

Registration number: 9996478

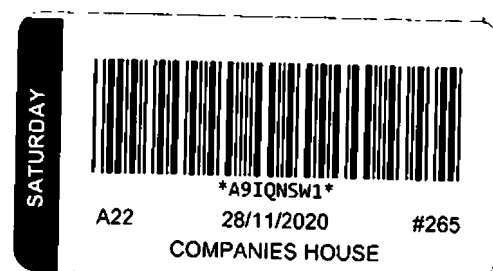
Kendal Primary Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Stables Thompson & Briscoe
Chartered Accountants & Statutory Auditors
Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX



Kendal Primary Multi Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 9
Governance Statement	10 to 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report on the Financial Statements	15 to 17
Independent Reporting Accountant's Report on Regularity	18 to 19
Statement of Financial Activities incorporating Income and Expenditure Account	20 to 21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 to 42

Kendal Primary Multi Academy Trust

Reference and Administrative Details

Members	Austen Robinson Julian Raynor Sally Ann Parnaby
Trustees (Directors)	Mark Deverill
Governors and Trustees (Directors)	Wendy Gibson Robert Fenton Alan Robinson Helen Richardson Neil Stoker Helen Smith (resigned 7 July 2020)
Governors	Leanne Shaw Austen Robinson Colin Fisher (resigned 7 July 2020) Helen Ainsworth Richard Hussey (resigned 1 May 2020) Valerie Farndon Nicola Kitchen Tom Pateson
Principal	Helen Richardson
Deputy Principal	Neil Stoker
Senior Management Team	Helen Richardson, Principal Neil Stoker, Deputy Principal
Principal and Registered Office	Sedbergh Drive Kendal Cumbria LA9 6BE
Company Registration Number	9996478
Auditors	Stables Thompson & Briscoe Chartered Accountants & Statutory Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX

Kendal Primary Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates one Academy for pupils aged 3 to 11, namely Castle Park School, serving a catchment area in north east Kendal. The catchment area is broadly bounded by the A685 Appleby Road in the north and west and by Paddy Lane in the east and includes the Sandylands Estate, the Castle Estate and part of the northern end of Valley Drive.

The Academy has a pupil capacity of 315 (excluding 45 nursery places) and had a roll of 315 (including 36 nursery children) in the summer term 2020.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 9996478.

The Trustees of Kendal Primary Multi Academy Trust Limited are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Kendal Primary Multi Academy Trust. The charitable company also trades as Castle Park School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance via the Department of Education's Risk Protection Arrangement (RPA) to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Board of Trustees and the management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The Trustees may appoint up to 15 Governors. They may appoint Staff Governors through such process as they may determine provided that the total number of Governors (including the Headteacher) who are employees of the Trust does not exceed one third of the total number of Governors. The Headteacher shall be treated for all purposes as being an ex-officio Governor. There will be 2 Parent Governors who shall be elected by parents of registered students at the Academy.

The Directors and Trustees shall be appointed to the Board of Trustees by the Members with regard to the skill set needed.

Kendal Primary Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Policies and procedures adopted for the induction and training of Trustees

All new Trustees have an induction meeting, usually with the Chair and Headteacher. The training and induction process will depend on their existing experience. Governor/Trustee Services' courses are available to all Governors and Trustees. Trustees have access to all policies, improvement plans, minutes and other relevant documentation that they need to undertake their role fully as a Trustee. For the first 12 months, they are invited to all meetings which allows them to develop a full picture of the Governing Body's working practices, and to decide which committee to join.

Organisational structure

The Governors are responsible for the strategic development of the Academy, adopting an annual School Improvement Plan and budget, monitoring the Academy by the use of budgets and management accounts and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

To ensure an efficient and effective committee structure with the Academy's School Improvement Plan at its core, there are governor committees responsible for Curriculum & Behaviour; Premises, Health & Safety; Admissions and Finance, Staffing & Pay.

The Leadership Team are the Headteacher (Chief Executive Officer) and the Deputy Headteacher. These leaders direct the Academy at an executive level implementing the policies laid down by the Governors, Directors and Trustees and reporting back to them. They are responsible for the authorisation of spending within agreed budgets and the appointment of staff, although appointment boards for all staff always contain a Governor. Some spending control is devolved to other members of staff (e.g. departmental and subject budgets).

Key Stage Team Leaders and Subject Leaders are responsible for the day to day operation of each phase department and curriculum subject areas, and accordingly organise their teaching staff, curriculum, capitation resources, facilities and pupils.

The Headteacher and Deputy Headteacher are supported by the School Office Manager in relation to staffing, premises and health and safety, and the school's accountants support with regard to financial matters.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Academy's key management personnel, namely the Headteacher and Deputy Headteacher is reviewed on an annual basis by the Finance, Staffing and Pay Committee following the completion of annual appraisals.

The pay and remuneration of the Headteacher and Deputy Headteacher is governed by the Trust's Pay Policy for Teachers.

Kendal Primary Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Connected organisations, including related party relationships

There are no related parties which either control or hold significant influence over the decisions or operations of the Kendal Primary Multi Academy Trust. There are currently no sponsors.

As part of its operation, the Academy liaises with organisations such as Cumbria County Council and the Kendal Collaborative Partnership as well as with other education providers and trainers such as local schools, further education institutions and universities. These links are maintained in the interests of supporting good practice and information sharing and consolidate well established mutually supportive associations.

The Academy also works closely with parents and with the Friends of Castle Park, a registered charity run by parents and friends of the school, which aims to raise money for the benefit of all children who attend the school.

Objectives and activities

Objects and aims

The principal objectives and activities of the charitable company is the operation of Castle Park School to provide education for children aged 3 to 11 years. In doing so it meets the requirements of the Master Funding Agreement and Supplemental Funding Agreement signed by the Secretary of State for Education.

Objectives, strategies and activities

The main objectives of the Trust during the period ending 31 August 2020 are summarised below:

- to have a high standard of academic achievement, extra-curricular opportunities and pastoral support for the children in its care;
- to raise and maintain standards for all of Castle Park School's children towards each child achieving their full potential whilst ensuring their wider needs are met;
- to motivate successful learners who enjoy learning;
- to develop confident individuals who are able to live safe, healthy and fulfilled lives;
- to develop responsible citizens who make a positive contribution to society;
- to ensure equality of opportunity for all children;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under constant review;
- to provide value for money when funds are expended;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness;
- to comply with all statutory requirements.

The Academy's main strategy is encompassed in its mission statement which is 'Learning for life'. In a caring environment the aim is to develop:

- a positive partnership between children, school and home;
- a relevant, skills-based creative curriculum that inspires children and prepares them for life's journey of learning;
- quality teaching processes which are transparent, and which inform all subsequent actions;
- the secure use of data and tracking to measure progress and inform actions and interventions;
- systems to ensure all pupils have good attendance.

Public benefit

In setting objectives and planning activities the Trustees have given consideration to and complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission. The public benefit is providing education to all children in the local area in accordance with the principal objectives and activities detailed in this report.

Kendal Primary Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

The Academy Trust's main strategic aim is to ensure a high standard of achievement and progress through a focus on continuous improvement in all aspects of the organisation. The core purpose of the Academy is teaching and learning and therefore the standards and progression achieved by its pupils.

Key non-financial performance indicators

The school received a short inspection on 9 January 2019, where Ofsted concluded that Castle Park School continues to be a 'Good' school. It substantiated the judgements from the previous inspection in March 2014 as follows:

	Judgement	Grade
Overall effectiveness:	Good	2
Achievement of pupils	Good	2
Quality of teaching	Good	2
Behaviour and safety of pupils	Good	2
Leadership and management	Good	2

Pupil achievement, standards and progress continued to be good in all areas across the whole school in the first two terms of the 2019/2020 academic year. However, the continuity of education for pupils was interrupted in the summer term due to the impact of the COVID-19 global pandemic and associated school closures from 20th March 2020. The school remained open for the children of key workers and for vulnerable pupils and selected pupils in Reception, Year 1 and Year 6 returned in June to continue their education on-site. All other pupils were provided with remote education for home learning during this period.

All statutory assessments were cancelled for 2019/2020 and therefore, reporting on Statutory Assessment Outcomes is not possible for this period. However, the school believes the standards of previous years would have been maintained.

The Academy has been awarded the following awards or prizes in recent years:

- Winners of RHS Tatton Show Children's Competition - July 2015
- Winners of Kendal Mountain Festival Children's Film Competition - November 2015
- Fairtrade School - March 2016
- Primary Science Quality Mark - May 2016
- School Games Mark Bronze - September 2016
- Stonewall School Champions - June 2017
- School Games Mark Silver - July 2018
- Winners of Kendal in Bloom Children's Challenge 2014, 2015, 2016 and 2019
- School Games Mark Gold - July 2019
- Music Mark - February 2020
- Arts Mark Silver - May 2020
- School Games Mark Gold July 2020

The popularity of the school has grown significantly over recent years with the number of pupils on roll increasing year on year. The school was over-subscribed for reception admissions for the first time in September 2019.

The total school attendance percentage for the period 4 September 2019 to 17 July 2020 was 95.50% (including reception and nursery pupils).

Kendal Primary Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

The total number of days lost due to staff absence during the period 2 September 2019 to 17 July 2020 was 167 days. There were 24 staff who had period of absence during the year and there were 40 separate periods of absence. The average length of absence was 4.2 days. The average attendance of staff was 98.35%.

Going concern

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

Financial review

Kendal Primary Multi Academy Trust has produced financial statements for the period 1 September 2019 to 31 August 2020.

The majority of the Academy's income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the related expenditure are shown as restricted funds in the statement of financial activities.

The 2019/20 financial year has been challenging for the Trust. There continues to be significant strain on the budget due to Cumbria County Council's SEN Funding Formula and the reduction in High Needs Funding introduced in April 2017. Consequently, the Trust is forced to operate within strict staffing budget constraints, whilst still meeting its statutory responsibilities and the needs of pupils across the school. The school closure period due to the COVID-19 pandemic impacted on the ability of the Trust to generate income from lettings, school meals, wrap around care and nursery provision. The Trust has continued with a number of measures to control expenditure in critical areas and, despite the challenges, was able to report a larger surplus than originally budgeted at the end of the financial year, putting the Trust in a better position to meet the anticipated financial challenges in the years ahead.

Reserves policy

The Trust will aim to build up a sufficient reserve to successfully safeguard its ongoing operation.

The Trust will also aim to establish a reserve to allow for strategic investments to be made, in due course, to (a) improve the quality and capacity of the estate; (b) improve the infrastructure which supports teaching and learning; and (c) provide opportunities and facilities which enhance the educational opportunities of the children taught in school(s) managed by the Trust.

Investment policy

The Trust will invest any reserves or surplus in a bank or building society and financial product which guarantees the best return on the investment, which allows funds to be accessed at short notice (unless a fixed term or notice period has been specifically agreed by Trustees) and which provides a secure, low risk place for any reserve to be invested.

Kendal Primary Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Principal risks and uncertainties

The Governors have responsibility to assess the strategic risks to which the Academy is exposed. They carry out an annual systematic analysis of all risks to produce a risk management register.

The principal risk and uncertainties faced by the Trust include the following:

- an unexpected reduction in pupil numbers which would impact negatively on the Trust's finances;
- a further reduction to the level of High Needs funding provided by Cumbria County Council;
- a significant, unforeseen increase in energy and utility costs;
- an unfunded increase in employer's contributions to the Teachers' Pension Scheme and the Local Government Pension Scheme;
- an unfunded increase in employers National Insurance Contributions (NICs);
- a relaxing of national pay restraints for teachers and support staff without support through pay grants from central government;
- an increase in costs associated with the operation of the premises and equipment (e.g. cleaning contracts, consumables, leases, software licences, equipment purchases);
- a reduction in income derived from rent of the premises;
- significant damage to or loss of the premises;
- the impact of any changes to the way schools and academies are financed nationally (e.g. the National Funding Formula, the review of the Pupil Premium Grant, removal of PE and Sport Premium Funding etc.)

The Governors have implemented a number of systems to assess risks that the Academy faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls which is outlined in its Scheme of Delegation of Financial Responsibility.

Plans for future periods

The plans for future periods are set out in the three-year School Improvement Plan. Key developments planned for implementation in the next academic year include:

- to continue the implementation and further development of the Castle Park curriculum across the school, including 'Catch Up' programmes for pupils impacted by the COVID-19 pandemic
- to develop an effective remote learning platform for pupils learning at home during periods of self-isolation or school closure
- to adapt and develop the 'COVID-secure' curriculum opportunities for pupils, maintaining the school's philosophy of first-hand, practical learning using visits and visitors and themed weeks
- to adapt and develop the range of extra-curricular opportunities offered to pupils across the school, both sporting and non-sporting activities
- to further develop the PSHE curriculum including supporting pupils' mental health and the introduction of the new statutory RSHE curriculum
- to continue to develop the knowledge and skills of the pupils within the creative arts
- to continue to raise and maintain high standards in English and Mathematics (including disadvantaged and most able pupils)
- to ensure attainment and rates of progress for disadvantaged pupils matches that of other pupils across the school
- to ensure our internal tracking system is used effectively to provide data about standards and progress for all subjects across the curriculum
- to ensure that budgeting and financial management is robust and that value for money is obtained when procuring goods and services
- to develop and maintain the infrastructure of the school to ensure effective teaching and learning and the health and safety of both staff and pupils

Kendal Primary Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

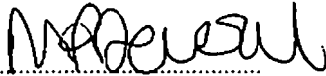
Auditor

Insofar as the Trustees are aware:

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

Stables Thompson & Briscoe are willing to continue in office and a resolution to appoint them as auditors will be proposed at the Annual General Meeting.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Trustees on 23 November 2020 and signed on its behalf by:



Mark Deverill
Trustee

Kendal Primary Multi Academy Trust

Governance Statement

Scope of responsibility

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

The Trustees has delegated the day-to-day responsibility to Helen Richardson, 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 Kendal Primary Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Austen Robinson	5	8
Neil Stoker	8	8
Alan Robinson	6	8
Leanne Shaw	8	8
Helen Richardson	8	8
Wendy Gibson	8	8
Helen Ainsworth	7	8
Helen Smith	5	8
Richard Hussey	4	5
Valerie Farndon	7	8
Colin Fisher	7	8
Nicola Kitchen	5	8
Tom Pateson	6	8
Robert Fenton	6	8

Governance reviews

The Trustees undertook a skills audit last year. The governing body and trustees feels the skill set is very comprehensive and broad and currently meets the need to the trust. The board will keep this under review.

Kendal Primary Multi Academy Trust

Governance Statement (continued)

The Finance, Staffing and Pay Committee is a sub-committee of the Full Board of Governors. Its purpose is to take responsibility for the following delegated and non-delegated activities concerning finance, staffing and pay. These include:

- drafting the school budget for the year;
- monitoring Pupil Premium Grant annually;
- annually reviewing the Financial Delegation Policy;
- monitoring the school budget and monitoring expenditure;
- ensuring that accurate accounts are kept;
- planning priorities for expenditure for the year;
- working to achieve best value and review the Best Value Statement annually;
- reviewing the Charging Policy according to the agreed schedule;
- reviewing the Governor Expenses Policy according to agreed schedule;
- review the Lettings Policy according to agreed schedule;
- annually reviewing staff salaries
- annually reviewing the Pay Policy;
- making a range of decisions on staff salaries within the statutory provisions set;
- making pay awards in line with performance management recommendations;
- reviewing the Individual School Range and making recommendations;
- agreeing staffing levels and structure with Headteacher;
- reviewing staffing structure in line with the budget;
- undertake the appointment of new staff along with the Headteacher and Leadership team;
- ensuring one governor on all interview panels has completed the training in Safer Recruitment;
- annually reviewing the Appraisal Policy.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Austen Robinson	4	4
Neil Stoker	3	4
Alan Robinson	4	4
Helen Richardson	4	4
Helen Smith	3	4
Richard Hussey	2	4

Review of value for money

The accounting officer for the academy trust has delivered improved value for money during the year by working closely with the School Business Manager to deliver, following the Trusts procurement policies, more cost effective and efficient grounds maintenance contracts, IT support, cleaning contracts, classroom furniture purchases, exercise book purchases and the provision of consumables, such as photocopying paper.

The accounting officer has also taken steps to ensure that value for money has been obtained when purchasing new IT equipment, including laptops, servers and software, and engaging contractors to undertake various building maintenance work.

Further areas of expenditure will be reviewed in the new financial year including IT support, cleaning services and support for budgeting.

Kendal Primary Multi Academy Trust

Governance Statement (continued)

The purpose of the system of internal control

The Trust has not carried out any internal audit in the first five months of operation. It is envisaged that in future the Trust's Finance Director will undertake regular programme of internal checks. The Trust has also appointed Stables Thompson and Briscoe, the external auditor, to perform additional checks.

Capacity to handle risk

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

The Trust's Finance Director has undertaken a regular programme of internal checks.

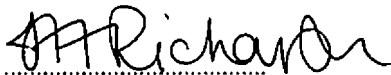
Review of effectiveness

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

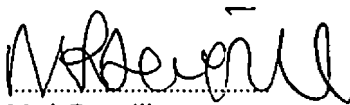
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Trutees on 23 November 2020 and signed on its behalf by:



Helen Richardson
Accounting officer
Principal



Mark Deverill
Trustee

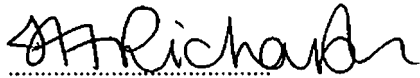
Kendal Primary Multi Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Kendal Primary Multi Academy Trust I have considered my responsibility to notify the academy trust Trutees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Trutees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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 Trutees and ESFA.



Helen Richardson
Accounting officer

23 November 2020

Kendal Primary Multi Academy Trust

Statement of Trustees' Responsibilities

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

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

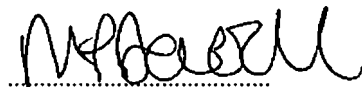
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 23 November 2020 and signed on its behalf by:



Mark Deverill
Trustee

Kendal Primary Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Kendal Primary Multi Academy Trust

Opinion

We have audited the financial statements of Kendal Primary Multi Academy Trust (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2019 to 2020.

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

Conclusions relating to going concern

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

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

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

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

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

We have nothing to report in this regard.

Kendal Primary Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Kendal Primary Multi Academy Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor'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 judgement 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 Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Kendal Primary Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Kendal Primary Multi Academy Trust (continued)

- Conclude on the appropriateness of the Trustees 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 Academy'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 Academy 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

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



.....
Helen Holmes BSc FCA (Senior Statutory Auditor)
For and on behalf of Stables Thompson & Briscoe, Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

23 November 2020

Kendal Primary Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to Kendal Primary Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kendal Primary Multi Academy Trust during the period 1 September 2019 to 31 August 2020 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 Kendal Primary Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Kendal Primary Multi Academy 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 Kendal Primary Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Trutees's funding agreement with the Secretary of State for Education dated 31 March 2016 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- We obtained information on the Academy's control environment and activities and considered whether these have been compiled with the Academies Accounts Direction 2018 to 2019 and whether the activities conformed to the Academy Trusts' framework of authorities.
- When testing expenditure the authorisation was checked and the nature of the activity was confirmed as permissible within the Academy Trusts' framework of authorities. A review was made of related parties and the register of business interests. This was used to identify any related party transactions.
- Formal representations were obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence was not available.

Kendal Primary Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to Kendal Primary Multi Academy Trust and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Helen Holmes BSc FCA

For and on behalf of Stables Thompson & Briscoe, Chartered Accountants

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

23 November 2020

Kendal Primary Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Donations and capital grants	2	9,091	6,935	-	16,026
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,400,672	-	1,400,672
Other income		5,294	-	-	5,294
Other trading activities	4	40,545	-	-	40,545
Investments	5	144	-	-	144
Total		55,074	1,407,607	-	1,462,681
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	28,011	1,420,636	32,936	1,481,583
Net income/(expenditure)		27,063	(13,029)	(32,936)	(18,902)
Transfers between funds		(21,995)	21,995	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	22	-	(23,000)	-	(23,000)
Net movement in funds/(deficit)		5,068	(14,034)	(32,936)	(41,902)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		81,884	(780,685)	2,356,591	1,657,790
Total funds/(deficit) carried forward at 31 August 2020		86,952	(794,719)	2,323,655	1,615,888

Kendal Primary Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

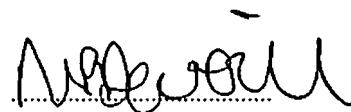
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	9,539	24,655	-	34,194
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,294,255	-	1,294,255
Other income		3,963	-	-	3,963
Other trading activities	4	55,113	-	-	55,113
Investments	5	151	-	-	151
Total		68,766	1,318,910	-	1,387,676
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	75,401	1,390,773	39,523	1,505,697
Net expenditure		(6,635)	(71,863)	(39,523)	(118,021)
Transfers between funds		14,152	(15,811)	1,659	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	22	-	(280,000)	-	(280,000)
Net movement in funds/(deficit)		7,517	(367,674)	(37,864)	(398,021)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		74,367	(413,012)	2,394,455	2,055,810
Total funds/(deficit) carried forward at 31 August 2019		81,884	(780,686)	2,356,591	1,657,789

Kendal Primary Multi Academy Trust

(Registration number: 9996478)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	2,323,655	2,356,591
Current assets			
Debtors	12	22,328	26,932
Cash at bank and in hand		<u>307,522</u>	<u>280,011</u>
		329,850	306,943
Creditors: Amounts falling due within one year	13	<u>(98,617)</u>	<u>(146,745)</u>
Net current assets		<u>231,233</u>	<u>160,198</u>
Total assets less current liabilities		<u>2,554,888</u>	<u>2,516,789</u>
Net assets excluding pension liability		2,554,888	2,516,789
Pension scheme liability	22	<u>(939,000)</u>	<u>(859,000)</u>
Net assets including pension liability		<u>1,615,888</u>	<u>1,657,789</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		144,281	78,314
Restricted fixed asset fund		2,323,655	2,356,591
Restricted pension fund		<u>(939,000)</u>	<u>(859,000)</u>
		1,528,936	1,575,905
Unrestricted funds			
Unrestricted general fund		<u>86,952</u>	<u>81,884</u>
Total funds		<u>1,615,888</u>	<u>1,657,789</u>

The financial statements on pages 20 to 42 were approved by the Trustees, and authorised for issue on 23 November 2020 and signed on their behalf by:


.....
Mark Deverill
Trustee

Kendal Primary Multi Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	17	27,366	35,903
Cash flows from investing activities	18	<u>144</u>	<u>(1,508)</u>
Change in cash and cash equivalents in the year		27,510	34,395
Cash and cash equivalents at 1 September		<u>280,011</u>	<u>245,616</u>
Cash and cash equivalents at 31 August	19	<u>307,521</u>	<u>280,011</u>

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

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

Sponsorship income

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

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

I Accounting policies (continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Transfer on conversion

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

Transfer of existing academies into the trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

Donated fixed assets

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

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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.

Assets transferred on conversion have been introduced where they have a value over capitalisation or are thought to have a residual value. They are deemed to be part way through their useful economic life and will be depreciated over the remaining life. Items considered to have an immaterial value in aggregate have not been capitalised.

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Buildings	Over useful remaining life
Furniture and equipment	20% straight line
ICT equipment	33% straight line

Liabilities

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

Provisions

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

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

Leased assets

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31/08/2016. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Educational trips and visits	-	2,521	2,521	18,583
Other donations	9,091	4,414	13,505	15,611
	<u>9,091</u>	<u>6,935</u>	<u>16,026</u>	<u>34,194</u>

The income from donations and capital grants was £16,026 (2019: £34,194) of which £9,091 was unrestricted (2019: £9,539), £6,935 restricted (2019: £24,655) and £Nil restricted fixed assets (2019: £Nil).

3 Funding for the Academy Trust's educational operations

	School	Restricted funds £	Total 2020 £	Total 2019 £
DfE/EFA revenue grants				
General Annual Grant	Castle Park School	1,065,007	1,065,007	993,887
Other DfE/EFA	Castle Park School	335,665	335,665	300,368
		<u>1,400,672</u>	<u>1,400,672</u>	<u>1,294,255</u>

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for the Academy Trust's educational operations (continued)

The funding for educational operations was £1,400,672 (2019: £1,294,255) of which £Nil was unrestricted (2019: £Nil), £1,400,672 restricted (2019: £1,294,255) and £Nil restricted fixed assets (2019: £Nil).

4 Other trading activities

	Unrestricted funds £	Total 2020 £	Total 2019 £
Lettings & Room Hire	11,106	11,106	13,845
Recharges - Other Sundry Items	261	261	349
Catering Income	17,184	17,184	23,665
Breakfast Club	3,046	3,046	5,458
After School Club	7,646	7,646	9,310
Nursery	1,302	1,302	2,486
	<u>40,545</u>	<u>40,545</u>	<u>55,113</u>

The income from other trading activities was £40,546 (2019: £55,113) of which £40,546 was unrestricted (2019: £55,113), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Bank Interest Receivable	<u>144</u>	<u>144</u>	<u>151</u>

The income from investments was £144 (2019: £151) of which £144 was unrestricted (2019: £151), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

6 Expenditure

	Non Pay Expenditure				
	Staff costs £	Premises £	Other costs £	Total 2020 £	Total 2019 £
Academy's educational operations					
Direct costs	1,014,630	-	64,519	1,079,149	1,047,813
Allocated support costs	<u>161,179</u>	<u>121,728</u>	<u>119,527</u>	<u>402,434</u>	<u>457,884</u>
	<u>1,175,809</u>	<u>121,728</u>	<u>184,046</u>	<u>1,481,583</u>	<u>1,505,697</u>

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019/20	2018/19
	£	£
Operating lease rentals	7,606	7,606
Depreciation	32,936	39,523
Fees payable to auditor - audit	3,450	3,400
- other audit services	19,102	24,916

7 Charitable activities

	2019/20	2018/19
	£	£
Direct costs - educational operations	1,079,149	1,047,813
Support costs - educational operations	402,434	457,884
	1,481,583	1,505,697

	Educational operations	2019/20	2018/19
	£	Total	Total
		£	£
Analysis of support costs			
Support staff costs	161,179	161,179	203,195
Depreciation	32,936	32,936	39,523
Premises costs	88,792	88,792	85,278
Other support costs	119,527	119,527	129,888
Total support costs	402,434	402,434	457,884

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff

Staff costs

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	839,837	805,431
Social security costs	66,726	65,212
Operating costs of defined benefit pension schemes	257,186	245,576
	<u>1,163,749</u>	<u>1,116,219</u>
Supply staff costs	12,060	44,552
	<u>1,175,809</u>	<u>1,160,771</u>

Staff numbers

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

	2019/20 No	2018/19 No
Charitable Activities		
Teachers	12	11
Administration and support	14	12
Management	2	2
	<u>28</u>	<u>25</u>

Higher paid staff

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

	2020 No	2019 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

9 Related party transactions - trustees' remuneration and expenses

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

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Related party transactions - trustees' remuneration and expenses (continued)

Helen Richardson (Principal):

Remuneration: £65,000 - £70,000 (2019 - £60,000 - £65,000)

Employer's pension contributions: £15,000 - £20,000 (2019 - £10,000 - £15,000)

Neil Stoker (Deputy Principal):

Remuneration: £50,000 - £55,000 (2019 - £50,000 - £55,000)

Employer's pension contributions: £10,000 - £15,000 (2019 - £5,000 - £10,000)

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £148,236 (2019 - £148,539).

During the year ended 31 August 2020, travel and subsistence expenses totalling £270 (2019 - £282) were reimbursed or paid directly to 2 trustees (2019 - 2).

Other related party transactions involving the trustees are set out in note 23.

10 Trustees' and officers' insurance

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

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2019	2,401,000	23,115	28,731	2,452,846
At 31 August 2020	2,401,000	23,115	28,731	2,452,846
Depreciation				
At 1 September 2019	55,520	13,663	27,072	96,255
Charge for the year	27,760	4,623	553	32,936
At 31 August 2020	83,280	18,286	27,625	129,191
Net book value				
At 31 August 2020	2,317,720	4,829	1,106	2,323,655
At 31 August 2019	2,345,480	9,452	1,659	2,356,591

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Debtors

	2020 £	2019 £
Trade debtors	1,098	2,183
VAT recoverable	5,225	3,131
Prepayments	16,005	21,618
	<u>22,328</u>	<u>26,932</u>

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	10,730	18,441
Other taxation and social security	16,373	15,799
Other creditors	35	61
Accruals	13,328	14,151
Deferred income	37,171	80,487
Pension scheme creditor	20,980	17,806
	<u>98,617</u>	<u>146,745</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	80,487	45,663
Resources deferred in the period	37,171	80,487
Amounts released from previous periods	<u>(80,487)</u>	<u>(45,663)</u>
Deferred income at 31 August 2020	<u>37,171</u>	<u>80,487</u>

Deferred income relates to funding for Pupil Premium and Universal Infant Free School Meals for the period commencing 1st September 2020.

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant	60,626	1,065,007	(1,297,129)	291,086	119,590
Other DfE/EFA	17,688	335,665	(58,227)	(270,435)	24,691
Restricted Grants/Donations	-	4,414	(4,414)	-	-
Trips & Educational Visits	-	2,521	(3,864)	1,343	-
	<u>78,314</u>	<u>1,407,607</u>	<u>(1,363,634)</u>	<u>21,994</u>	<u>144,281</u>
Restricted fixed asset funds					
Fixed Asset Fund	2,356,591	-	(32,936)	-	2,323,655
Restricted pension funds					
Pension Fund	<u>(859,000)</u>	<u>-</u>	<u>(57,000)</u>	<u>(23,000)</u>	<u>(939,000)</u>
Total restricted funds	1,575,905	1,407,607	(1,453,570)	(1,006)	1,528,936
Unrestricted funds					
Unrestricted general funds	<u>81,884</u>	<u>55,075</u>	<u>(28,013)</u>	<u>(21,994)</u>	<u>86,952</u>
Total funds	<u>1,657,789</u>	<u>1,462,682</u>	<u>(1,481,583)</u>	<u>(23,000)</u>	<u>1,615,888</u>

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant	63,074	993,887	(1,247,700)	251,365	60,626
Other DfE/EFA	6,364	300,367	(25,946)	(263,097)	17,688
Restricted Grants/Donations	550	5,972	(889)	(5,633)	-
Trips & Educational Visits	-	18,684	(20,238)	1,554	-
	<u>69,988</u>	<u>1,318,910</u>	<u>(1,294,773)</u>	<u>(15,811)</u>	<u>78,314</u>
Restricted fixed asset funds					
Fixed Asset Fund	2,394,455	-	(39,523)	1,659	2,356,591
Restricted pension funds					
Pension Fund	<u>(483,000)</u>	<u>-</u>	<u>(96,000)</u>	<u>(280,000)</u>	<u>(859,000)</u>
Total restricted funds	1,981,443	1,318,910	(1,430,296)	(294,152)	1,575,905
Unrestricted funds					
Unrestricted general funds	<u>74,368</u>	<u>68,765</u>	<u>(75,401)</u>	<u>14,152</u>	<u>81,884</u>
Total funds	<u><u>2,055,811</u></u>	<u><u>1,387,675</u></u>	<u><u>(1,505,697)</u></u>	<u><u>(280,000)</u></u>	<u><u>1,657,789</u></u>

15 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,323,655	2,323,655
Current assets	86,952	242,898	-	329,850
Current liabilities	-	(98,617)	-	(98,617)
Pension scheme liability	-	(939,000)	-	(939,000)
Total net assets	<u>86,952</u>	<u>(794,719)</u>	<u>2,323,655</u>	<u>1,615,888</u>

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

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,356,591	2,356,591
Current assets	81,884	225,059	-	306,943
Current liabilities	-	(146,745)	-	(146,745)
Pension scheme liability	-	(859,000)	-	(859,000)
Total net assets	<u>81,884</u>	<u>(780,686)</u>	<u>2,356,591</u>	<u>1,657,789</u>

16 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	<u>-</u>	<u>7,606</u>

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2020 £	2019 £
Net expenditure	(18,902)	(118,021)
Depreciation	32,936	39,522
Interest receivable	(144)	(151)
Defined benefit pension scheme obligation inherited	57,000	96,000
Decrease in debtors	4,604	6,232
(Decrease)/increase in creditors	<u>(48,128)</u>	<u>12,321</u>
Net cash provided by Operating Activities	<u>27,366</u>	<u>35,903</u>

18 Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	144	151
Purchase of tangible fixed assets	<u>-</u>	<u>(1,659)</u>
Net cash provided by/(used in) investing activities	<u>144</u>	<u>(1,508)</u>

19 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>307,522</u>	<u>280,011</u>
Total cash and cash equivalents	<u>307,522</u>	<u>280,011</u>

20 Analysis of changes in net debt

	At 1 September 2019 £	At 31 August 2020 £
Cash	280,011	280,011
Loans falling due within one year	<u>(146,744)</u>	<u>(146,744)</u>
Total	<u>133,267</u>	<u>133,267</u>

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 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.

22 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £20,980 (2019 - £(17,806)) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £128,306(2019: £84,259).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £84,000 (2019 - £80,000), of which employer's contributions totalled £68,000 (2019 - £64,000) and employees' contributions totalled £16,000 (2019 - £16,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.90	3.50
Rate of increase for pensions in payment/inflation	2.50	2.10
Discount rate for scheme liabilities	1.80	1.80
Inflation assumptions (CPI)	<u>2.40</u>	<u>2.00</u>

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

	2020	2019
Retiring today		
Males retiring today	22.60	23.30
Females retiring today	25.20	25.90
Retiring in 20 years		
Males retiring in 20 years	24.20	25.60
Females retiring in 20 years	<u>27.10</u>	<u>28.60</u>

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Pension and similar obligations (continued)

Sensitivity analysis

	2020	2019
	£	£
Discount rate +0.1%	899,000.00	819,000.00
Mortality assumption – 1 year increase	994,000.00	889,000.00
CPI rate +0.1%	<u>980,000.00</u>	<u>900,000.00</u>

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

	2020	2019
	£	£
Equities	355,000	423,000
Government bonds	199,000	157,000
Other bonds	2,000	53,000
Property	56,000	50,000
Cash and other liquid assets	99,000	40,000
Other	<u>314,000</u>	<u>151,000</u>
Total market value of assets	<u>1,025,000</u>	<u>874,000</u>

The actual return on scheme assets was (£3,000) (2019 - £62,000).

Kendal Primary Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019/20 £	2018/19 £
Current service cost (net of employee contributions)	125,000	158,000
Admin expenses	2,000	2,000
Total amount recognised in the SOFA	<u>127,000</u>	<u>160,000</u>

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

	2019/20 £	2018/19 £
At start of period	1,733,000	1,217,000
Current service cost	110,000	88,000
Interest cost	30,000	34,000
Employee contributions	16,000	16,000
Actuarial (gain)/loss	73,000	320,000
Past service cost	2,000	58,000
At 31 August	<u>1,964,000</u>	<u>1,733,000</u>

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

	2019/20 £	2018/19 £
At start of period	874,000	734,000
Interest income	17,000	22,000
Actuarial gain/(loss)	50,000	40,000
Employer contributions	70,000	64,000
Employee contributions	16,000	16,000
Effect of non-routine settlements	<u>(2,000)</u>	<u>(2,000)</u>
At 31 August	<u>1,025,000</u>	<u>874,000</u>

23 Related party transactions

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

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.