

Registration number: 08339302

Kingsway Community Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

Kingsway Community Trust

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Kingsway Community Trust

Reference and Administrative Details

Members	A Yakas A Malik (appointed 18 October 2021) D Stansfield E Antrobus G Stockdale (appointed 5 October 2022)
Trustees (Directors)	S Backen (resigned 17 September 2021) D Clemmett T Elliott (appointed 17 December 2021) J Gawne A Malik K Moran S Patel J Roberts (resigned 21 January 2022) G Stockdale (appointed 15 December 2021) L Vyas A Yakas
Executive Head Teacher	L Vyas
Senior Management Team	L Vyas, Executive Head J Harriott, Head of school H Chase, Head of school I Caldwell, Head of School
Company Name	Kingsway Community Trust
Principal and Registered Office	Ladybarn Primary School Briarfield Road Withington Manchester M20 4SR
Company Registration Number	08339302
Auditors	Xeinadin Audit Limited 8th Floor Becket House 36 Old Jewry London EC2R 8DD 20 May 2022

Kingsway Community Trust

Reference and Administrative Details (continued)

Bankers	Lloyds Bank 42-46 Market Street Manchester M1 1PW
Solicitors	Michelmores 48 Chancery Lane London WC2 1JF

KINGSWAY COMMUNITY TRUST TRUSTEES REPORT

The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The Academy Trust operates 3 primary school academies in South Manchester. Its academies have a combined pupil capacity of 1,170 and had a roll of 1,181 in the schools' census in October 2022. The pupils are admitted on the basis of distance (closest) from each particular school. The schools feed a diverse area which includes extensive social housing and private owner occupier housing. A significant proportion of families are in the top 10 % most deprived nationally at both Green End and Ladybarn schools. It should be noted that the initial allocation of new pupils at the start of each academic year is administered by Manchester City Council

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. Kingsway Community Trust (KCT), which is a Multi Academy Trust (MAT), was incorporated on 21 December 2012 and commenced its activities on transfer of Ladybarn Primary School and Green End Primary School from the Local Authority on 1 September 2013. Cringle Brook Primary School is a Free School, which subsequently joined KCT and opened in April 2014. The Trustees of KCT are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative details on page 1.

Members' Liability

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

Trustees' Indemnities

The Trust has purchased indemnity insurance to protect the Trustees and Officers from claims arising in connection with the Academy's business. The insurance provides unlimited cover on any one claim.

Principal Activities

KCT is committed to ensuring that every child succeeds highly during their time at the schools and this commitment is at the heart of everything the Trust does. Through excellent leadership and strong governance, high academic achievement, strong social skills and a sense of place in the world for every child is developed.

The Trust has a team of highly skilled teachers who deliver motivating lessons that challenge all children to achieve the best possible outcomes. Everything the children experience at Ladybarn, Green End and Cringle Brook is developed with the children in mind.

High standards from all our staff are expected and, in turn, expected from all children, with high attendance and excellent punctuality.

All parents are expected to be fully involved in their child's education and there are plenty of opportunities for them to participate in school life.

KINGSWAY COMMUNITY TRUST TRUSTEES REPORT (continued)

Method of Recruitment and Appointment or Election of Trustees

The Members may agree, by majority vote, to appoint up to 2 additional trustees as they see fit and may unanimously, in writing, agree to remove any such additional members.

The KCT Trustees may appoint in accordance with the Articles of the Association, the following:

1. A minimum of two parent Trustees (Parent Trustees shall be elected or appointed by the Board)
2. Up to 10 Trustees, (the number of Trustees who are employees of the Trust cannot exceed one third of the total number of Trustees including the Executive Headteacher)
3. Appointment of Trustees needs to take into consideration the needs of the Trust and the contribution, skills and experience an individual can offer. This is done in conjunction with the skills audit (undertaken by the Trust board every two years) which identifies any skill gaps that may exist within the existing Trustees.

In the event of a vacancy, the Trust's Governance Compliance Manager will identify potential trustees, using Academy Ambassadors, Inspiring Governance or other relevant trustee recruitment portals. Suitability for appointment will be discussed and decided by the Board using criteria 3 above.

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

All trustees and governors are expected to undergo induction training in accordance with the Trust's Induction policy. Training provided for new Trustees/Governors depends upon their existing experience and is tailored specifically to their individual needs and experiences. Where necessary, training is provided on charity, educational, legal and financial matters.

The Chair of the Trust Board, Executive Headteacher and the SLT undertake training and induction of any new Governors and Trustees. As part of the induction process, all new Governors and Trustees are given a briefing on the aims, values and drivers of the Trust. New trustees are given a tour of the facilities and an introduction to staff and students. All Governors and Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors and Trustees. All Governors and Trustees sign the Trust's Governance Code of Conduct, which includes adhering to the Nolan Principles of public life.

The Trust is a member of the National Governors Association (NGA) which provides access to training and support for Trustees/Governors. It also subscribes to the Confederation of Schools Trust where governors and trustees can access governor support and information. During the year under review, Trustees/Governors have completed the following training:

- Chair's briefing presentation – Manchester City Council
- National Conference - NGA
- Annual Conference – National Governors Association
- Conference – Confederation of Schools Trust

Organisational Structure

The Trust is governed by its Trust Board who are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. The organisational structure of the Trust consists of three levels –

- (i) the Trust Board
- (ii) the Executive Headteacher and
- (iii) the Senior Leadership team (SLT)

KINGSWAY COMMUNITY TRUST TRUSTEES REPORT (continued)

The Trust Board is responsible for setting policy, strategy & monitoring the Trust's performance and there is a detailed Scheme of Delegation, which stipulates what tasks & responsibilities have been delegated to each committee. Certain elements are delegated to the following committees:

- Finance, Risk and Audit Committee (FRAC)
- Cringle Brook Local Governing Body
- Green End & Ladybarn Local Governing Body
- Personnel and Performance Management Committee
- Critical Incident Committee – this committee only comes into being if an emergency is declared such as a global pandemic.

The Executive Headteacher is also the Accounting Officer and has executive responsibility for implementing the strategy and policy agreed by the Trustees and reporting back to them. The Executive Headteacher is supported by the SLT.

Arrangements for setting pay and remuneration of key management personnel

The Trust has a robust and evidence-based methodology for setting executive pay. The Executive Headteacher's pay award is based on a combination of factors such as benchmarking with other MATs, clearly defined objectives/targets and advice from external expert consultants. The Personnel & Performance Management Committee (PPMC) agrees the award.

Other key management personnel pay awards are set using the National Teachers Pay and Conditions 2020 and individual salary ranges are agreed by the PPMC. Again, a methodology of clear objectives is set and only when these are achieved will increment awards within the Incremental Scale Range (ISR) be approved by the PPMC. The PPMC ensures that all the pay awards are transparent, proportionate and justifiable.

Trade Union facility time

Relevant Union officials

Number of employees who were relevant union officials during the relevant period	4
Full-time equivalent employee number	3.4

Percentage of time spent on facility time	Number of employees
0% - 1%	4
1% - 50%	Nil
51% - 99%	Nil
100%	Nil

Percentage of pay bill spent on facility time

Total cost of facility time	£ 7,272
Total pay bill	£5,587,586
Percentage of the total pay bill spent on facility time	0.1 %

Included in the total facility time costs is a payment of £5,577 that represents a payment to Manchester City Council (MCC) to allow KCT staff access to and support from MCC union representatives

Paid Trade union activities

Time spent on paid trade union activities as a percentage as a percentage of total paid facility time hours	Nil %
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KINGSWAY COMMUNITY TRUST TRUSTEES REPORT (continued)

Risk management

The Trust Board and the Senior Leadership Team (SLT) are responsible for identifying the risks faced by the Trust, establishing procedures to mitigate these risks and ensuring that employees are aware of these procedures and the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

The Trust Board have assessed the major risks to which the Trust is exposed, in particular those relating to the buildings and related facilities, teaching and learning and the operations of the Academy. The Trust Board and the SLT have implemented a Risk Management system which identifies risks and necessary control measures to mitigate risks, both in terms of finance and operations.

Risk management is embedded in the governance of the Trust. Finance, Risk and Audit Committee maintain an oversight on the Trust's Risk Management plan. Key risks identified are reviewed by the various Trust committees (Local Governing Bodies and the Finance, Risk and Audit Committees) and reported to the Trust Board.

Connected Organisations and Related Party Relationships

Although there are a number of professional links to other schools and third-party organisations, the Trust is an independent company with no affiliations to outside bodies. The Trust also works closely with a wide variety of other bodies in the education sector.

None of these organisations are considered to constitute formal related parties.

Objectives, Strategies and Activities Objects and Aims

Objectives, Strategies and Activities

The Academy Trust's objective is to advance for the public benefit, education in the United Kingdom but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the primary schools within the Trust, offering a broad and balanced curriculum. Our Trust:

- Provides a nurturing and safe environment where excellence and diversity are valued and celebrated;
- Creates enthusiasm for learning that will shape young people's lives and future chances;
- Enables children to build friendships and relationships through respect, teamwork and valuing their community;
- Harnesses all children's potential so that there are no limits as to what they can achieve;
- Never forget that we are at the heart of the community we serve.

In addition to the above aims, the Trust produces an Annual Trust Improvement Plan, which sets out the priorities for the forthcoming year as well as reviewing those of the past period. The plan covers the key improvement activities that take place through the school year.

Public Benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

KINGSWAY COMMUNITY TRUST TRUSTEES REPORT (continued)

Achievements and Performance

Achievements in the Year

What have been the academic successes this year?

- Cringle Brook, Green End and Ladybarn have continued to maintain high standards of achievement, above national averages
- Internal monitoring and virtual quality assurance visits validated that teaching and learning is of a high standard, pupil attitude and behaviour is outstanding and expectations high.
- A bespoke Trust curriculum plan has been developed for each subject with bespoke units for each year group with high challenge, clear progression and an effective balance of skills and knowledge.
- Pupil Premium this was used to target children both individually and in groups to raise attainment and aspiration, develop a range of social skills and support children and their families.
- Sport and Primary PE grants these have been used effectively to promote physical activity and increase pupil fitness levels. It was noted that on return from school closure, a reduction in physical ability and an increase in weight was observed in pupils. The Trust developed 'My Personal Best', a high intensity fitness programme which motivated pupils and successfully raised fitness levels from year 1 to 6.

How Do School Leaders and Trustees/Governors Promote School Improvement?

At KCT, all leaders have the children's safety, welfare and learning at the forefront of all decision-making. Each member of the Senior Leadership Team is a leader of at least one aspect of the school's life, working as a strong team to improve learning and to raise standards. Pupil voice, through surveys and events and parent consultation, through regular surveys, mean that the whole school community is part of the consultation and decision-making process. In normal circumstances, Trustees each have lead oversight in a key aspect of the Trust and meet with operational leads regularly throughout the academic year. The Executive Headteacher works with all aspects of the Trust community to identify priorities, plan and action developments for these and to closely monitor outcomes.

How Much Progress Have Pupils Made?

When children start in the Early Years and Foundation Stage they join us with a range of abilities and due to the focus we give individual needs and targets across the school, by the end of year 2 and year 6, the vast majority have made extremely good individual progress. End of year internal assessments gave strong evidence of progress across all year groups

Key performance Indicators

How do school leaders and Trustees/Governors promote school improvement?

The Trust Board monitors school improvement priorities through regular meetings to discuss progress, through in-depth analysis of both internal and external evidence. Quality Assurance School Improvement Reports undertaken by the Local Authority are also circulated to trustees and governors. It also spends time on scrutiny of documentation and ensures that a rigorous appraisal procedure of the Executive Headteacher and staff is adhered to. All staff, trustees and governors strive to ensure that all the children in the Trust work hard and achieve their highest potential.

KINGSWAY COMMUNITY TRUST TRUSTEES REPORT (continued)

Assessment outcomes 2022

(i) KS1 results

Phonics (%) - currently no national data available

	Cringle Brook	Green End	Ladybarn	National '19
Year 1	77	83	67	75
Year 2	100	55	82	

At expected (%) - currently no national data available

	Cringle Brook	Green End	Ladybarn	National 19
Reading	80	78	74	67
Writing	70	77	79	58
Maths	63	73	70	68
Combined	63	73	63	

Working at greater depth (%) – currently no national data available

	Cringle Brook	Green End	Ladybarn	National 19
Reading	20	32	25	18
Writing	17	30	18	8
Maths	13	17	18	15
Combined	13	12	12	

(i) Key Stage 2 results

Test outcomes – expected score of 100

	Cringle Brook	Green End	Ladybarn	National 22
Reading	86	85	79	76
Writing	76	87	82	70
Maths	72	82	77	73
Grammar, Punctuation, Spelling	79	85	89	74
Combined	59	70	64	59

Outcomes – achieving a high score of 110 (currently no national database available)

	Cringle Brook	Green End	Ladybarn	National 19
Reading	28	22	33	28
Writing	7	8	2	13
Mathematics	28	25	30	22
Grammar, Punctuation, Spelling	34	33	38	28
Combined	3	3	0	7

Plans for the Future

The Trust will continue to

- Strive to ensure that all students are able to realise their potential in both academic and non-academic terms
- Be outward looking, encourage, and inspire everyone in our community to believe and achieve their best.

KINGSWAY COMMUNITY TRUST TRUSTEES REPORT (continued)

- Ensure that the curriculum is relevant and inspiring for our community and resources are stimulating and meet pupil needs
- Identify the learning gaps that have resulted during Covid19 lockdown
- Implement and embed the new curriculum
- Ensure appropriate access for all

The key attendance target for 2021-2022 was an absence rate of 3.5% in each school.

Financial Review

Revenue income received in the year relates predominantly to grants received from the Education & Skills Funding Agency (ESFA) in the form of the General Annual Grant and Pupil Premium grant which are shown as Restricted General Funds in the Statement of Financial Activities.

A number of other grants have been received (from both the ESFA and the Local Authority) with the most significant being as follows :

- (i) Universal Free School Meals – this is a grant to provide all children from Reception to Year 2 with free school meals
- (ii) Covid Recovery – there were two grants awarded in this academic year (a) Recovery Premium and (b) National Tutoring Programme. These are grants to assist schools in providing additional resources to assist child educational catch up due to disruption caused by the Covid pandemic.
- (iii) Early Years – this partially funds the provision of places for the Nursery aged pupils
- (iv) Higher Needs – this is specific funding for pupils who have an Education Health and Care Plan

In addition, all three schools undertook additional capital works. All schools undertook an external door replacement programme where any doors that were in a bad state of repair were replaced. Also, Ladybarn undertook some external playground works. All schools also undertook other minor building grounds projects. In all three schools, the funding of this expenditure came from capital grants from the ESFA.

Excluding both the restricted pension and fixed asset funds, the Trust has had a total income of £7,167,854, which was less than the total expenditure of £7,557,640.

Principal Risks and Uncertainties

The principal risks are reviewed by the Trustees.

The main financial risk facing the Trust slightly altered due to the pandemic outbreak over the past 18 months. Whilst some financial savings have been made, the long-term financial effect of changes to curriculum and increased provision to cater for Covid19 effects cannot be understated. The Board is aware that of the educational gap of children throughout all year groups that has developed due to lockdown and therefore allocated additional resources in 21/22 for 'catch up' due to Covid19 effects. Another Covid related risk concerned the mental health of our staff and pupils due to the impact of lockdown and other residual Covid effects. Again, the Trust made additional support for staff & pupils available and this was closely monitored throughout the year.

In addition, the Trust has increasingly found that pupils being admitted to school have **additional** educational requirements. Not all of these additional support needs are funded by Manchester City Council. Therefore, this means each of the schools have to invest in additional support for these children, which puts additional financial burden on the Trusts financial position. This situation will be further exacerbated now with the outbreak of the Covid pandemic.

KINGSWAY COMMUNITY TRUST TRUSTEES REPORT (continued)

Financial Strategy

The purpose of this strategy is to outline the factors to be considered, and the drivers which should inform spending decisions within the Trust. All expenditure should be directed towards furtherance of the educational aims of the Trust. In order to support these aims, funds will be directed as appropriate toward the following areas:

- Maintenance of a high-quality educational provision for all pupils, encompassing both core and a wide range of enrichment activities within the curriculum
- Maintenance of adequate levels of cash and working capital in order to endure financial security for the operations of the Trust
- The need to invest in capital projects as required to ensure that the estate and infrastructure remains fit for purpose and able to support the educational objectives of the Trust
- The need to invest in training and development of staff.

Where funds are limited, it will be necessary to prioritise expenditure. The following may be considered when prioritising expenditure:

- The educational needs of the pupils
- Maintenance of intergenerational equity, in order to ensure that all generations of pupils passing through the school receive the benefit of resources available
- The business case and expected benefits for new developments and capital projects
- The ability to defer capital projects or expenditure
- Achieving a mix of levels of experience in staff
- Evaluation of the effectiveness of ongoing initiatives
- Where possible, the Trust should seek to maximize financial resources available by such activities as:
 - Introducing income generating activities where appropriate (e.g. from use of facilities)
 - Ensuring that a value for money culture is embedded in the business and good procurement practices are in place, including obtaining appropriate quotes before committing to expenditure, making use of established procurement frameworks and group purchasing opportunities
 - Ensuring that cash reserves are invested in interest bearing accounts
 - Ensuring that good financial processes and controls are embedded in the business to reduce the risk of financial losses and fraud.

Reserves Policy

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term plan and any unforeseen contingencies subject to the levels permitted by the Department of Education. Currently there are no funds with a deficit other than the pension reserve. The Trustees updated its reserves policy and the key points are detailed below.

Reserves are held to ensure that the Trust has sufficient resources to continue to advance the education of pupils. There are a number of constraints placed upon academies in terms of financial management. One of these constraints is the inability to borrow funds. This constraint represents a key risk to KCT in relation to financial planning and monitoring. One of the ways in which KCT mitigates this risk is through the effective management of reserves, which provide alternative temporary funding streams should there be a delay in grant receipts or a sudden unforeseen increase in expenditure.

KINGSWAY COMMUNITY TRUST TRUSTEES REPORT (continued)

Reserves Policy (continued)

The total amount of funds at 31 August 2022 are £ 15,812,263. This includes a deficit on the pension reserve of £48,000. This restricted reserve deficit is because of the accounting for the Local Government Pension Scheme (LGPS) and does not mean that this liability is expected to crystallise immediately. Full reserve details and disclosures can be found in Note 19 of the financial statements.

The main financial risk to the Trust is that of managing its short-term cash flow effectively. To mitigate this risk, it has been agreed that an appropriate reserves balance would consist of the following two factors;

1 – 8% of GAG income for each school which equates to the following for the 21-22 financial year

<u>School</u>	<u>Amount £</u>
Cringle Brook	91,196
Green End	163,568
Ladybarn	165,776
Total	<u>420,540</u>

2 – Contingency for unexpected one-off repairs and an amount of £10,000 per school would be appropriate for such expenditure

This gives a combined minimum reserves figure of £420,540 across the Trust. The total of the unrestricted reserves as at 31 August 2022 was £1,080,958. The remaining balance of £660,418 will be used to fund future year deficits and allow a smoother transition to any changes in financial budgets, given the (i) funding “catch-up” costs to try to reduce the gap in educational attainment/standards due to Covid19 (ii) deficits due to significant proportion of pupils requiring additional educational input.

The following restrictions should be noted regarding the reserves. The EFSA are able to set limits on the sum of GAG that can be carried forward from one year to the next. There are currently no limits in place. Also, the DfE does expect academies to use their allocated funding for the full benefit of their current pupils.

Therefore, the Trust will not build up a substantial surplus without having in place a clear plan for how it will be used to benefit our pupils. Finally, the use of reserves is subject to approval by the Trust's Finance Risk & Audit Committee.

The Trustees are responsible for ensuring the funds are maintained and that reserves are used only as described in this policy. Access to reserves requires analysis of the reason for the request of reserves, the availability of any other sources of funds before using reserves and evaluation of the time period that the funds will be required. Authorisation to use the reserves should be obtained at the next Finance Risk & Audit Committee meeting. Upon approval, the Trust will keep a record of the use of these funds.

The Trustees intend to review the reserve levels of the Trust annually. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. A cautious and low risk approach has been taken in forecasts of both income and expenditure.

The Trust receives donations given for certain purposes. Whilst every endeavour will be made to meet the donor's original wishes, the Trust reserves the right to allocate this income against the general expenditure of the Trust, which is aligned to the educational purposes of the Trust.

KINGSWAY COMMUNITY TRUST TRUSTEES REPORT (continued)

Investment Policy and Powers

The Trust has developed finance and investment strategy that would allow any surplus funds to be deposited in an interest-bearing account. At present this would be dependent on cash flow.

Financial Oversight

As the Trust Board meets less than 6 times a year, the Trust has to ensure it has sufficient mechanisms in place to ensure robust governance and effective financial management is maintained. This is done by the management accounts being issued on a monthly basis to all members of the Trust Board. This ensures there is full transparency over the financial position of the Trust.

Fundraising

The Trustees are committed to ensuring that fundraising activities are carried out in an ethical manner. In doing so, the Trust will adhere to the following standards:

- The Trustees will have regard to the Charity commissions publication 'Charity Fundraising' (CC20)
- Fundraising activities carried out by the school will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the school's stated mission and purpose.
- All personal information collected by the school is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Nobody directly or indirectly employed by or volunteering for the school shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the school.
- Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical. All Trustees, temporary & permanent staff and volunteers are responsible for adhering to these procedures.
- Any fundraising activity will report regularly to the FRAC, including tabling of meeting minutes at full Trustees meetings.
- Fundraising activities should not be undertaken if they will expose the organisation to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20

KINGSWAY COMMUNITY TRUST TRUSTEES REPORT (continued)

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Going concern

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

The Trustees' report was approved by order of the Trust Board, as the company directors, on 12 December 2022 and signed on its behalf by:


.....
A Malik
Chair of the Board


.....
L Vyas
Accounting Officer

KINGSWAY COMMUNITY TRUST GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Kingsway Community Trust (KCT) 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 Trust Board has delegated the day-to-day responsibility to the Executive Headteacher, 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 KCT and the Secretary of State for Education. They are also responsible for reporting to the Trust Board 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 Trust Board Trustees has formally met 5 times during the year ended August 2022. Attendance during the year at meetings of the Trust Board was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
J Gawne	4	5
K Moran	4	5
S Patel	3	5
A Malik	5	5
L Vyas	5	5
A Yakas (Chair)	5	5
D Clemmett	4	5
T Elliott	2	3
G Stockdale	2	3

The Trust board has determined that it is able to convene four times a year and maintain effective oversight, particularly as the Chair of the Board meets regularly with the Executive Headteacher to monitor progress and is kept informed of any pertinent matters, which may arise from time to time. Trustees receive regular management accounts relating to the financial position and, from time to time, are provided with other relevant reports relating to matters at the Trust. Email communications have continued to prove to be an effective way in which to keep Trustees informed between meetings.

Trustees are also encouraged to visit any of the schools at any time to meet with the Executive Headteacher and other employees or simply to observe aspects of the school day.

The Finance Risk and Audit Committee (FRAC) is a sub-committee of the main Trust Board. Its purpose is to ensure that the schools operate within all appropriate Financial Regulations and to guide and assist the Executive Headteacher, the Heads of School and the Trust Board in all budget and financial matters. Its purpose is also to review the overall risk profile of the Multi Academy Trust (MAT) and to monitor the risk management techniques employed at all levels within the Trust. In addition, it reviews the effectiveness of financial controls and advises the governing body of all aspects of audit.

During the period the FRAC reviewed and approved a number of key policies. The committee reviewed revised and enhanced budget monitoring reports. All ESFA submissions are approved by the Accounting Officer and monitored by FRAC to ensure ESFA reporting deadlines are being met.

KINGSWAY COMMUNITY TRUST GOVERNANCE STATEMENT (continued)

During the period the FRAC reviewed and approved a number of key policies. The committee reviewed revised and enhanced budget monitoring reports. All ESFA submissions are approved by the Accounting Officer and monitored by FRAC to ensure ESFA reporting deadlines are being met. During the period, the trust members approved the appointment of new external auditors following a procurement evaluation. Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
A Malik (Chair)	3	4
J Roberts	2	2
L Vyas	4	4
A Yakas	3	4
T Elliott	2	2
G Stockdale	1	2

Review of Value for Money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Trust Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Review of contracts in place to identify opportunities to negotiate better terms and/or reduce the utilisation of goods and services to ensure a better return from the money spent and services provided.
- Further rigour in assessing the financial position of the Trust over the longer term.
- Identification of improvements to financial controls/systems to reduce the risk of improper use of public money

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in KCT for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trust Board 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 Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, which has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

KINGSWAY COMMUNITY TRUST GOVERNANCE STATEMENT (continued)

Key risks

The board of Trustees consider the key risks facing the trust and their mitigating factors to be the following:

New Intake of children in September

New intake in September each year of 150 children across the Trust. Staff have no knowledge of the number of children who will have SEN needs and therefore there are budget implications for support, EHCP process and Educational Psychology costs. This also applies to pupils starting school mid-year and where a parent names the school on their EHCP when not currently attending. The financial implications are very hard to predict.

Government policy on funding

If there is an unexpected drop in income because of government policy changes this could result in a deficit budget. The board consider that they have the requisite level of unrestricted funds in place to minimise this risk

The Risk and Control Framework

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

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

The FRAC considered the need for a specific internal audit function and decided to have the following internal scrutiny audit carried out during the financial year.

- (i) An audit of the Trust's compliance and adherence to Health & Safety requirements and legislation. The Health & Safety team within Manchester City Council performed this review in Summer 2022. These subsequent reports were tabled at the FRAC meeting held in September 2022 and with all 3 schools within the Trust obtaining a green RAG rating with audit compliance scores all over 95%.

Review of Effectiveness

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

- the work of the external auditor;
- the work of the external audit company
- 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.

**KINGSWAY COMMUNITY TRUST
GOVERNANCE STATEMENT (continued)**

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the FRAC and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust Board on 12 December 2022 and signed on their behalf, by:



A Malik
Chair of the Board



L Vyas
Accounting Officer

Kingsway Community Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Kingsway Community Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 Academy Trust Handbook 2021.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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



.....
L Vyas
Accounting officer

12 December 2022

Kingsway Community 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 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 of Trustees on 12 December 2022 and signed on its behalf by:


.....

A Malik
Chair of the Board

Kingsway Community Trust

Independent Auditor's Report on the Financial Statements to the Members of Kingsway Community Trust

Opinion

We have audited the financial statements of Kingsway Community Trust (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, 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 2022 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 2019 and Academies Accounts Direction 2021 to 2022.

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

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees' 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.

Kingsway Community Trust

Independent Auditor's Report on the Financial Statements to the Members of Kingsway Community Trust (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report 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 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 19], 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.

Kingsway Community Trust

Independent Auditor's Report on the Financial Statements to the Members of Kingsway Community Trust (continued)

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the trust through discussions with directors and other management, and from our commercial knowledge and experience of the academies sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the trust, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

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

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

Kingsway Community Trust

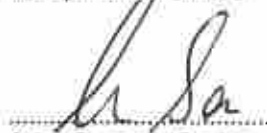
Independent Auditor's Report on the Financial Statements to the Members of Kingsway Community Trust (continued)

- identify and test journal entries, in particular any journal entries posting with unusual account combinations.

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

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.



Anna Bennett (Senior Statutory Auditor)

For and on behalf of Xeinadin Audit Limited, Statutory Auditor

8th Floor Becket House
36 Old Jewry
London
EC2R 8DD

Date: 16-12-22

Kingsway Community Trust

Independent Reporting Accountant's Assurance Report on Regularity to Kingsway Community Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 20 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingsway Community Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Kingsway Community Trust's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.

Kingsway Community Trust

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

- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the trust's delegated authorities and that the internal delegations have been approved by the Trust Board and conform to the limits set by the Department for Education.
- Formal representations have been 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 is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the trust's charitable objects.

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....

Reporting Accountant

Xeinadin Audit Limited

8th Floor Becket House
36 Old Jewry
London
EC2R 8DD

Date 16-12-22.....

Kingsway Community Trust

Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
Income and endowments from:						
Donations and capital grants	2	-	-	-	31,547	31,547
Other trading activities	4	186,108	-	-	-	186,108
Investments	5	546	-	-	-	546
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	6,981,200	-	-	6,981,200
Total		186,654	6,981,200	-	31,547	7,199,401
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	7,557,640	875,000	290,963	8,723,603
Net income/(expenditure)		186,654	(576,440)	(875,000)	(259,416)	(1,524,202)
Transfers between funds		(480,869)	480,869	-	-	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	24	-	-	5,237,000	-	5,237,000
Net movement in (deficit)/funds		(294,215)	(95,571)	4,362,000	(259,416)	3,712,798
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2021		1,375,173	503,725	(4,410,000)	14,630,567	12,099,465
Total funds/(deficit) carried forward at 31 August 2022		1,080,958	408,154	(48,000)	14,371,151	15,812,263

Kingsway Community Trust

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	(As restated) 2020/21 Total £
Income and endowments from:						
Donations and capital grants	2	-	-	-	37,502	37,502
Other trading activities	4	74,156	-	-	-	74,156
Investments	5	688	-	-	-	688
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	6,816,177	-	-	<u>6,816,177</u>
Total		74,844	6,816,177	-	37,502	6,928,523
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	6,836,499	498,000	286,888	<u>7,621,387</u>
Net income/(expenditure)		74,844	(20,322)	(498,000)	(249,386)	(692,864)
Transfers between funds		(50,294)	50,294	-	-	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	24	-	-	(921,000)	-	<u>(921,000)</u>
Net movement in funds/(deficit)		24,550	29,972	(1,419,000)	(249,386)	(1,613,864)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2020		<u>1,350,623</u>	<u>473,753</u>	<u>(2,991,000)</u>	<u>14,879,953</u>	<u>13,713,329</u>
Total funds/(deficit) carried forward at 31 August 2021		<u>1,375,173</u>	<u>503,725</u>	<u>(4,410,000)</u>	<u>14,630,567</u>	<u>12,099,465</u>

Kingsway Community Trust
(Registration number: 08339302)
Balance Sheet as at 31 August 2022

	Note	2022 £	(As restated) 2021 £
Fixed assets			
Tangible assets	11	14,314,814	14,551,819
Current assets			
Debtors	12	153,024	214,647
Cash at bank and in hand		<u>1,766,718</u>	<u>2,009,874</u>
		1,919,742	2,224,521
Creditors: Amounts falling due within one year	13	<u>(372,116)</u>	<u>(262,520)</u>
Net current assets		<u>1,547,626</u>	<u>1,962,001</u>
Total assets less current liabilities		15,862,440	16,513,820
Creditors: Amounts falling due after more than one year	14	<u>(2,177)</u>	<u>(4,355)</u>
Net assets excluding pension liability		15,860,263	16,509,465
Defined benefit pension scheme liability	24	<u>(48,000)</u>	<u>(4,410,000)</u>
Net assets including pension liability		<u>15,812,263</u>	<u>12,099,465</u>
Funds of the Academy Trust:			
Restricted funds			
Restricted general fund	15	408,154	503,725
Restricted fixed asset fund	15	14,371,151	14,630,567
Restricted pension fund	15	<u>(48,000)</u>	<u>(4,410,000)</u>
		14,731,305	10,724,292
Unrestricted funds			
Unrestricted general fund	15	<u>1,080,958</u>	<u>1,375,173</u>
Total funds		<u>15,812,263</u>	<u>12,099,465</u>

The financial statements on pages 26 to 53 were approved by the Trustees, and authorised for issue on 12 December 2022 and signed on their behalf by:


A Malik
Chair of the Board

Kingsway Community Trust

Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(219,113)	43,582
Cash flows from investing activities	20	(21,866)	4,846
Cash flows from financing activities	19	<u>(2,177)</u>	<u>(2,178)</u>
Change in cash and cash equivalents in the year		(243,156)	46,250
Cash and cash equivalents at 1 September		<u>2,009,874</u>	<u>1,963,624</u>
Cash and cash equivalents at 31 August	21	<u><u>1,766,718</u></u>	<u><u>2,009,874</u></u>

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

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 2021 to 2022 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.

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Donated 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'.

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.

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £5000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Asset class	Depreciation method and rate
Freehold and leasehold property	2% straight line
Leasehold land	0.8% straight line
Furniture and equipment	10% straight line
Computer equipment	20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

Liabilities

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

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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 Part 11, Chapter 3 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.

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on 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 Education and Skills Funding Agency/Department for Education.

Restricted pension funds comprise all income, costs and actuarial valuations associated with the Local Government pension scheme (LGPS).

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.

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Restricted fixed asset funds £	2021/22 Total £	2020/21 Total £
Capital grants	31,547	31,547	37,502

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2021/22 Total £	2020/21 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	5,256,747	5,256,747	5,011,160
Other DfE/ESFA Grants	292,340	292,340	310,302
UIFSM	112,763	112,763	144,322
Pupil Premium	563,111	563,111	565,069
	6,224,961	6,224,961	6,030,853
Other government grants			
Local Authority Grants	756,239	756,239	523,906
Covid-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	84,320
Other DfE/ESFA COVID-19 Funding	-	-	114,384
	-	-	198,704

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

	Restricted funds £	2021/22 Total £	2020/21 Total £
Covid-19 additional funding (non-DfE/ESFA)			
Other COVID-19 Funding	-	-	62,714
Total grants	<u>6,981,200</u>	<u>6,981,200</u>	<u>6,818,177</u>

4 Other trading activities

	Unrestricted funds £	2021/22 Total £	2020/21 Total £
Other sales	<u>186,108</u>	<u>186,108</u>	<u>74,156</u>

5 Investment income

	Unrestricted funds £	2021/22 Total £	2020/21 Total £
Short term deposits	<u>546</u>	<u>546</u>	<u>688</u>

6 Expenditure

	Non Pay Expenditure			2021/22 Total £	(As restated) 2020/21 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	5,301,631	-	520,661	5,822,292	5,236,433
Allocated support costs	<u>1,775,406</u>	<u>617,057</u>	<u>508,848</u>	<u>2,901,311</u>	<u>2,384,954</u>
	<u>7,077,037</u>	<u>617,057</u>	<u>1,029,509</u>	<u>8,723,603</u>	<u>7,621,387</u>

Kingsway Community Trust

**Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)**

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2021/22	(As restated)
	2020/21	
	£	£
Operating lease rentals	4,303	4,634
Depreciation	290,963	286,888
Fees payable to auditor - audit	9,850	11,000
- other audit services	4,595	3,180
	<u>4,595</u>	<u>3,180</u>

7 Charitable activities

	Total	(As restated)
	2022	Total
	£	2021
		£
Direct costs - educational operations	5,822,292	5,236,433
Support costs - educational operations	2,901,311	2,384,954
	<u>8,723,603</u>	<u>7,621,387</u>

	Educational	2021/22	(As restated)
	operations	Total	2020/21
	£	£	Total
			£
Analysis of support costs			
Support staff costs	1,775,406	1,775,406	1,195,661
Depreciation	290,963	290,963	286,888
Premises costs	326,094	326,094	256,868
Other support costs	450,659	450,659	598,690
Governance costs	58,189	58,189	46,847
Total support costs	<u>2,901,311</u>	<u>2,901,311</u>	<u>2,384,954</u>

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8 Staff

Staff costs

	2021/22 £	2020/21 £
Staff costs during the year were:		
Wages and salaries	4,520,424	4,132,597
Social security costs	404,432	357,593
Pension costs	1,701,893	1,274,631
	6,626,749	5,764,821
Agency staff costs	450,288	329,236
	7,077,037	6,094,057

Staff numbers

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

	2021/22 No	2020/21 No
Teachers	59	57
Administration and support	164	144
Management	4	5
	227	206

Higher paid staff

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

	2022 No	2021 No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£140,001 - £150,000	1	1
	4	3

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £508,300 (2021: £509,973).

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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.

The value of trustees' remuneration and other benefits was as follows:

L Vyas (Executive Headteacher):

Remuneration: £140,000 - £145,000 (2021 - £140,000 - £145,000)

Employer's pension contributions: £30,000 - £35,000 (2021 - £30,000 - £35,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £142 (2021 - £70) were reimbursed or paid directly to 2 trustees (2021 - 1).

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

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2022 was £22,325 (2021 - £21,348.)

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

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

11 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Cost					
At 1 September 2021	2,339,753	13,558,443	631,218	31,776	16,561,190
Additions	<u>5,091</u>	<u>9,932</u>	<u>38,936</u>	-	<u>53,959</u>
At 31 August 2022	<u>2,344,844</u>	<u>13,568,375</u>	<u>670,154</u>	<u>31,776</u>	<u>16,615,149</u>
Depreciation					
At 1 September 2021	226,770	1,393,443	357,383	31,776	2,009,372
Charge for the year	<u>37,897</u>	<u>186,046</u>	<u>67,020</u>	-	<u>290,963</u>
At 31 August 2022	<u>264,667</u>	<u>1,579,489</u>	<u>424,403</u>	<u>31,776</u>	<u>2,300,335</u>
Net book value					
At 31 August 2022	<u>2,080,177</u>	<u>11,988,886</u>	<u>245,751</u>	-	<u>14,314,814</u>
At 31 August 2021	<u>2,112,983</u>	<u>12,165,000</u>	<u>273,835</u>	-	<u>14,551,818</u>

12 Debtors

	2022 £	2021 £
Trade debtors	824	9,459
VAT recoverable	2,570	24,550
Other debtors	817	11,010
Prepayments	50,413	53,722
Accrued grant and other income	<u>98,400</u>	<u>115,906</u>
	<u>153,024</u>	<u>214,647</u>

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	73,150	99,211
Loans	2,178	2,178
Other creditors	3,481	15,326
Accruals	224,079	67,913
Deferred income	69,228	77,892
	<u>372,116</u>	<u>262,520</u>
	2022	2021
	£	£
Deferred income		
Deferred income at 1 September 2021	77,892	75,991
Resources deferred in the period	69,228	77,892
Amounts released from previous periods	<u>(77,892)</u>	<u>(75,991)</u>
Deferred income at 31 August 2022	<u>69,228</u>	<u>77,892</u>

At the balance sheet date the academy trust was holding funds received in advance for UIFSM and donations relating to trips to take place in the 2022-2023 financial year.

14 Creditors: amounts falling due after one year

	2022	2021
	£	£
Loans	<u>2,177</u>	<u>4,355</u>

Loans represent an interest free loan of £4,355 (2021: £6,533) from Salix which is repayable over 8 years in half yearly installments of £1,089, commencing in September 2016

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	503,725	5,256,747	(5,833,187)	480,869	408,154
DfE/ESFA grants	-	405,103	(405,103)	-	-
Pupil premium	-	563,111	(563,111)	-	-
LEA grants	-	756,239	(756,239)	-	-
	<u>503,725</u>	<u>6,981,200</u>	<u>(7,557,640)</u>	<u>480,869</u>	<u>408,154</u>
Restricted fixed asset funds					
Land and buildings	14,630,567	31,547	(290,963)	-	14,371,151
Restricted pension funds					
Pension reserve	<u>(4,410,000)</u>	-	<u>(875,000)</u>	<u>5,237,000</u>	<u>(48,000)</u>
Total restricted funds	10,724,292	7,012,747	(8,723,603)	5,717,869	14,731,305
Unrestricted funds					
Unrestricted general funds	<u>1,375,173</u>	<u>186,654</u>	-	<u>(480,869)</u>	<u>1,080,958</u>
Total funds	<u>12,099,465</u>	<u>7,199,401</u>	<u>(8,723,603)</u>	<u>5,237,000</u>	<u>15,812,263</u>

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

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	(As restated) Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	473,753	5,022,397	(5,042,719)	50,294	503,725
DfE/ESFA grants	-	653,328	(653,328)	-	-
Pupil premium	-	565,069	(565,069)	-	-
LEA grants	-	575,383	(575,383)	-	-
	<u>473,753</u>	<u>6,816,177</u>	<u>(6,836,499)</u>	<u>50,294</u>	<u>503,725</u>
Restricted fixed asset funds					
Land and buildings	14,879,953	37,502	(286,888)	-	14,630,567

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Funds (continued)

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	(As restated) Balance at 31 August 2021 £
Restricted pension funds					
Pension reserve	(2,991,000)	-	(498,000)	(921,000)	(4,410,000)
Total restricted funds	12,362,706	6,853,679	(7,621,387)	(870,706)	10,724,292
Unrestricted funds					
Unrestricted general funds	1,350,623	74,844	-	(50,294)	1,375,173
Total funds	<u>13,713,329</u>	<u>6,928,523</u>	<u>(7,621,387)</u>	<u>(921,000)</u>	<u>12,099,465</u>

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

Restricted general funds are used specifically to provide education resources for the pupils of the Trust.

General Annual Grant Funds

Under the funding agreement with the Secretary of State, the Trust must use these funds for the normal running expenses of the school, and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement. Those resources that have been designated restricted by the grant provider in meeting the objectives of the Academy.

Other DfE/ESFA Grants

These comprise additional funding received for furtherance of education, which must be used in accordance with the specific terms of each grant.

Pension Reserve

This represents the recognition of the Trust's share of the Local Government Pension Scheme deficit.

Other funds within restricted general funds are restricted and spent in line with the criteria attached to them.

Restricted fixed assets funds provide for the installation, maintenance and repair of the fixed assets of the Trust.

Unrestricted funds are those other resources which may be used to further the objectives of the Trust.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Funds (continued)

	2022	2021
	£	£
Ladybarn	710,942	839,596
Green End	294,605	478,343
Cringle Brook	483,565	560,959
Total before fixed assets and pension reserve	1,489,112	1,878,898
Restricted fixed asset fund	14,371,151	14,630,567
Pension reserve	(48,000)	(4,410,000)
Total	<u>15,812,263</u>	<u>12,099,465</u>

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Funds (continued)

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2022 £	Total 2021 £
Ladybarn	1,979,759	513,058	185,426	568,558	3,246,801	2,795,018
Green End	2,020,094	302,497	182,526	431,371	2,936,488	2,760,318
Cringle Brook	886,921	137,303	119,404	230,724	1,374,352	1,281,161
Academy Trust	<u>4,886,774</u>	<u>952,858</u>	<u>487,356</u>	<u>1,230,653</u>	<u>7,557,641</u>	<u>6,836,497</u>

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	14,314,814	14,314,814
Current assets	1,080,958	782,447	56,337	1,919,742
Current liabilities	-	(372,116)	-	(372,116)
Creditors over 1 year	-	(2,177)	-	(2,177)
Pension scheme liability	-	(48,000)	-	(48,000)
Total net assets	<u>1,080,958</u>	<u>360,154</u>	<u>14,371,151</u>	<u>15,812,263</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(As restated) Total funds £
Tangible fixed assets	(78,748)	-	14,551,819	14,473,071
Current assets	1,453,921	770,600	-	2,224,521
Current liabilities	-	(262,520)	-	(262,520)
Creditors over 1 year	-	(4,355)	-	(4,355)
Pension scheme liability	-	(4,410,000)	-	(4,410,000)
Total net assets	<u>1,375,173</u>	<u>(3,906,275)</u>	<u>14,551,819</u>	<u>12,020,717</u>

17 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	2,373	4,568
Amounts due between one and five years	-	2,727
	<u>2,373</u>	<u>7,295</u>

Kingsway Community Trust

**Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)**

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

	2021/22	(As restated)
	£	2020/21
		£
Net expenditure for the reporting period (as per the statement of financial activities)	(1,524,202)	(692,864)
Depreciation	290,963	286,888
Capital grants from DfE and other capital income	(31,547)	(37,502)
Interest receivable	(546)	(688)
Defined benefit pension scheme cost less contributions payable	796,000	444,000
Defined benefit pension scheme finance cost	79,000	54,000
Decrease/(increase) in debtors	61,623	(214,647)
Increase in creditors	109,596	262,520
Net cash (used in)/provided by Operating Activities	<u>(219,113)</u>	<u>101,707</u>

19 Cash flows from financing activities

	2021/22	2020/21
	£	£
Repayments of borrowing	<u>(2,177)</u>	<u>(2,178)</u>
Net cash used in financing activities	<u>(2,177)</u>	<u>(2,178)</u>

20 Cash flows from investing activities

	2021/22	2020/21
	£	£
Dividends, interest and rents from investments	546	688
Purchase of tangible fixed assets	(53,959)	(33,344)
Capital funding received from sponsors and others	<u>31,547</u>	<u>37,502</u>
Net cash (used in)/provided by investing activities	<u>(21,866)</u>	<u>4,846</u>

21 Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	<u>1,766,718</u>	<u>2,009,874</u>
Total cash and cash equivalents	<u>1,766,718</u>	<u>2,009,874</u>

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

22 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash	2,009,874	(243,156)	1,766,718
Loans falling due within one year	(2,178)	-	(2,178)
Loans falling due after more than one year	<u>(4,355)</u>	<u>2,177</u>	<u>(2,178)</u>
Total	<u>(6,533)</u>	<u>2,177</u>	<u>(4,356)</u>
	<u>2,003,341</u>	<u>(240,979)</u>	<u>1,762,362</u>

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 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 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 £Nil for the debts and liabilities contracted before he/she ceases to be a member.

24 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

24 Pension and similar obligations (continued)

- 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 2024.

The employer's pension costs paid to TPS in the period amounted to £555,242 (2021: £530,621).

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 2022 was £458,000 (2021 - £394,000), of which employer's contributions totalled £351,000 (2021 - £300,000) and employees' contributions totalled £107,000 (2021 - £94,000). The agreed contribution rates for future years are 18.5-18.7 per cent for employers and 5.5-12.5 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

	2022	2021
	%	%
Rate of increase in salaries	3.80	3.65
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65
Commutation of pensions to lump sums	<u>0.00</u>	<u>115.00</u>

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

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Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

24 Pension and similar obligations (continued)

	2022	2021
Retiring today		
Males retiring today	20.30	20.50
Females retiring today	23.20	23.30
Retiring in 20 years		
Males retiring in 20 years	21.60	21.90
Females retiring in 20 years	<u>25.10</u>	<u>25.30</u>
Sensitivity analysis		
	2022	2021
	£	£
Discount rate -0.1%	150,000.00	264,000.00
Mortality assumption – 1 year increase	229,000.00	0.00
Salary increase rate +0.1%	10,000.00	17,000.00
Pension increase +0.1%	<u>141,000.00</u>	<u>245,000.00</u>

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

	2022	2021
	£	£
Equities	3,982,680	3,760,870
Corporate bonds	808,080	794,550
Property	519,480	370,790
Other	<u>461,760</u>	<u>370,790</u>
Total market value of assets	<u>5,772,000</u>	<u>5,297,000</u>

The actual return on scheme assets was £75,040 (2021 - £847,000).

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Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021/22	2020/21
	£	£
Current service cost	(1,114,000)	(744,000)
Past service cost	(33,000)	-
Interest income	91,000	73,000
Interest cost	(170,000)	(127,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(56,000)	(50,000)
Total amount recognized in the SOFA	(1,282,000)	(848,000)

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

	2021/22	2020/21
	£	£
At start of period	9,707,000	7,097,000
Current service cost	1,114,000	744,000
Interest cost	170,000	127,000
Employee contributions	107,000	94,000
Actuarial (gain)/loss	(5,363,000)	1,695,000
Benefits paid	(56,000)	(50,000)
Past service cost	33,000	-
FRS102 Accounting adjustment	108,000	-
At 31 August	5,820,000	9,707,000

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

	2021/22	2020/21
	£	£
At start of period	5,297,000	4,106,000
Interest income	91,000	73,000
Actuarial gain/(loss)	(18,000)	774,000
Employer contributions	351,000	300,000
Employee contributions	107,000	94,000
Benefits paid	(56,000)	(50,000)
At 31 August	5,772,000	5,297,000

At 31st August 2022, the defined benefit pension scheme has an excess of assets over liabilities of £61,000 (Green End) and £47,000 (Ladybarn). The academy trust has not received any formal notification of recovery of surplus, either by reduced contributions or refunds. Therefore, this does not constitute an asset under FRS 102 and a nil balance is included for these schools in the balance sheet at 31st August 2022.

Kingsway Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

25 Prior year adjustment

Land and buildings for Ladybarn and Green End are occupied under a 125 year lease agreement by the Academy Trust. In the periods since conversion these were classified as freehold, accordingly depreciation was not charged for the land element. The adjustment has had the following effects in the prior period:

SoFA

Depreciation charge £56,800 increase

Restricted fixed asset reserve brought forward £397,600 decrease

Balance sheet

Leasehold land and buildings cost brought forward £13,551,674 increase

Freehold land and buildings cost brought £13,551,674 decrease

Leasehold land and buildings additions £6,088 increase

Freehold land and buildings additions £6,088 decrease

Leasehold land and buildings accumulated depreciation £397,600 increase

Freehold land and buildings accumulated depreciation £397,600 decrease

Leasehold land and buildings depreciation charge £56,800

26 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.

No related party transactions took place in the year of account, other than certain trustees' remuneration and expenses already disclosed in note 9.