - educational support	-	5,269,861	5,269,861	3,726,576
	-	14,620,583	14,620,583	13,848,613
<i>Total 2020</i>	-	13,848,613	13,848,613	

Analysis of supports costs

	Total 2021 £	Total 2020 £
Support staff costs	2,522,235	1,678,174
Technology costs	370,869	239,419
Premises costs	1,209,132	876,670
Legal and professional costs	165,201	107,818
Other support costs	962,844	778,855
Governance	39,580	45,640
	5,269,861	3,726,576

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2021

9. STAFF COSTS	Total 2021 £	Total 2020 £
Wages and salaries	7,694,902	6,186,448
Social security costs	806,295	666,867
Pension costs	2,128,267	1,674,589
	<u>10,629,464</u>	<u>8,527,904</u>
Agency staff costs	609,075	580,581
Staff restructuring payments	-	33,702
	<u>11,238,539</u>	<u>9,142,187</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	33,702
Other restructuring costs	-	-
	<u>-</u>	<u>33,702</u>

STAFF SEVERANCE PAYMENTS

Included in staff costs are non-contractual staff severance payments of £nil (2020: £13,136).

STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	125	101
Administration and support	96	69
Management	17	13
	<u>238</u>	<u>183</u>

9. STAFF COSTS (continued) Total Total

HIGHER PAID STAFF

The number of employees whose salary fell within the following bands was:

	2021 No.	2020 No.
£60,001 to £70,000	12	15
£70,001 to £80,000	4	3
£80,001 to £90,000	3	1
£100,001 to £110,000	-	1
£110,001 to £120,000	2	1
	<u>21</u>	<u>21</u>

KEY MANAGEMENT PERSONNEL

The key management personnel of Knowledge Schools Trust comprise the Trustees and the senior management team listed on page 2. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £341,868 (2020: £315,139).

10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One Trustee has been paid remuneration from employment with the Trust for undertaking the role of CEO under their contracts of employment and not in respect of their role as Trustee. The value of the CEO's remuneration and other benefits were as follows:

Mr I Hunter CEO

Remuneration	£80,000 - £90,000	(2020: £65,000 - £70,000)
Employer's pension contributions	£20,000 - £30,000	(2020: £15,000 - £20,000)

None of the other Trustees received any remuneration in respect of their services as Trustees.

During the year ended 31 August 2021, no travel and subsistence expenses were reimbursed to any Trustee (2020: £nil).

11. CENTRAL SERVICES

The Trust has provided the following central services to its schools during the year:

Financial, accounting, auditing and compliance services
Legal services
Educational support services
Management of capital projects
Management of trust-wide procurements
Human resources services

During the year, the Trust charged for these services on a % basis of each school's annual allocation income, 1/12 of which was remitted monthly by the schools to the Central Trust Team. For all schools this was budgeted at 3.75% (2020: 2.75%). These charges were recommended and approved by the LGB of each school.

The actual amounts levied during the year were:

	2021 £	2020 £
West London Free School	208,789	145,709
West London Free School Primary	73,904	52,294
Earl's Court Free School Primary	40,555	26,187
Kensington Primary Academy	42,891	27,194
Edlesborough Primary Academy	-	-
	<u>366,139</u>	<u>251,384</u>

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 was included in the total premium paid by the charity of £36,735 (2020: £35,684).

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2021

-13. TANGIBLE FIXED ASSETS
Group and Academy Trust

	Freehold land and buildings £	Leasehold land and buildings £	Motor vehicles £	Fixtures, fittings & equipment £	ICT equipment £	Total £
Cost						
At 1 September 2020	27,802,656	34,720,049	50,539	1,660,251	1,585,729	65,819,224
Transfer on conversion	-	2,875,000	-	-	-	2,875,000
Additions	-	55,141	-	63,143	125,544	243,828
Disposal	-	-	-	(394,004)	(364,875)	(758,879)
At 31 August 2021	27,802,656	37,650,190	50,539	1,329,390	1,346,398	68,179,173
Depreciation						
At 1 September 2020	2,981,953	1,926,287	50,539	1,489,021	1,393,766	7,841,566
Charges in year	(558,252)	514,517	-	78,613	87,750	122,628
Disposals	-	-	-	(394,004)	(364,875)	(758,879)
At 31 August 2021	2,423,701	2,440,804	50,539	1,173,630	1,116,641	7,205,315
Net book values						
At 1 September 2020	24,820,703	32,793,762	-	171,230	191,963	57,977,658
At 31 August 2021	25,378,955	35,209,386	-	155,760	229,757	60,973,858

The Trust's transactions relating to leasehold property included the refurbishment of two classrooms at the Cambridge Grove site £55,141 (2020 - £57,248) and the transfer in of the leasehold land and buildings relating to Edlesborough Primary Academy (£2,875,000). The leasehold land and buildings consists of two sites, the school buildings at High Street, Edlesborough, Dunstable, Bedfordshire LU6 2HS (£2,800,000) and a residential property for use by the school caretaker, at 98 High Street, Edlesborough, Dunstable, Bedfordshire LU6 2HS (£75,000). The properties were valued by Colliers International on 11 January 2021. They were valued on the basis of Depreciated Replacement Cost.

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2021

14.	INVESTMENTS	2021	2020
	Academy Trust	£	£
	Investment in KST Enterprises	1	1

KST Enterprises Limited (12000639)

Nature of business: To manage the lettings of school premises, to run wraparound care and holiday clubs, to provide staff to its parent company and the sales of primary curriculum materials.

Class of share:	Ordinary	Included in consolidation
Holding:	100%	Yes

The Academy's shareholding in the wholly owned subsidiary, KST Enterprises Limited (company number 12000639), is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

The company covenants its taxable profits to Knowledge Schools Trust (KST). A summary of trading results is shown below. Audited accounts are filed with the Registrar of Companies. All income and expenditure from trading activities was to/from unrestricted funds.

The financial results of the subsidiary for the year were:	2021	2021	2021
		£	£
	Income	Expenditure	Net assets
KST Enterprises Limited	578,796	(578,796)	1

15.	DEBTORS	2021	2020	2021	2020
		Group		Academy Trust	
		£	£	£	£
	VAT	426,550	1,023,425	437,537	1,023,425
	Trade debtors	181,533	190,734	112,667	190,734
	Other debtors	66,004	21,493	66,007	21,493
	Prepayments	82,005	177,522	82,005	177,522
	Accrued income	188,465	114,714	188,465	114,714
	Amounts owed from trading subsidiary	-	7,422	75,275	7,422
		944,557	1,535,310	961,956	1,535,310

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2021

16.	CREDITORS: amounts falling due within one year	2021 Group £	2020 £	2021 Academy Trust £	2020 £
	Trade creditors	640,378	624,633	593,917	624,633
	Taxation and social security	218,903	164,549	214,958	164,549
	Other creditors	69,366	120,315	67,391	120,315
	Accruals and deferred income	1,147,904	680,551	1,136,563	680,551
		<u>2,076,551</u>	<u>1,590,048</u>	<u>2,012,829</u>	<u>1,590,048</u>
				2021 £	2020 £
	Deferred income as at 1 September 2020			536,742	439,139
	Resources deferred in the year			600,908	388,962
	Amounts released from previous years			(203,767)	(291,359)
	Deferred income as at 31 August 2021			<u>933,883</u>	<u>536,742</u>

Deferred income held at 31 August 2021 includes capital and general funding received and related to the year ending 31 August 2022, deposits held for school trips that had not taken place by 31 August 2021, nursery fees, catering and music income received in advance of September 2021.

Knowledge Schools Trust
Other notes to the financial statements
For the year ended 31 August 2021

17.	FUNDS	Balance at 1 September 2020 £	Incoming resources £	(Resources expended) £	Gains, Losses and Transfers £	Balance at 31 August 2021 £
	Restricted general funds					
	General Annual Grant (GAG)	702,058	9,343,260	(11,008,962)	(149,404)	(1,113,048)
	Start-up Grant	-	60,000	(60,000)	-	-
	UIFSM	-	175,328	(175,328)	-	-
	Pupil premium	-	452,645	(452,645)	-	-
	Teachers' pension	-	351,904	(351,904)	-	-
	Catch-up premium	-	126,880	(126,880)	-	-
	Other DfE/ESFA/LA grants	-	1,545,317	(1,545,317)	-	-
	Other DfE/ESFA Covid-19 funding	-	48,697	(48,697)	-	-
	Coronavirus Job Retention Scheme	-	-	-	-	-
	Other Covid-19 funding	-	-	-	-	-
	Other income	-	1,564,154	(49,752)	-	1,514,402
	Pension reserve	(2,387,000)	(513,000)	(550,000)	(573,000)	(4,023,000)
		<u>(1,684,942)</u>	<u>13,155,185</u>	<u>(14,369,485)</u>	<u>(722,404)</u>	<u>(3,621,646)</u>
	Restricted fixed asset funds					
	DfE/ESFA capital grants	30,914,870	145,749	406,652	6,045	31,473,316
	Condition Improvement fund	187,170	133,160	(132,474)	(90)	187,766
	Local authority capital grant	269,499	3,037	(6,390)	74	266,220
	Capital expenditure from other funds	509,149	-	(88,023)	154,847	575,973
	Private capital donation	49,785	-	(8,490)	(11,472)	29,823
	Transfer from local authority	26,047,185	2,875,000	(422,373)	-	28,499,812
		<u>57,977,658</u>	<u>3,156,946</u>	<u>(251,098)</u>	<u>149,404</u>	<u>61,032,910</u>
	Total restricted funds	<u>56,292,716</u>	<u>16,312,131</u>	<u>(14,620,583)</u>	<u>(573,000)</u>	<u>57,411,264</u>
	Unrestricted funds					
	Unrestricted funds	1,041,883	247,836	-	-	1,289,719
		<u>1,041,883</u>	<u>247,836</u>	<u>-</u>	<u>-</u>	<u>1,289,719</u>
	Total unrestricted funds	<u>1,041,883</u>	<u>247,836</u>	<u>-</u>	<u>-</u>	<u>1,289,719</u>
	Total funds	<u>57,334,599</u>	<u>16,559,967</u>	<u>(14,620,583)</u>	<u>(573,000)</u>	<u>58,700,983</u>
	Unrestricted Trading funds					
	KST Enterprises Limited	-	539,105	(539,105)	-	-
		<u>-</u>	<u>539,105</u>	<u>(539,105)</u>	<u>-</u>	<u>-</u>
	Total consolidated funds	<u>57,334,599</u>	<u>17,099,072</u>	<u>(15,159,688)</u>	<u>(573,000)</u>	<u>58,700,983</u>

17. FUNDS (continued)

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

The restricted general fund includes all government and local authority funding which is used to meet the normal running costs of our schools. The majority of this is General Annual Grant (GAG), but it also includes the Universal Infant Free School Meal grants, which is used to provide every pupil in Reception and years 1 and 2 with a free school meal. It includes the Pupil Premium which is used to help raise the attainment of disadvantaged pupils. It includes nursery funding which is used to employ appropriate staff for the nursery at Kensington Primary Academy and Edlesborough Primary Academy. It also includes Special Education Needs funding which is used to assist pupils with special needs. Start-up grants are also included to cover some of the disproportionate costs of operating a new school which does not have all year groups present. £149,404 of this funding was used in the year ended 31 August 2021 to fund the purchases of fixed assets, including IT equipment, classroom refurbishment works, and furniture and fittings.

The restricted fixed asset fund includes funding received from various sources for the purposes of buying the fixed assets shown in note 13 of these financial statements. This includes ESFA capital grants for the purchase of fixed assets.

Unrestricted funds include those received from the trading activities of the Trust. It is used at the discretion of the Trustees to meet any of KST's objectives.

Under the funding agreements with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward as at 31 August 2021.

17. FUNDS (continued)

Comparative movement in funds

	Balance at 1 September 2019 £	Incoming resources £	(Resources expended) £	Gains, Losses and Transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	824,969	8,804,043	(8,747,946)	(179,008)	702,058
Start-up Grant	-	84,000	(84,000)	-	-
Other DfE/ESFA/LA grants	-	2,066,794	(2,066,794)	-	-
Other income	-	1,221,127	(1,221,127)	-	-
Pension reserve	(1,543,000)	-	(386,000)	(458,000)	(2,387,000)
	<u>(718,031)</u>	<u>12,175,964</u>	<u>(12,505,867)</u>	<u>(637,008)</u>	<u>(1,684,942)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	31,632,758	75,340	(793,228)	-	30,914,870
Condition Improvement fund	191,111	-	(3,941)	-	187,170
Local authority capital grant	275,485	-	(5,986)	-	269,499
Capital expenditure from other funds	398,819	-	(68,681)	179,008	509,146
Private capital donation	148,195	-	(98,410)	-	49,785
Transfer from local authority	26,419,688	-	(372,500)	-	26,047,188
	<u>59,066,056</u>	<u>75,340</u>	<u>(1,342,746)</u>	<u>179,008</u>	<u>57,977,658</u>
Total restricted funds	<u>58,348,025</u>	<u>12,251,304</u>	<u>(13,848,613)</u>	<u>(458,000)</u>	<u>56,292,716</u>
Unrestricted funds					
Unrestricted funds	786,411	255,472	-	-	1,041,883
Total unrestricted funds	<u>786,411</u>	<u>255,472</u>	<u>-</u>	<u>-</u>	<u>1,041,883</u>
Total funds	<u>59,134,436</u>	<u>12,506,776</u>	<u>(13,848,613)</u>	<u>(458,000)</u>	<u>57,334,599</u>
Unrestricted Trading funds					
KST Enterprises Limited	-	539,105	(539,105)	-	0
Total consolidated funds	<u>59,134,436</u>	<u>13,045,881</u>	<u>(14,387,718)</u>	<u>(458,000)</u>	<u>57,334,599</u>

17. FUNDS (continued)

Analysis of fund balances by entity

Fund balances at 31 August 2021 were made up as follows:

	Total 2021 £	Total 2020 £
West London Free School	296,081	386,252
West London Free School Primary	653,096	522,375
Earl's Court Free School Primary	473,667	384,988
Kensington Primary Academy	207,371	182,755
Edlesborough Primary Academy	43,556	-
Central Trust Team	17,302	267,571
Total before fixed assets and pension reserve	1,691,073	1,743,941
Restricted fixed asset funds	61,032,910	57,977,658
Pension reserve	(4,023,000)	(2,387,000)
Total	58,700,983	57,334,599

The West London Free School's retained surplus decreased to £296,081 as at 31 August 2021 from £386,252 as at 31 August 2020. The surplus decreased because of an agreed use of reserve to increase sixth form teaching hours.

The West London Free School Primary and Earl's Court Free School Primary are carrying comfortable surpluses of £653,096 and £473,667 respectively (2020: £522,375 and £384,988) also due to prudent financial management. A portion of the retained surplus in West London Free School Primary was deliberately allocated to capital improvements within the Cambridge Grove site, with two classrooms being refurbished.

Kensington Primary Academy is carrying a net surplus of £207,371 (2020: £182,755). This reflects prudent financial management in its fifth year of operation, where a surplus is being achieved despite having to run a nursery and five year groups and maintain and operate a five-storey school building.

At the end of its first ten months with the Trust, Edlesborough Primary Academy has a surplus of £43,556.

The Trust's Central Team is carrying a surplus of £17,302 (2020: £267,571). The surplus this year is reduced from prior year due to agreed used of reserves for Sixth Form improvement initiatives.

Analysis of expenditure by entity

	Teaching and Education support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total 2021 £	Total 2020 £
WLFS	4,573,133	926,000	129,681	1,547,036	7,175,850	6,363,214
WLFS Primary	1,621,906	196,522	102,843	527,340	2,448,611	2,771,691
ECFS Primary	827,921	114,101	13,000	234,449	1,189,471	839,600
KPA	758,815	244,662	24,370	375,259	1,403,106	980,673
EPA	571,466	279,018	9,158	142,130	1,001,772	-
Central Trust	85,241	761,855	-	303,580	1,150,676	1,550,688
Total	8,438,482	2,522,158	279,052	3,129,794	14,369,486	12,505,866

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed assets Funds £	Total Funds £
Fixed assets tangible	-	-	60,973,858	60,973,858
Fixed Asset investments	-	1	-	1
Current assets	1,289,719	2,477,904	59,052	3,826,675
Current liabilities	-	(2,076,551)	-	(2,076,551)
Pension scheme liabilities	-	(4,023,000)	-	(4,023,000)
	<u>1,289,719</u>	<u>(3,621,646)</u>	<u>61,032,910</u>	<u>58,700,983</u>

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed assets Funds £	Total Funds £
Fixed assets tangible	-	-	57,977,658	57,977,658
Fixed asset investments	-	1	-	1
Current assets	1,041,883	2,292,105	-	3,333,988
Current liabilities	-	(1,590,048)	-	(1,590,048)
Pension scheme liabilities	-	(2,387,000)	-	(2,387,000)
	<u>1,041,883</u>	<u>(1,684,942)</u>	<u>57,977,658</u>	<u>57,334,599</u>

19. CAPITAL COMMITMENTS

As at 31 August 2021, the Trust had capital commitments for the completion of the redevelopment of the Lodge building at West London Free School's Palingwick House site for £52,544, the completion of the window replacement at Kensington Primary Academy for £15,002 and for the replacement of the roof at Edlesborough Primary Academy for £168,120. The majority of the costs for these projects are covered by Condition Improvement Funds from the Department of Education.

20. FINANCIAL COMMITMENTS

Operating leases recognised as an expense

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

	2021 £	2020 £
Amounts due within one year	20,759	12,560
Amounts due between two and five years	14,877	20,270
	<u>35,636</u>	<u>32,830</u>

21. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

22. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income	1,939,385	(1,799,837)
Fixed assets transferred on conversion to academy	(2,875,000)	-
Depreciation (note 13)	122,628	1,342,747
Capital grants from ESFA and other capital income	(278,909)	(254,348)
Interest receivable (note 6)	(294)	(1,255)
Pension cost less contributions payable (note 27)	507,000	844,000
Pension finance cost (note 27)	43,000	-
Pension liability inherited on conversion	513,000	-
(Increase)/decrease in debtors	590,752	(424,295)
Increase/(decrease) in creditors	486,503	178,465
Net cash (outflow)/inflow from operating activities	<u>1,048,066</u>	<u>(114,523)</u>

23. RETURN IN INVESTMENTS AND SERVICING OF FINANCE

	2021 £	2020 £
Interest received	294	1,255
Net cash (outflow)/inflow from return on investment and servicing of finance	<u>294</u>	<u>1,255</u>

24. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2021 £	2020 £
Purchase of tangible fixed assets	(183,278)	(254,348)
Capital grants from ESFA	218,359	75,340
Capital grants received from sponsors and other	-	179,008
Net cash (outflow)/inflow from capital expenditure and financial investment	35,081	-

25. CHANGES IN NET FUNDS AND NET DEBT

	At 1 September 2020 £	Cash flow £	At 31 August 2021 £
Cash in hand and at bank	1,798,678	1,083,441	2,882,118

26. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 2021 or at 31 August 2020.

27. 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 ceased to be a Member.

28. PENSION AND SIMILAR OBLIGATIONS

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the relevant Local Authority. Both are defined-benefit pension 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 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPA 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 (HMT). 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% employer 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 is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £1,094,954. (2020: Employer's contribution £776,726). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £590,000 (31 August 2020: £442,902) of which employer's contributions totalled £465,000 (2020: £340,405), and employees' contributions totalled £125,000 (2020: £102,497). The agreed contribution rates for future years are 23.9% per cent (2020: 23.9%) for employers and 5.5-12.5% (2020: 5.5-12.5%) for employees.

28. PENSION AND SIMILAR OBLIGATIONS (continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. The Trust has three separate LGPS funds, one held by London Borough of Hammersmith and Fulham (including West London Free School, West London Free School Primary and Earl's Court Free School Primary), one held by the Royal Borough of Kensington and Chelsea (for Kensington Primary Academy) and one held by Buckinghamshire County Council (for Edlesborough Primary Academy).

Principal Actuarial Assumptions	At 31 August 2021 %	At 31 August 2020 %
Rate of increase in salaries	3.85	3.20
Rate of increase in pensions	2.85	2.20
Discount rate for scheme liabilities	1.70	1.65
Inflation assumption (CPI)	2.85	2.20

Sensitivity analysis for the principal assumptions used to measure scheme liabilities

Adjustment to discount rate

	+0.1%	0.0%	-0.1%
Present value of total obligation	6,789,000	7,012,000	7,241,000
Projected service cost	1,150,000	1,192,000	1,234,000

Adjustment to long term salary increase

	+0.1%	0.0%	-0.1%
Present value of total obligation	7,016,000	7,012,000	7,008,000
Projected service cost	1,192,000	1,192,000	1,191,000

Adjustment to pension increases and deferred revaluation

	+0.1%	0.0%	-0.1%
Present value of total obligation	7,235,000	7,012,000	6,796,000
Projected service cost	1,234,000	1,192,000	1,151,000

Adjustment to life expectancy assumptions

	+ 1 Year	None	-1 Year
Present value of total obligation	7,284,000	7,012,000	6,751,000
Projected service cost	1,242,000	1,192,000	1,141,000

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 were:

	At 31 August 2021	At 31 August 2020
Retiring today		
Males	21.6	21.8
Females	24.3-25.0	24.4
Retiring in 20 years		
Males	22.9	23.2
Females	25.7-26.4	25.9

28. PENSION AND SIMILAR OBLIGATIONS (continued)

The Trust's share of the assets in the scheme and the expected rates of return were:

	At 31 August 2021 £	At 31 August 2020 £
Equities	1,517,000	811,000
Absolute Return Portfolio	45,000	-
Gilts	50,000	-
Cash	147,000	108,000
Property	261,000	165,000
Inflation Opportunities Fund	-	157,000
Hedge Funds	11,000	-
Cash Plus Funds	536,000	218,000
Alternative Assets	9,000	-
Other bonds	413,000	248,000
Total market value of assets	2,989,000	1,707,000
Present value of scheme liabilities - Funded	(7,012,000)	(4,094,000)
	(4,023,000)	(2,387,000)

The actual return on scheme assets in the London Borough of Hammersmith and Fulham Pension Fund was £244,000 (2020: £104,000). The actual return on scheme assets in the Royal Borough of Kensington and Chelsea Pension Fund was £31,000 (2020: £12,000). The actual return on scheme assets in the Edlesborough Primary Academy Fund was £72,000.

	At 31 August 2021	At 31 August 2020
Movements in the present value of defined benefit obligation were as follows		
At 1 September	4,094,000	3,118,000
Transferred in on conversion	852,000	-
Current service cost	972,000	725,000
Interest cost	80,000	60,000
Estimated benefits paid net of transfers in	6,000	(9,000)
Employee contributions	125,000	105,000
Change in financial assumptions	1,075,000	384,000
Change in demographic assumptions	(68,000)	(175,000)
Experience loss/(gain) on defined benefit obligation	(124,000)	(110,000)
Liabilities assumed/(extinguished) on settlements	-	(4,000)
At 31 August (closing defined benefit obligation)	7,012,000	4,094,000

28. PENSION AND SIMILAR OBLIGATIONS (continued)

Movements in the fair value of the Trust's share of scheme assets	2021 £	2020 £
At 1 September	1,707,000	1,575,000
Transferred in on conversion	339,000	
Interest on assets	37,000	35,000
Return on assets less interest	310,000	81,000
Administrative expenses	-	(1,000)
Employer contributions	465,000	361,000
Employee contributions	125,000	105,000
Estimated benefits paid	6,000	(9,000)
Other actuarial gains/(losses)	-	(440,000)
At 31 August (closing defined benefit obligation)	2,989,000	1,707,000
Amounts recognised in the Statement of Financial Activities	2021 £	2020 £
Service cost	972,000	725,000
Net interest on the defined liability	43,000	25,000
Total operating expenses	1,015,000	750,000
Return on assets in excess of interest	(310,000)	81,000
Change in financial assumptions	1,075,000	(384,000)
Change in demographic assumptions	(68,000)	175,000
Other actuarial gain/(losses) on assets	-	(440,000)
Experience gain/(loss) on defined benefit obligation	(124,000)	110,000
Total comprehensive income	573,000	(458,000)
Total amount recognised in the statement of financial activities	1,588,000	292,000

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the fact that the Board's Trustees are drawn in part from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted on an arm's length basis, i.e. any Trustees with an interest in the organisations concerned are not involved in the decision of whether to engage in those transactions, and in accordance with the Trust's financial regulations and normal procurement procedures, i.e. the Board follows the procedures set out in the company's Articles of Association regarding the purchase of goods or services from Trustees, observes the guidance set out in the Academies Financial Handbook and its Financial Regulations and Scheme of Delegation document and complies with company law and charity law.

The following related party transaction took place in the period:

During the year ended 31 August 2021 the Trust had donations receivable totalling £70,858 (2020: £156,570) from Knowledge Schools Foundation Trust, a company and registered charity that shares some common Trustees with Knowledge Schools Trust.

During the twelve months ended 31 August 2021 the Trust paid for staffing services provided by KST Enterprises, a wholly owned subsidiary of Knowledge Schools Trust. The value of services paid for was £39,690 (2020: £105,207). At 31 August 2021, KSTE owed KST a net unsecured amount of £434. (2020: £8,683 owed by KST).

30. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £16,816 (2020: £23,622) and disbursed 19,184 (2020: £8,387) from the fund. An amount of £14,066 (2020: £15,235) is included in other creditors relating to undistributed funds that may be repayable to ESFA.

31. Conversion to an Academy Trust

On 1 November 2020, Edlesborough School (now Edlesborough Primary Academy) converted to academy status under the Academies Act and all the operations, assets and liabilities were transferred to Knowledge Schools Trust from Buckinghamshire Council for no consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at fair value and recognised in the Balance Sheet under the appropriate with a corresponding amount recognised as income in the Statement of Financial Activities.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	-	-	2,875,000	2,875,000
Current assets				
Cash at bank and in hand	-	12,605	-	12,605
Other debtors	-	11,309	-	11,309
Current liabilities				
Other creditors	-	1,289	-	1,289
Non-current liabilities				
Pension scheme liabilities	-	513,000	-	513,000
Net assets / (liabilities)	-	490,375	2,875,000	2,384,625

32. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2020 £
Income and endowments from:					
Donations and capital grants	2	7,422	210,632	75,340	293,394
Charitable activities					
Funding for the Trust's educational operations	3	-	11,756,518	-	11,756,518
Other trading	5	246,795	208,814	-	455,609
Investments	6	1,255	-	-	1,255
Total		255,472	12,175,964	75,340	12,506,776
Expenditure on:					
Charitable activities					
Trust's educational operations	8	-	12,505,867	1,342,746	13,848,613
Total		-	12,505,867	1,342,746	13,848,613
Net incoming resources before transfers		255,472	(329,903)	(1,267,406)	(1,341,837)
Gross transfers between funds	28		(179,008)	179,008	-
Net income for the year		255,472	(508,911)	(1,088,398)	(1,341,837)
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	28	-	(458,000)	-	(458,000)
Net movement in funds		255,472	(966,911)	(1,088,398)	(1,799,837)
Reconciliation of funds					
Funds brought forward		786,411	(718,031)	59,066,056	59,134,436
Funds carried forward		1,041,883	(1,684,942)	57,977,658	57,334,599