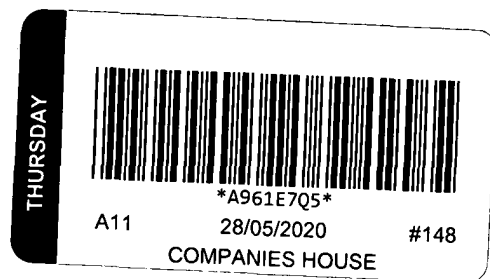


**The Key Educational Trust
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year ended 31 August 2019



Company Registration Number: 07702211 (England and Wales)

The Key Educational Trust

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The Key Educational Trust

Reference and Administrative Details

Trust Members (from 1 September 2018 to 31 August 2019)

Revd Paul Kingman – Chair (*Incumbent of the United Benefice of Christ Church, Stone, Oulton and Moddershall*)

Mr Colin Hopkins (*CECET Representative*)

Mr Andrew Stone (*PCC Representative*)

Mrs Gill Latos (*Chair of Directors*)

Directors (from 1 September 2018 to 31 August 2019)

Mrs G Latos (*Chair*)

Mrs J Hope (*Vice Chair*)

Revd P Kingman

Mr P Wilson

Mr C Wright

Mr S Hodgkinson

Mrs A Graham (*co-opted*)

Mrs D Wilkinson (*co-opted*)

Mr A James

Senior Leadership Team (CCA)

Mr C Wright (*Principal / CEO Trust*)

Mrs T Thorn (*Vice Principal*)

Mrs L Nicholson (*Assistant Principal*)

Miss E Rutherford (*Assistant Principal*)

Mrs D Wilkinson (*Finance Director (Trust)*)

Mrs W Holdcroft (*SENCO*)

Mrs C Thomas (*Seconded*)

Senior Leadership Team (KET)

Mr C Wright

Mrs M Melling

Mrs A Graham

Mrs D Wilkinson

Senior Leadership Team (CCFS)

Mrs A Graham (*Executive Headteacher*)

Ms S Barr (*Senior Teacher*)

Mrs J Smith (*PA to Headteacher*)

Senior Leadership Team (OFS)

Mrs A Graham (*Executive Headteacher*)

Mrs M Melling (*Lead Teacher*)

The Key Educational Trust

Reference and Administrative Details (continued)

Registered Office

Christ Church Academy
Old Road
Stone
Staffordshire
ST15 8JD

Company Registration Number

07702211

Auditors

Plant & Co Limited
Chartered Accountants and Registered Auditors
17 Lichfield Street
Stone
Staffordshire
ST15 8NA

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Bankers

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

The Key Educational Trust

Reference and Administrative Details (continued)

Staffing Establishment Autumn Term 2019 (CCA)

Principal
Vice Principal

Mr C M Wright
Mrs T Thorn

TEACHING STAFF

Assistant Principal (KS3/ Attendance)
Assistant Principal (Teaching & Learning)
Head of Art
Head of Design and Technology
Head of English
Head of MFL
Head of Humanities
Head of Computing
Head of Mathematics
Head of Music
Head of Health & Physical Education
Head of R.E.
Head of Science
Head of PSHE

Miss E Rutherford
Mrs L Nicholson-Ward
Miss D Fares
Mrs L McKenzie
Mrs K Brough
Mrs S Taylor
Mr K Healey
Mr G Coulson
Mr H Rudd
Mr K Harrison
Mr C Bailey
Mrs L Nicholson-Ward
Mrs A Wall
Mrs C Thomas

SENCO
Head of Year 5 and Reports
Head of Year 6

Mrs W Holdcroft
Mr M Hodson
Mrs H Marsden

Teacher
Teacher
Teacher
Teacher
Teacher
Teacher
Teacher
Teacher
Teacher
Teacher
Teacher

Mrs J Shackley
Mr S Pellington
Mr G Hammond
Mr P Jankovskis
Mrs L Chapman
Mr S Lodge
Miss T Lavin
Mr C Johnson
Mrs E Miller
Mr S Wall
Mr C Bailey
Mrs C Johnstone

SUPPORT STAFF

Business Manager
Principal's PA
Finance Officer
Finance Assistant
Finance/Admin Assistant
Administrative Assistants

Mrs D Wilkinson
Miss W Fenton
Mrs C Connolly
Mrs R Warner
Miss C Richardson
Mrs B Sale
Mrs C Pointon
Mrs R Litherland

Cover Supervisor/ Mini Bus
Cover Supervisor
KET Cover Supervisor

Mrs J Croasdale
Mrs E France
Mrs H Hodson (from 01.01.19)

Welfare Officer
Librarian/Before & After School Clubs
Assistant SENCO

Ms D Stangroom
Mrs E Bell
Mrs D Farnell

Teaching Assistants

Mrs K Slater

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Mrs H Hodson
Mrs C Clews
Mrs S Weaver
Mrs A Jagadheesan
Mrs H Sigley (Casual)

Laboratory/ D & T Technician
ICT Technician

Mrs J Whitby
Mr A Bailey

Site Supervisor

Mr C Warner

LUNCHTIME SUPERVISORS

Senior Supervisor
Supervisors

Mrs J Bakker
Miss J Barraclough
Mrs S Walters
Mrs S Wilkins
Mrs H Sigley
Mrs S Wheatley
Mrs A-M Baines (from 04.03.19)

Staffing Establishment Autumn Term 2019 (CCFS)

Executive Headteacher

Mrs A Graham

TEACHING STAFF

YR Class Teacher
Y1 Class Teacher – (Senior Teacher)/SLT
Y2 Class Teacher
Y3 Class Teacher
Y4 Class Teacher
Intervention & PPA (P/T)

Miss A Richardson
Miss S A Barr
Mrs R Doyle
Mrs E Morgan
Mr J Husbands
Miss A Babb

TEACHING ASSISTANTS

Mrs A Barnard
Mrs J Starkey
Mrs V Foster
Mrs D Elsmore
Miss E Jones

SUPPORT STAFF

PA/HR & Finance Officer/SLT
Clerical Assistant & Snr LSA
Handyperson

Mrs J Smith
Mrs A Farr
Mr S Hallows

LUNCHTIME SUPERVISORS

Mrs K Bruce
Mrs H Castell-Boote

Staffing Establishment Autumn Term 2019 (OFS)

TEACHING STAFF

Executive Headteacher
Head of School/Teacher
Teacher

Mrs A Graham
Mrs M Melling
Mrs B Hitchin

The Key Educational Trust

Teacher
Teacher
Teacher
Teacher

Mrs S Dawson
Mrs S Mannering
Mrs V Potts
Mrs B Grey (until Easter 2019)

Teaching Assistant/Nursery Nurse
Teaching Assistant/Nursery Nurse
Teaching Assistant/Lunchtime Supervisor

Mrs J Bradbury
Mrs V Hooley
Mrs K Caswell

SUPPORT STAFF

Office Manager
Caretaker
Catering Supervisor

Lunchtime Supervisors

Cleaner

Mrs H Arnold
Mr R Tinsley
Mrs Felgate

Mrs Dale
Mrs Caswell
Mrs Chidlow

Mrs Baines

The Key Educational Trust

Directors' Report

The Directors present their Annual Report together with the audited financial statements of the Key Educational Trust (KET) for the year ended 31 August 2019.

Structure, Governance and Management

Constitution

The KET is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and Articles of Association are the primary governing documents of the Trust.

The Directors form the Trust Board of the KET and the Chair and Vice Chair are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Key Educational Trust (company number 07702211).

Details of the Directors who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

Members' Liability

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

Directors' Indemnities

Through the year, the Directors have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in Note 11 to the Financial Statements, the limit of this indemnity is £2,000,000.

Principal Activities

The principal activity of the KET is to provide a quality, free education for young people, aged 9 to 13, with the emphasis being on raising levels of achievement.

Method of Recruitment and Appointment or Election of Governors for local governing bodies

The processes for appointing or electing the various types of Governor at the KET are as follows:

- 1) *Foundation Governors* – The Trustees of the Key Educational Trust have fully adopted the Lichfield Diocesan Board of Education Policy on Foundation Governors. This sets out the qualifications required and pre-appointment checks. It also details the appointment procedure together with suspension and/or removal procedures. This document is available upon request from the Trust.
- 2) *Parent Governors* – Parents, including carers, of registered pupils at the Academy are eligible to stand as individuals for election as a Parent Governor. They are elected by other parents at the Academy as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Governor elections.
- 3) *Staff Governors* – Both teaching and support staff paid to work at the Trust are eligible for staff governorship. Suitable procedures have been put in place for the conduct of Staff Governor elections.
- 4) *Local Authority Governors* – The Local Authority Governor was appointed by the Local Authority when the school was a maintained school and the Governing Body elected to keep the position upon conversion.

The Key Educational Trust

Directors' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees/Directors and Governors

Following their appointment/election all new Governors receive an introduction to their role from the Chair of Governors and Principal. This introduction includes tours of the school's sites and the opportunity to meet other members of the Senior Management Team.

The Board of Directors at the KET are committed to providing adequate opportunities for Governors to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Board of Directors maintains a Service Level Agreement with the Staffordshire County Council's Governor Services Department. This Agreement allows for any or all of the members of the Governing bodies to attend any of the training courses provided by Staffordshire County Council.

All new Governors/Directors are actively encouraged to take advantage of this agreement so as to gain a better understanding of the role and responsibilities of being a school Governor. Additionally, Governors with specific roles within the Board of Directors/local Governing Bodies are strongly encouraged to undertake specific training.

The training and induction provided for new Governors and Trustees will depend upon their existing experience. Specific training sessions are arranged for Governors/Directors as and when required.

Organisational Structure

The KET is supported of the Board of Directors and the seven members (as detailed on page 2), including the Chair of the Board of Directors.

In accordance with the Articles of Association, the KET has adopted revised Terms of Reference. There have been six full Board of Directors meetings in this period, and three committee meetings. There was also an AGM in December 2018.

During the first Board of Directors meeting of the period (September 2018) and the first KET Board Meeting (October 2018), the Chair and Vice-Chair were elected, together with Directors holding specific responsibilities. The full Board of Directors has seven members. Further to this there are two committees, each with its individual focus on specific areas of the Trust. Members of the senior leadership teams regularly attend meetings in order to provide key updates to Directors. There is a minimum of three Directors on each of these committees.

The KET had the following Board members (September 2018):

- a) 9 Board members appointed by the Trust Members which includes:
- b) 6 skill-based Directors representing the three schools within the Trust;
- c) 2 co-opted;
- d) The Principal/CEO.

The Directors who were in office at the date of the annual report, and those who served through the period are shown on page 2.

The day to day management of the charity is delegated to the Senior Leadership Teams, as shown on page 2.

The Key Educational Trust

Directors' Report (continued)

Risk Management

The Directors confirm that the major risks to which the Trust is exposed have been reviewed and systems have been established to mitigate those risks. The principal risks and uncertainties facing the Trust are as follows:

Risk Description	Action
Diminishing public perception due to possible failure to meet Ofsted's increased criteria.	School self-evaluation updated, new Improvement Plan developed in conjunction with staff and Directors, review of procedures
Disruption of pupils' education as a result of strike action (e.g. action over public sector pensions)	Take reasonable steps to keep the Trust open as normal without compromising strike action.
Financial uncertainties due to: <ul style="list-style-type: none">• Lack of information more than a year in advance• Changes in funding formula• Cost pressures (e.g. fuel, LGPS contributions, incremental drift)	Contribute to LA consultation process about funding proposals, raise concerns with EFA, plan according to current information (4 or 5 form entry, demographics, salary modellers)

Where significant financial risk remains, the Directors have ensured that they have in place adequate insurance cover. The Trust has an effective system of internal controls as detailed below.

Statement on the system of internal financial controls

As Directors, 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, not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Key Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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. The system of internal control has been in place in the Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Key Educational Trust

Directors' Report (continued)

The Risk and Control Framework

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

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

The Board of Directors have considered the need for a specific internal audit function and has retained a service level agreement with Staffordshire County Council. The Key Educational Trust used the Finance committee to carry out the functions of an audit committee. The LA report to the RO giving advice on financial matters and performing a range of checks on the Trust's financial systems – this year the reports have been produced for Christ Church Academy. On a termly basis, the RO reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities. The Directors are satisfied that the RO's function has been delivered in line with the EFA's requirements. No material control issues have been identified as a result of the RO's work.

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee.

Connected Organisations, including Related Party Relationships

The School Fund of all three schools within the Trust has been aggregated into these accounts as the funds are under the control of the Trust. The income and expenditure of the School Fund are shown in the Trust's restricted and unrestricted general funds, as appropriate.

Objectives and Activities

Objects and Aims

The Trust holds a firm belief that in order to achieve our goals we will work in true partnership. The key stakeholders are the Directors, staff, pupils, parents, the community and other external influences. Through working together to an agreed set of guiding principles that will govern this partnership, we will create the foundation on which the partnership will flourish.

The Key Educational Trust

Directors' Report (continued)

The principal activity of the Company is the operation of Key Educational Trust to provide education for pupils of differing abilities between the age of 4 and 13 with the emphasis being placed on raising levels of achievement. The key areas are:

<i>Teaching and Learning;</i>	The curriculum, new technologies, inclusion and equality, intervention
<i>Leadership and Management;</i>	Trust Organisation and Design, Workforce reform
<i>Resources;</i>	Financial management, deployment, school environment
<i>Community;</i>	Pupil support, mentoring, partnership of schools

The four areas listed above are essential and integral to the raising of achievement and it is the inter-relationship between these four areas which brings about pupil progress.

Objectives, Strategies and Activities

Within the key areas the main priorities across the Trust are listed below:

Teaching and Learning:

- To work with Leadership and Management to ensure that highly structured schemes of work reflect progression and differentiation;
- To work with Leadership and Management to ensure that assessment is effectively embedded in schemes of work;
- To review the use of data to focus on student progression;
- To ensure that work is matched to the needs and abilities of pupils
- To provide training opportunities in monitoring progression, learning walks, observation and work scrutiny;
- To ensure that effective intervention strategies are in place to drive for improvement alongside the SENCO and Senior Leaders;
- To work with Leadership and Management to maintain tracking and monitoring systems to deliver planned progression targets.

Leadership and Management:

- To manage each Academy's ongoing development;
- To analyse education policy changes and develop appropriate strategic planning;
- To develop effective leadership in the Academies with an emphasis on senior and middle leadership;
- To further develop leadership capacity across the Trust as well as within individual Academies;
- To review self-review and evaluation processes/systems in order that priorities be met;
- To ensure the necessary meeting infrastructures are in place linked to effective CPD.

Resources:

- To work with Leadership and Management to ensure that all the necessary infrastructures are in place in order to enable progression to take place
- To work strategically with Leadership and Management to ensure that succession planning allows for continued high quality provision
- To work with Teaching and Learning to ensure priorities for effective training opportunities are resourced

Community:

- To develop collaborative working arrangements with stakeholders, this includes parents, local businesses and feeder first schools
- To develop systems to share the best practice within the Trust and across the local partnership of schools
- To evidence the Christian ethos of the Trust within the community
- To develop opportunity for other partnership schools to join the Trust

The Key Educational Trust

Directors' Report (continued)

Other Strategies and Policies:

Equal Opportunities

The Trust recognises that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

Due to the age and nature of its premises Christ Church Academy (CCA) cannot offer complete access to all curriculum areas and facilities at present. However, within these constraints, CCA has made a number of reasonable adjustments to cater for staff and students with a range of disabilities and is committed to making further improvements to provide increased access.

The Trust has implemented a number of detailed policies and guidelines in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Health & Safety Policy
- ICT Security Policy
- Pay Policy
- Performance Management Policy
- Safeguarding Policy

In setting our objectives and planning our activities the Board of Directors have given careful consideration to the Charity Commission general guidance on public benefit.

Public Benefit

The Board of Directors have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by KET is the maintenance and development of the high quality education provided by the school to the young people within the local community. In doing this KET not only offers a broadly-based academic education but aims to educate the whole individual. A very wide-range of extra-curricular activities, educational trips, visits and foreign exchange programmes are offered and undertaken.

Achievements and Performance

The Trust has enjoyed another successful year with children achieving well in statutory national tests and Y1, Y2 and Y6. Numbers for entry at Year 5 at Christ Church Academy were strong as were those for Reception in Christ Church First School and Oulton First School. Christ Church Academy again published a temporary PAN of 150 to meet parental demand for places.

There has been a continued focus on aligning/standardising policies and procedures across the Trust most notably Safeguarding, Human Resources, Pupil Attendance, Compliments and Complaints, Performance Management and Open Morning. Both first schools now have the same approach to the teaching maths through the 'Maths No Problem' approach.

Performance for Christ Church First School and Oulton First School are detailed below alongside that of Christ Church Academy.

Extra-curricular and enrichment achievements

• **Christ Church Academy**

The Academy has maintained a broad and balanced curriculum for all year groups and this is supported by a rich and varied programme of enrichment and extra-curricular activities. This programme covers a wide range of musical, artistic, sporting, and academic opportunities and is very well attended by both girls and boys. The

Directors' Report (continued)

October Open Morning on a Saturday morning in October was supported by well over 100 children running activities in classrooms, speaking to visitors and acting as guides to prospective parents.

The children at the Academy have enjoyed significant success in local, district and county sports competitions as well as art competitions such as the Rare Breeds event and the County Council Christmas Card competition.

The place of the Academy in the community is of great importance and children are keen to participate in community activities such as supporting first school sports and arts events. Children have the opportunity to showcase their talents to the wider school community through music concerts, art and DT exhibitions, dancing and drama. They have also been involved in BBC Radio Stoke's litter pick, Stone Town Council's Christmas card competition, Guide Dogs for the Blind blindfolded walk, Remembrance Day parade

The annual summer concert, 'Stone Rocks', is a unique opportunity for children to perform in a more public manner. The children were very well supported by their peers, family, friends and members of the local community. Children excelled at the annual Stafford and Stone Sports Partnership Dance Festival, at the Stafford Gatehouse Theatre and the choir and artists took part in the Stone Lights ceremony and Advent Window event.

Children act as courageous advocates in seeking to support a wide range of local and national charities such as: Cancer Research UK, Macmillan Cancer Support, Donna Louise Trust, Stone Foodbank, Christmas Box to name a few.

The core curriculum has been enhanced through seeking inspiring and relevant enrichment activities. This year activities have included amongst others: Y5 Stone Police Station visit, Y7 Big Bang at the NEC, Year 5 team building day at Birches Valley, UK Maths Challenge, Slaters Chemistry Festival at Keele University, Y6 Outdoor Activities residential week, Y7 North Wales Science and Geography residential week, Y8 Parliament trip, whole school Sports Day at local athletics stadium, Y6 Victorian visit to Quarry Bank Mill and Y8 residential week just outside Paris, Year 8 Tenner Challenge. A European ski trip is scheduled for Spring 2020.

A curriculum review has begun to comprehensively map out the knowledge and skills across the years and linking it to the vision leaders have for the children at the Academy. The curriculum has not been narrowed or constricted in any way in an attempt to influence results in national tests and therefore children enjoy an imaginative diet of learning opportunities across the wide range of subjects.

Children at the Academy enjoy great support from the local parish team who lead weekly worship time and support the running of the 'Pursuit' extra-curricular club. This club offers children the opportunity for pupils to explore their own beliefs and learn more about the Christian faith.

- ***Oulton First School***

There is a rich programme of extra-curricular and enrichment opportunities at Oulton. Children are given the opportunity to experience trips based on the theme for the half term.

Clubs run during and after the school day are well attended and include activities such as dance, football, choir, eco club, gardening, art and crafts and cooking to name a few. Professional sports coaches run after-school clubs and they are well-attended. There is a charge for all after-school clubs to try and offset costs incurred.

Approximately 15 children returned to support the Open Morning in November, showing parents and children different activities and providing a warm reception.

The Oulton First School choir continues to be involved in many community events over the year. They represent the school at major local events such as the Stone Lights switch on, Advent Window opening, the Oulton PTFA Christmas Fayre, Walton Community Fair as well helping raise funds for charities including St John's and Children in Need.

The school provides a wide range of enrichment trips and opportunities to support the broad and balanced curriculum. Examples of such trips include trips to Chester, Gatehouse Theatre, Ford Green Hall, Reaseheath

Directors' Report (continued)

Zoo, Birmingham Aston Hall, Tatton Park, as well as our wonderful Forest School work that happens weekly at Kibblestone International Scout Camp.

The school is very well supported by the local church, St John's. Member of the church lead the school in worship once a week and provide a venue for Harvest, Christmas and Easter Services.

• Christ Church First School

Pupils at Christ Church C.E. First School benefit from a rich variety of extra-curricular opportunities. These take place during and after the school day and involve sporting, musical, artistic and academic activities. These clubs are extremely popular. Our choir and artists contributed to the Stone Lights ceremony and advent window event.

In September 2019, we chose not to employ sports coaches to support the teaching of PE across the school. Instead, we have made use of expertise within the MAT and have appointed a teacher for 1 day per week (equivalent) to teach PE to all year groups. This ensures there is continuity of staff, quality first teaching and a wider range of activities to incorporate gymnastics and dance. Mrs Roberts also runs an after-school sports club, which will cover a wide range of different sporting activities. This complements the football club for Y4. Entrust music services deliver our music curriculum and pupils enjoy learning to sing and play musical instruments as a class, enhancing their team.

Our children enjoy a thematic curriculum and this is supported through trips and activity days such as: dragon day, adventurers day, whole school projects, such as Clay School activities and science week activities to name a few.

Open morning – The format is the same across the KET now. Our open morning involved pupils welcoming our visitors and working on classes to showcase the school. We are hopeful that this will lead to new children attending our school in the near future.

Pupils have strong community links with the local church, local businesses and council. Pupils take part in competitions and events that enhance the school and local area. For example, BBC Radio Stoke's litter pick, Stone Town Council's Christmas card competition, Guide Dogs for the Blind blindfolded walk, Remembrance Day parade. The school supports a number of charities each year such as The Stone Food Bank (who receive our harvest gifts), Christian Aid and Younger Minds to name a few.

Our Eco-Heroes are our ambassadors for saving the planet and for saving our schools resources! Christ Church C.E. First School have arranged enrichment trips to support learning across the curriculum. This includes an annual residential trip to Standon Bowers for our Year 4 pupils. This prepares Year 4 for finishing their First School education and make final preparations for their move into Middle Schools. It also reinforces relationships with staff and their peers. We also welcome visiting theatre groups and make as much use of the local area to enrich the school curriculum. (E.g. Downs Banks, Crown Meadow and the canal.)

Our school community continued to benefit from excellent links with the parish team who lead a weekly 'Open Book' worship. We also invite parents into school, on a rota basis, for family worship where classes have the opportunity to showcase the work they have done on the worship theme for the half term. These are always well attended.

2019 Data

2018/19 CCFS	Sch 2017	Sch 2018	Sch 2019	LA	National	2018/19 OFS	Sch 2017	Sch 2018	Sch 2019	LA	National
EYFS GLD	82	84	82.8	74.4	71.8	EYFS GLD	88	92.9	81.3	74.4	71.8
Y1 Phonics	83	87	77.8	83.6	81.9	Y1 Phonics	93	86.7	100	83.6	81.9
Y2 Phonics	96	100	66.7	52.5	55.9	Y2 Phonics	100	100	100	52.5	55.9
KS1 Reading	85	82.1	92.3	77.4	74.9	KS1 Read	83	78.6	93.3	77.4	74.9
Greater depth	31	50	46.2	26.5	25	Greater depth	33	36	20	26.5	25

The Key Educational Trust

KS1 Writing	85	82.1	84.6	72	69.2	KS1 Writing	92	79	80	72	69.2
Greater depth	19	32.1	26.9	15	14.8	Greater depth	0	29	13.3	15	14.8
KS1 Maths	84	89.3	88.5	78.5	75.6	KS1 Maths	75	79	80	78.5	75.6
Greater depth	38	35.7	38.5	22.3	21.7	Greater depth	0	21	20	22.3	21.7
KS1 Science	92	89.3	92.3	84.1	82.3	KS1 Science	92	93	100	84.1	82.3
KS1 GPS	65	92	81			KS1 GPS	92	92	75		
Greater depth	25	32	27			Greater depth	32	32			
KS1 RWM	75	75	84.6	67.9	64.9	KS1 RWM	67	64.3	80	67.9	64.9
Greater depth	15.4	10.7	15.4	11.4	11.2	Greater depth	0	21.4	13.3	11.4	11.2

CCA KS2 SATs	Sch 2017	Sch 2018	Sch 2019	LA 2019	National 2019
Reading	71	78	74	73	73
Greater depth	24	30	23	26	27
Writing TA	90	89	80		78
Greater depth	6	5	26		20
GPS	60	70	76	78	78
Greater depth	7	16	21	34	36
Maths	68	76	81	79	79
Greater depth	24	24	25	24	27
RWM	62	66	65		65
Greater depth	24	3	14		11

In order to have benchmark data which can be compared to other schools nationally, CCA uses GL Assessments in both English and Maths.

A baseline assessment is taken at the start of Year 5 and then at the end of each Academic Year.
The average score for each cohort is 100.

CCA English Attainment – GL Assessment

Cohort	Current Year group	Attainment (Average Scaled Scores)				
		Baseline	End of year 5	End of Year 6	End of Year 7	End of Year 8
2019	5	99.1				
2018	6	107.4	105.1			
2017	7	102.6	102.0	103.8		
2016	8	105.6	105.1	107.1	109.0	
2015	9	101.1	103.0	101.4	105.4	104.8

CCA Maths Attainment – GL Assessment

Cohort	Current Year group	Attainment (Average Scaled Scores)				
		Baseline	End of year 5	End of Year 6	End of Year 7	End of Year 8
2019	5	94.1				
2018	6	98.1	104.2			
2017	7	95.3	100.8	101.7		
2016	8	97.3	105.4	101.8	108.2	
2015	9		100.5	98.2	106.6	110.4

The Key Educational Trust

Directors' Report (continued)

To ensure that standards are maintained, the Trust Academies operate a policy of lesson observations, intervention groups, moderation of assessments, book and planning trawls, pupil voice interviews and learning walks. Data tracking is carried out regularly to facilitate early intervention.

Key Performance Indicators

The following key performance indicators are considered when reviewing performance:

EYFS

Percentage of EYFS pupils achieving a Good Level of Development (GLD)

Key Stage 1

Percentage of Y1 pupils achieving expected standard in Phonics

Percentage of Y2 pupils achieving expected standard in Phonics in retest

Percentage of Y2 pupils achieving expected standard in Reading, Writing, Maths and Science

Key Stage 2

Percentage of pupils achieving scaled score of 100+

Percentage of pupils achieving scaled score of 100+ in Reading, Writing and Maths

Percentage of pupils making expected+ progress from KS1 to KS2 - IDSR

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the three Academies have 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 Accounting Policies note of the financial statements.

Financial Review

The majority of the Trust's income in the year was its General Annual Grant (GAG), the use of which is restricted to use in the furtherance of the objects of the Trust. The GAG received during the period covered by this report and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

Total income for the Trust during the year was £4.041m (2018 £3.636m) and total expenditure was £4.009m (2018 £3.7m), giving rise to a deficit of £0.058m (2018 £0.064m).

The Trust had cash reserves of £1.117m at the year-end (2018 £1.211m).

The Trust's restricted funds at the year-end were £5.031m (2018 £5.515m) and its unrestricted funds were £0.426m (2018 £0.376m).

The Directors remain concerned with the deficit that the Local Government Pension Fund is reporting. (See Note 25 to the Financial Statements).

Reserves Policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements.

The Directors have identified a number of priorities for capital projects to improve the Trust's facilities. The level of reserves will be kept under review by the Board of Directors.

Investment Policy

The Trust holds no realisable investments. It does hold cash at bank and the Board of Directors has adopted a low risk strategy in respect of these funds, their primary concern being to maintain adequate funds in the current account, to cover all anticipated requirements.

The Key Educational Trust

Directors' Report (continued)

Plans for Future Periods

In accordance with the aims of the Key Educational Trust, it will continue to drive improvements in the levels of performance of its pupils at all levels. It will continue its efforts to ensure that all pupils are well prepared for the next stage of their education. The Trust will continue to develop its facilities for its pupils and staff and is currently considering a number of potential projects to improve the premises.

Funds held as Custodian Trustee on behalf of others

During the year ended 31 August 2019, Key Educational Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

Auditor

In so far as the Directors are aware:

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

Approved by order of the members of the Board of Directors on 9 December 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'G Latos', written over a horizontal line.

Mrs G Latos (Chair)

The Key Educational Trust

Directors' Statement

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Key Educational 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 Directors has delegated the day-to-day responsibility to the CEO, 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 it in the funding agreement between Key Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The framework of the Trust is detailed within our Directors Report, starting on page 7 of these financial statements.

Review of Value for Money

As Accounting Officer, the Principal 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 Directors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer has set out in detail how the Trust has delivered improved value for money during the year in the Value for Money Statement issued. A summary of the key areas are as follows:

- Improving educational outcomes
- Financial governance and oversight
- Procurement
- Income generation
- Reviewing controls and managing risk
- Future plans and lessons learned.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Key Educational Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Risk and Control Framework

The Trust's system of internal financial controls is based on a framework of regular management information and

The Key Educational Trust

Directors' Statement (continued)

administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Directors have considered the need for a specific internal audit function and has retained a service level agreement with Staffordshire County Council. The Key Educational Trust used the Finances committee to carry out the functions of an audit committee. The LA report to the RO giving advice on financial matters and performing a range of checks on the Trust's financial systems – this year the reports have been produced for Christ Church Academy. On a termly basis, the RO reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities. The Directors are satisfied that the RO's function has been delivered in line with the EFSA's requirements. No material control issues have been identified as a result of the RO's work.

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the Premises Committee, undertaking the functions of an audit committee;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee.

Charity Commission general guidance on public benefit.

Approved by order of the members of the Board of Directors on 9 December 2019 and signed on its behalf by:



Mrs G Latos
(Chair)



Mr C M Wright
(Accounting Officer)

The Key Educational Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of the Key Educational Trust, I have considered my responsibility to notify the Academy's Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy's Board of Directors are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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 Directors and ESFA.



Mr C M Wright
Accounting officer

9 December 2019

The Key Educational Trust

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure of the Trust for the year. In preparing these financial statements, the Directors 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 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) 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 Trust will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

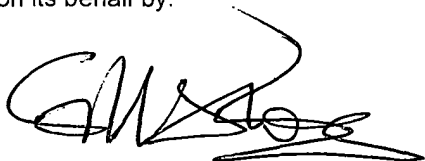
In so far as the Directors are aware:

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Trust'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 Directors on the 9 December 2019.

And signed on its behalf by:



Mrs G Latos
(Chair)

The Key Educational Trust

Independent Auditor's Report to the Members of The Key Educational Trust

We have audited the financial statements of the Key Educational Trust ("the Trust") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Independent Auditor's Report to the Members of The Key Educational Trust (continued)

Opinion on other matter 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 Directors' Report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 21, the Directors 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing 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 Directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

The Key Educational Trust

Independent Auditor's Report to the Members of the Key Educational Trust (continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Plant BA FCA (Senior Statutory Auditor)
For and on behalf of Plant & Co Limited, Chartered Accountants and Statutory Auditor
17 Lichfield Street
Stone
Staffordshire
ST15 8NA

Date: 9 December 2019

The Key Educational Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Key Educational Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies: Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Key Educational Trust's during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Key Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Key Educational Trust's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- scrutinising ledgers and supporting evidence regarding the use of restricted funds;
- checking opening and closing fund reconciliations;
- reviewing the financial management information prepared by the finance committee and the minutes of the meeting of Directors; and
- undertaking assurance based testing as additional procedures in each area of our audit work, focusing on both the use of funds and the understanding by the accounting officer and Directors of their respective responsibilities, in particular how the systems in place assisted them in fulfilling those responsibilities.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The Key Educational Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Key Educational Trust and the Education and Skills Funding Agency (continued)



Peter Plant BA FCA
Reporting Accountant

Plant & Co Limited
Chartered Accountants and Registered Auditors
17 Lichfield Street
Stone
Staffordshire
ST15 8NA

Date: 9 December 2019

The Key Educational Trust

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	2	9	-	210	219	168
Transfer from local authority on conversion		-	-	-	-	-
Charitable activities:						
Funding for the Trust's educational operations	5	-	3,782	-	3,782	3,413
Provision of boarding activities	28	-	-	-	-	-
Other trading activities	3	39	-	-	39	54
Investments	4	1	-	-	1	1
Total		49	3,782	210	4,041	3,636
Expenditure on:						
Raising funds	6	-	93	-	93	92
Charitable activities:						
Trust's educational operations	7,8	-	3,848	158	4,006	3,608
Provision of boarding activities	28	-	-	-	-	-
Other		-	-	-	-	-
Total	6	-	3,941	158	4,099	3,700
Net income / (expenditure)		49	(159)	52	(58)	(64)
Transfers between funds	15	1	30	(31)	-	-
Other recognised gains / (losses)						
Actuarial (losses)/gains on defined benefit pension schemes	15, 25	-	(376)	-	(376)	210
Net movement in funds		50	(505)	21	(434)	146
Reconciliation of funds:						
Total funds brought forward	15	376	(385)	5,900	5,891	5,745
Total funds carried forward	15	426	(890)	5,921	5,457	5,891

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses during the year.

The Key Educational Trust

Balance sheet as at 31 August 2019

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	12		5,921		5,880
Current assets					
Stock		-		-	
Debtors	13	121		116	
Cash at bank and in hand		1,117		1,211	
		<u>1,238</u>		<u>1,327</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>392</u>		<u>496</u>	
Net current assets			<u>846</u>		<u>831</u>
Total assets less current liabilities			6,767		6,711
Creditors: Amounts falling due after more than one year			-		-
			<u>6,767</u>		<u>6,711</u>
Net assets / (liabilities) excluding pension liability					
Defined benefit pension scheme liability	25		1,310		820
Net assets / (liabilities) including pension liability			<u>5,457</u>		<u>5,891</u>
Funds of the Trust:					
Restricted funds					
Fixed asset fund	15	5,921		5,900	
General fund	15	420		435	
Pension reserve	15	<u>(1,310)</u>		<u>(820)</u>	
Total restricted funds			5,031		5,515
Unrestricted income funds	15		426		376
Total funds			<u>5,457</u>		<u>5,891</u>

The financial statements on pages 1 to 48 were approved by the Trustees', and authorised for issue on 9 December 2019 and are signed on their behalf by:



Reverend P Kingman
(Chair)
Company Limited by Guarantee
Registration Number 07702211

The Key Educational Trust

**Statement of Cash Flows
Year Ended 31 August 2019**

	Notes	2019 £000	2018 £000
Cash transferred on conversion		-	-
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	(106)	16
Cash flows from investing activities	21	12	(35)
Cash flows from financing activities	20	-	-
Change in cash and cash equivalents in the reporting period		<u>(94)</u>	<u>(19)</u>
Cash and cash equivalents at 1 September 2018		1,211	1,230
Cash and cash equivalents at 31 August 2019	22	<u>1,117</u>	<u>1,211</u>

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Statement of accounting policies

General Information

The Key Educational Trust is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details beginning on page 2 of these financial statements. The nature of the Trusts operations and principal activities are set out in the Directors' Report beginning on page 7.

Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 Trust 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 and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants receivable**

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

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

Capital grants are recognised when receivable and are 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.

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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 there are no performance-related conditions), where the receipt is probable and it can be measured reliably.
- **Donations**
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Trust has provided goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and "Income from other trading activities". Upon sale, the value of the stock is charged against "Income from other trading activities" and the proceeds are recognised as "Income from other trading activities". Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within "Income from other trading activities".
- **Donated fixed assets** (excluding Transfers on conversion/into the Academy)
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

These are costs incurred on the Trust 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.

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold land	-	2% straight line
Long leasehold buildings	-	2% straight line
Fixtures, fittings and equipment	-	15% reducing balance
ICT equipment	-	15% reducing balance

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

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.

Valuation of Occupied Property

The property known as Christ Church Academy at Old Road, Stone ST15 8JD is occupied under a 125 year lease, commencing 1 August 2011. The landlords are The Lichfield Diocesan Board of Education and Staffordshire County Council. The property was valued independently upon conversion and was treated as a restricted fixed asset fund donation for the year and included as fixed asset additions on the Balance Sheet.

The property has since been depreciated in accordance with the Trust's accounting policy and the original value has a net book value of £2.072m at the year end.

The properties known as Christ Church CofE (C) First School at Northesk Street, Stone ST15 8EP and Outlon CofE (C) First School at Rock Crescent, Stone ST15 8UH are both occupied under individual licences with the Secretary of State and The Lichfield Diocesan Board of Educations, governed by Church Supplemental Agreements dated 30 March 2016.

In accordance with the guidance contained within the Academies Accounts Direction 2015 to 2016, both properties were independently valued upon conversion, were treated as a restricted fixed asset fund donations and were included as fixed asset additions on the Balance Sheet.

The properties have since been depreciated in accordance with the Trust's accounting policy and the original values have a net book value of £1.476m and £1.38m respectively at the year end.

The Directors acknowledge that the guidance relating to the accounting treatment of a property occupied under license has been revised in latest versions of the Accounts Direction. They will review the treatment at each year end, but based on the Church Supplemental Agreements currently in place, they believe that the existing treatment is the most appropriate.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting Policies (continued)

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 advanced payments for the goods or services 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 benefits and the obligation can be estimated reliably.

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

Leased Assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Stock

Where material, stock consists of purchased goods for resale. Where material, stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 quadrennial valuations using a prospective unit credit method. As stated in Note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting Policies (continued)

triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other 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 includes grants from the Education and Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The Trustee's do not believe that there are any areas of judgement that are critical to the financial statements.

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	205	205	160
Donated fixed assets	-	-	-	-
Other donations	9	5	14	8
	<u>9</u>	<u>210</u>	<u>219</u>	<u>168</u>

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

Income from donations and capital grants was £219,000 (2018 - £168,000) of which £9,000 (2018 - £8,000) was attributable to unrestricted funds, £Nil (2018 - £Nil) was attributable to restricted general funds and £210,000 (2018 - £160,000) was attributable to restricted fixed asset funds.

Contingencies and unfulfilled conditions attaching to Government grants are detailed in note 23, where appropriate.

3 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Hire of facilities	4	-	4	10
Provision of educational services	22	-	22	22
Trading income	13	-	13	22
	<u>39</u>	<u>-</u>	<u>39</u>	<u>54</u>

Income from other trading activities was £39,000 (2018 - £54,000) of which £39,000 (2018 - £54,000) was attributable to unrestricted funds, £Nil (2018 - £Nil) was attributable to restricted general funds and £Nil (2018 - £Nil) was attributable to restricted fixed asset funds.

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

Investment income was £1,000 (2018 - £1,000) of which £1,000 (2018 - £1,000) was attributable to unrestricted funds, £Nil (2018 - £Nil) was attributable to restricted general funds and £Nil (2018 - £Nil) was attributable to restricted fixed asset funds.

5 Funding for Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	3,319	3,319	3,207
Start-up grants	-	-	-	-
Other DfE/EFA grants	-	239	239	80
	<u>-</u>	<u>3,558</u>	<u>3,558</u>	<u>3,287</u>
Other Government grants				
Local authority grants	-	-	-	-
Special educational projects	-	42	42	34
	<u>-</u>	<u>42</u>	<u>42</u>	<u>34</u>
Other income from the Trust's educational operations		182	182	92
	<u>-</u>	<u>3,782</u>	<u>3,782</u>	<u>3,413</u>

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

Funding for Trust's educational operations was £3.782m (2018 - £3.413m) of which £Nil (2018 - £Nil) was attributable to unrestricted funds, £3.782m (2018 - £3.413m) was attributable to restricted general funds and £Nil (2018 - £Nil) was attributable to restricted fixed asset funds.

6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds	-	-	93	93	92
Trust's educational operations					
Direct costs	2,408	158	275	2,841	2,744
Allocated support costs	572	195	398	1,165	864
	<u>2,980</u>	<u>353</u>	<u>766</u>	<u>4,099</u>	<u>3,700</u>

6 Expenditure (continued)

£Nil (2018 - £nil) of the above expenditure on the Trust's educational operations was attributable to unrestricted funds, £3.941m (2018 - £3.596m) was attributable to restricted general funds and £158,000 (2018 - £150,000) was attributable to restricted fixed asset funds.

	2019 £000	2018 £000
Net income/(expenditure) for the year includes:		
Operating lease rentals	-	-
Depreciation	158	150
(Gain)/Loss on disposal of fixed asset	-	-
Fees payable to auditor for:		
Audit	8	8
Other services	-	-
	<u>166</u>	<u>158</u>

Included within resources expended are the following transactions.

	Total £	Individual items above £5,000 Amount £	Reason
Ex-gratia payments	-	-	n/a
Compensation payments	-	-	n/a
Gifts made by the trust	-	-	n/a
Fixed asset losses	-	-	n/a
Stock losses	-	-	n/a
Unrecoverable debts	-	-	n/a
Cash losses	-	-	n/a

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Charitable Activities

	Total 2019 £000	Total 2018 £000
<i>Direct costs – educational operations</i>	2,841	2,744
<i>Support costs – educational operations</i>	1,165	864
	<u>4,006</u>	<u>3,608</u>

Analysis of support costs	Total 2019 £000	Total 2018 £000
Support staff costs	572	443
Depreciation	-	-
Premises costs	195	187
Other support costs	196	166
Governance costs	202	68
Total support costs	<u>1,165</u>	<u>864</u>

8 Staff

(a) Staff costs

	2019 £000	2018 £000
Staff costs during the period were:		
Wages and salaries	2,124	2,012
Social security costs	204	196
Operating costs of defined benefit pension schemes	363	348
	<u>2,691</u>	<u>2,556</u>
Supply staff costs	208	217
Staff restructuring costs	-	-
	<u>2,899</u>	<u>2,773</u>

Staff restructuring costs comprise:

Redundancy payments	81	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>81</u>	<u>-</u>

(b) Staff severance payments

No severance payments were made during the year (2018: £Nil).

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

(c) Staff numbers

The average number of persons (including senior management team) employed by the Trust during the year, and the full time equivalents, was as follows:

	2019 Number	2019 Full-time equivalent	2018 Number	2018 Full-time equivalent
Charitable Activities				
Teachers	33	30.2	34	31.8
Administration and support	51	28.41	44	24.7
Management	9	8	10	10
	<u>93</u>	<u>66.61</u>	<u>88</u>	<u>66.5</u>

(d) Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	-	1
£100,001 - £110,000	1	1
	<u>2</u>	<u>4</u>

(a) Key management personnel

The key management personnel of the Trust comprise the Directors and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £529,180 (2018: £726,596).

9 Central services

Central services were provided by the Trust to its academies during the period and it made charges of £127,612 (2018 - £nil) relating thereto.

10 Related Party Transactions – Directors' Remuneration and Expenses

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

C Wright (Principal and Trustee)	£120,001 - £125,000 (2018: £120,001 - £125,000)
A Graham	£75,001 - £80,000 (2018: £50,001 - £55,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £Nil (2018: £Nil) were reimbursed to the Directors.

Other related party transactions involving the Directors are set out in note 26.

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 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 unlimited cover on any one claim. The cost of this insurance is included in the total insurance cost.

12 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2018	6,091	245	152	-	6,488
Transfer on conversion	-	-	-	-	-
Additions	161	5	33	-	199
Disposals	-	-	-	-	-
At 31 August 2019	6,252	250	185	-	6,687
Depreciation					
At 1 September 2018	406	122	80	-	608
Charged in year	125	19	14	-	158
Disposals	-	-	-	-	-
At 31 August 2018	531	141	94	-	766
Net book values					
At 31 August 2019	5,721	109	91	-	5,921
At 31 August 2018	5,685	123	72	-	5,880

13 Debtors

	2019 £000	2018 £000
Trade debtors	0	1
VAT recoverable	83	75
Other debtors	8	-
Prepayments and accrued income	30	40
	<u>121</u>	<u>116</u>

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	68	145
Taxation and social security	91	85
Other creditors	65	63
Accruals and deferred income	168	203
	<u>392</u>	<u>496</u>

Deferred income

	2019 £000
Deferred Income at 1 September 2018	189
Resources deferred in the year	58
Amounts released from previous years	(189)
Deferred Income at 31 August 2019	<u>58</u>

At the balance sheet date, the Trust was holding funds relating to the period from 1 September 2019 through to 31 March 2020, including balances for the rates rebate, universal free school meals and devolved formula capital.

15 Funds

	Balance at 1 September 2018 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	391	3,319	(3,379)	31	362
Transfer on conversion	-	-	-	-	-
Other DfE/EFA grants	-	239	(239)	-	-
Other restricted funds	43	224	(209)	-	58
Pension reserve	(820)	-	(114)	(376)	(1,310)
Private sector sponsorship	1	-	-	(1)	-
	<u>(385)</u>	<u>3,782</u>	<u>(3,941)</u>	<u>(346)</u>	<u>(890)</u>
Restricted fixed asset funds					
Transfer on conversion	5,165	-	(140)	-	5,025
DfE/EFA capital grants	281	210	(10)	-	481
Capital expenditure from GAG	454	-	(8)	(31)	415
	<u>5,900</u>	<u>210</u>	<u>(158)</u>	<u>(31)</u>	<u>5,921</u>
Total restricted funds	<u>5,515</u>	<u>3,992</u>	<u>(4,099)</u>	<u>(377)</u>	<u>5,031</u>
Unrestricted funds					
Unrestricted funds	376	49	-	1	426
Total unrestricted funds	<u>376</u>	<u>49</u>	<u>-</u>	<u>1</u>	<u>426</u>
Total funds	<u>5,891</u>	<u>4,041</u>	<u>(4,099)</u>	<u>(376)</u>	<u>5,457</u>

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds (continued)

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

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

Closing Restricted General Funds were as follows:

General Annual Grant (£362,000)

The Principal has in place a schedule of improvements, both in IT and building infrastructure, the costs of which will be made from the GAG fund carried forward. There is no restriction on the balance that can be carried forward on this fund.

Other Restricted

School Fund (£58,000)

This represents the balance of funds held in the School Funds bank account.

Closing Restricted Fixed Asset Funds were as follows:

Transfer from Local Authority on conversion (£5,025,000)

This represents value of assets transferred upon conversion to the Trust, less depreciation accounted for on those assets.

DfE/EFA capital grants (£481,000)

Since conversion, certain amounts of capital expenditure have been financed out of GAG. This balance represents the amount of funding used in this manner, less the depreciation accounted for on those assets.

Capital expenditure from GAG (£415,000)

Since the conversion, certain amounts of capital expenditure have been financed out of GAG. This balance represents the amount of funding used in this manner, less the depreciation accounted for on those assets.

Closing Unrestricted Funds were as follows:

Unrestricted Funds (£426,000)

This fund represents the accumulation of unrestricted funds generated from activities. These funds are held to enable the Trust to accommodate any future GAG deficits and contingency costs.

Total funds analysis by Trust

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Christ Church Academy	991	757
Christ Church First School	(130)	48
Oulton First School	(12)	(25)
The Key Educational Trust	(3)	31
Total before fixed assets and pension reserve	846	811
Restricted fixed asset fund	5,921	5,900
Pension reserve	(1,310)	(820)
Total	5,457	5,891

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds (continued)

Total cost analysis by Trust

Expenditure incurred by each Trust during the year ended 31 August 2019 was as follows:

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2019 £000	Total 2018 £000
Christ Church Academy	1,722	296	163	466	2,647	2,523
Christ Church FS	397	198	37	134	766	619
Oulton FS	260	35	19	88	402	400
The Key Educational Trust	29	43	2	52	126	9
Total	2,408	572	221	740	3,941	3,551

16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	5,921	5,921
Current assets	426	812	-	1,238
Current liabilities	-	(392)	-	(392)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(1,310)	-	(1,310)
Total net assets	426	(890)	5,921	5,457

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	-	-

18 Commitments under operating leases

Operating leases

As at 31 August 2019 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	24	19
Amounts due between one and five years	31	28
Amounts due after five years	-	3
	<u>55</u>	<u>50</u>

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

	2019 £000	2018 £000
Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)	(58)	(64)
Adjusted for :		
Depreciation (note 12)	158	150
Capital grants from DfE/EFA and other capital income	(210)	(160)
Interest receivable (note 4)	(1)	(1)
Fixed assets inherited on conversion	-	-
Cash funds inherited on conversion	-	-
Prepaid costs inherited on conversion	-	-
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme cost less contributions payable (note 25)	50	68
Defined benefit pension scheme finance cost (note 25)	64	54
(Increase)/decrease in debtors	(5)	(22)
Increase/(decrease) in creditors	(104)	(9)
Net cash provided by (used in) operating activities	<u>(106)</u>	<u>16</u>

20 Cash flows from financing activities

	2019 £000	2018 £000
Repayments of borrowing	-	-
Cash inflows from borrowing	-	-
Net cash provided by / (used in) financing activities	<u>-</u>	<u>-</u>

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Cash flows from investing activities

	2019 £000	2018 £000
Purchase of tangible fixed assets	(199)	(196)
Capital grants from DfE/EFA	210	160
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
Interest receivable (note 4)	1	1
Net cash provided by / (used in) investing activities	12	(35)

22 Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand and at bank	1,117	1,211
Total cash and cash equivalents	1,117	1,211

23 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any capital asset for which a Government Capital grant was received, the Trust is required to either re-invest the proceeds or to repay the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State, as the Secretary of State may require.

24 Members' Liability

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

25 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 Staffordshire County Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £18,884 (2018: £18,308) were payable to the schemes at 31 August 2019 and are included within creditors.

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in Academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension costs paid to TPS in the period amounted to £245,432 (2018: £239,943).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £161k, of which employer's contributions totalled £128k and employees' contributions totalled £33k. The agreed contribution rates for future years are 24.5% for employers and 5.5%-7.5% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	2.7%	2.8%
Rate of increase for pensions in payment / inflation	2.3%	2.4%
Discount rate for scheme liabilities	1.8%	2.5%
Inflation assumption (CPI)	2.7%	2.7%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.4	24.4
<i>Retiring in 20 years</i>		
Males	22.2	24.1
Females	24.8	26.4

Sensitivity analysis

	At 31 August 2019	At 31 August 2018
Discount rate (-5%)	13%	13%
Salary increase rate (+5%)	2%	3%
CPI rate (+5%)	10%	10%

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	1,084	954
Bonds	351	259
Property	128	109
Cash	31	42
Total market value of assets	1,594	1,364

The actual return on scheme assets was £50,000 (2018: £51,000)).

Amounts recognised in the statement of financial activities

	2019 £000	2018 £000
Current service cost (net of employee contributions)	(218)	(216)
Net interest cost	(24)	(24)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	(242)	(240)

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

	2019 £000	2018 £000
At 1 September	2,184	2,055
Current service cost	218	216
Interest cost	64	54
Employee contributions	33	32
Actuarial (gain)/loss	426	(159)
Curtailments and settlements	-	-
Benefits paid	(21)	(14)
Effect of business combinations and disposals	-	-
At 31 August	2,904	2,184

The Key Educational Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2019 £000	2018 £000
At 1 September	1,364	1,147
Expected return on assets	40	30
Actuarial gain/(loss)	50	51
Employer contributions	128	118
Employee contributions	33	32
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	(21)	(14)
Effect of business combinations and disposals	-	-
At 31 August	<u>1,594</u>	<u>1,364</u>

26 Related Party Transactions

Owing to the nature of the Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest.

No related party transactions took place in the period of account.

27 Events after the balance sheet date

There were no material events up to 9 December 2019 being the date of the approval of the financial statements by the Trustees.

28 Trust boarding trading account for the year ended 31 August 2019

No boarding took place during the accounting period.