

**Peterborough Keys Academies Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2020**

Company Registration Number:  
11108321 (England and Wales)



# Peterborough Keys Academies Trust

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# Peterborough Keys Academies Trust

## Reference and Administrative Details



Members	Richard Astle Roy Duncan Matthew Edwards Claire Higgins Penelope Walkinshaw
Trustees	Claire Higgins (Chair) Bernard Champness Colin Hammond Tracey Hedges William Kerry Lisa Lloyd Adriano Pacitti Alan Sadler
Company Secretary	Emma Stephens-Dunn
Leadership Group	
Chief Executive Officer & Accounting Officer	Pamela Kilbey
Primary School Lead	Martin Fry
Headteacher	Katharine Fountain
Headteacher	Ryan McLay
Headteacher	Katharine Simpson-Holley
Headteacher	Katherine Trethewy
Chief Operating Officer	Matthew Deere
Teaching & Learning Lead	Christopher Game
Chief Finance Officer	Deborah Keith
Company Name	Peterborough Keys Academies Trust
Principal and Registered Office	Jack Hunt School, Bradwell Road Peterborough, PE3 9PY
Company Registration Number	11108321 (England and Wales)
Independent Auditor	Moore, Rutland House Minerva Business Park, Lynch Wood Peterborough, PE2 6PZ
Bankers	Lloyds Bank plc, Fenlands House Manorgrove Centre, Vicarage Farm Road Peterborough, PE1 5UH
Solicitors	Greenwoods GRM LLP, Monkstone House 30 City Road, Peterborough, PE1 1JE

# Peterborough Keys Academies Trust

## Trustees' Report



The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 01 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

Peterborough Keys Academies Trust (PKAT) was incorporated on 12 December 2017 and commenced trading 01 April 2018 in line with the Funding Agreement.

The academy Trust operates one secondary and four primary academies in Peterborough. Its academies have a combined aggregated Published Admission Number of 3,690 (2019: 3,660) and had a roll of 3,511 (2019: 3,488) in the school census in October 2020.

A trading company was incorporated on 4 September 2018 to allow PKAT to focus on the directly related educational activities. PKAT Trading has been consolidated in these accounts.

## 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. The Trustees of Peterborough Keys Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as PKAT.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 3.

### 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

PKAT has purchased insurance to indemnify the Trustees to the value of £5,000,000 and in the case of Pollution Defence Costs £500,000.

### Method of Recruitment and Appointment or Election of Trustees

There will be a minimum of three Trustees and a maximum of 12 excluding the Chief Executive Officer, Parent Trustees and Co-opted Trustees.

The first Trustees were those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



Future Trustees will be appointed by Members, ensuring that the total number of Trustees who are also employees, including if the CEO if appointed in the future as a Trustee, of PKAT shall not exceed one third of the total number of Trustees.

As PKAT academies have established Local Governing Bodies, specific Parent Trustees are not currently required. If Local Governing Bodies ceased to exist, then a minimum of 2 Parent Trustees would be elected.

If the Chief Executive Officer agrees to so act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Trustee. The Chief Executive Officer is currently an Ex-officio Trustee.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The consultant appointed to lead the conversion process conducted a skills audit of existing Local Governing Body Governors to assess eligibility to become a Trustee. Once appointed Trustees were given training by the Local Authority which was co-ordinated by the secondary school's experienced Clerk to the Governors.

Since conversion a PKAT Company Secretary has been appointed with responsibilities including the co-ordination of the induction of Trustees and their on-going induction and maintaining training records for all Members, Trustees and Governors.

### **Organisational Structure**

A Scheme of delegation is in place and reviewed annually by the Trust Board. In line with DfE guidance PKAT has a structure of Members and Trustees. The Trustees have two sub-committees being Finance and Audit and People and Infrastructure. An academic year Governance Planner includes a schedule of meetings for the main Trust Board, the two Committees and Local Governing Bodies with agenda items scheduled to meet external deadlines and Trust priorities. The Trust Board, both Committees and the Local Governing Bodies, have appropriate Terms of Reference which are reviewed at least annually.

A PKAT Leadership Group has been established to co-ordinate the work across PKAT schools. The detail of non-teaching aspects is co-ordinated through a Finance and Business Managers Group, which is a productive forum meeting termly for collaboration. Each school has a Senior Leadership Team.

### **Arrangements for setting pay and remuneration of key management personnel**

A PKAT Pay Policy document sets out the precise details of how remuneration for all PKAT staff is determined. In broad terms, teaching staff are remunerated in line with the School Teachers Pay and Conditions Document and Support Staff in line with the National Joint Council.

The PKAT Pay Policy sets out the pay ranges for the Trust Executive and the calculations for individual school Headteacher pay ranges. Within these parameters three Trustees performance manage the Chief Executive Officer. The Chief Executive Officer performance manages the Chief Operating Officer and Primary School Lead. The Chief Finance Officer is performance managed by the Chief Operating Officer. Local Governing Bodies performance manage Headteachers. The Chief Executive Officer takes recommendations for other Trust Executives.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



### Trade union facility time

#### Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.25

#### Percentage of time spent on facility time

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

#### Percentage of pay bill spent on facility time

Provide the total cost of facility time	£14k
Provide the total pay bill	£16.7m
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.084%

#### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	100%
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### Related Parties and other Connected Charities and Organisations

PKAT Trading covers all of the activities not directly related to education. All profits are gifted to PKAT.

Jack Hunt School Community Learning Trust provides an official umbrella for collaboration between its participant schools, which includes all of the PKAT schools, to work on school improvement initiatives and provide high quality training for teaching staff that would otherwise be unaffordable. Anglian Water and Anglian Ruskin University have representatives on the management committee providing alternative perspectives to the school environment. The Trust complements the PKAT organisation but has no jurisdiction over PKAT's operating policies.

There are no connected charities to disclose.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



### **Engagement with employees (including disabled persons)**

Regular briefings are held with employees to advise on matters of concern. During the pandemic the vast majority have shifted to online and are recorded in some cases to aid accessibility. Specific briefings are held with various teams during the year to update on educational and operational (including financial) performance. Briefings in the later part of 2019/20 have had strong threads relating to health and safety and technology particularly in reference to remote learning and remote working.

A staff survey has been conducted across the academy Trust in order to seek employee opinion and feedback in order to support and inform future direction and strategy

Some formative work has been conducted to develop the 'PKAT Promise' which details to current and prospective staff the commitment the academy Trust makes to its employees. The academy Trust promises to staff that they can expect us to:

- see you as a person, not just a practitioner;
- value your career, not just your commitment;
- reward and recognise, not just require;
- focus on your well-being, not just your workload.

The academy Trust invests in an employee benefits platform providing staff with access to a range of incentives, discounts and services as part of the employee deal. Within this platform staff also have access to an employee assistance programme, enabling them to seek support outside the organisation for a range of issues.

A well-being working party has been formed cross-Trust to build on the research work conducted by a former student of the academy Trust who returned to conduct their NPQH.

The academy Trust was preparing at the turn of the financial year to begin the phased roll out of an iPad 1:2:1 deployment beginning with a significant number of teachers across the academy Trust. Aside from teaching and learning one of the core missions of this project is to drive change in working patterns that bring benefits for professionals from a workload perspective.

The academy Trust serves an extremely diverse community. As a result, the approach to recruitment is in-line with the ethos across the academy Trust in that it does not discriminate or distinguish between applicants based on any protected characteristic, including disability. Shortlisting of candidates takes place without hiring managers having data regarding physical impairment. Any colleague beginning service with a disability, or developing a disability during service is supported via the academy Trust's Occupational Health Advisors and Access to Work arrangements are facilitated.

### **Engagement with suppliers, customers and others in a business relationship with the academy Trust**

PKAT recognises the importance of fostering good working relationships with suppliers whilst not breaching the boundaries to blur the requirements of public sector procurement. To help ensure suppliers are paid on time and correctly, PKAT operates a "no PO no Pay" policy and would expect suppliers to decline to make supplies until a purchase order has been received.



# Peterborough Keys Academies Trust

## Trustees' Report (continued)



PKAT's Finance Manual includes a detailed approach to purchasing to ensure that suppliers are treated fairly when all but the smallest purchasing decisions are made.

Through COVID-19 the duty of care to suppliers has been demonstrable as PKAT adhered to the government procurement notes PPN 02/20 and PPN 04/20 to ensure that regular suppliers did not go into administration due to loss of income as well as paying all invoices as soon as possible rather than paying to terms.

Although PKAT's main income is from Government there are still a number of customers that it works with. To facilitate relationships PKAT ensures invoices are raised timeously in line with agreements made. During the COVID-19 lockdown customers were not chased for overdue debts as in many cases they would have been without income. Only a small amount of debt remained outstanding by 30 September 2020.

## Objectives and Activities

### The PKAT Goals

- Striving to unlock children's potential and passion to succeed in their school career and beyond.
- Building together strong foundations to acquire the key skills for life-long learning; and the resilience and courage to apply them.
- Designing and delivering an innovative and stimulating 4-19 curriculum.
- Challenging, supporting and investing in our staff to create an outstanding workforce.
- Creating an inclusive learning community where safeguarding, well-being, respect and aspiration for all are paramount.

### The PKAT Principles

#### 1) Leadership

All young people and adults make a positive and exciting contribution to the life of the school and local community through the development of leadership skills.

#### 2) Relationships

Being different, belonging together.

#### 3) Responsibility

Responsibility we have for ourselves and each other and for making a positive impact in our school, the local community and as a global citizen.

#### 4) Courage/Resilience/Determination

Having the courage and resilience to take risks with our learning to achieve beyond our expectations, and having the determination to succeed.

#### 5) Dreams and Aspiration

Broadening the awareness of opportunity for all young people, enriching their experiences and supporting their pathways to their dreams and aspirations.

#### 6) Pursuit of Excellence and Celebrating Success

Relentlessly pursuing school improvement, challenging and supporting regardless of starting points and celebrating individual success, achievement and progress within the school and the wider community.



# Peterborough Keys Academies Trust

## Trustees' Report (continued)



### Values and Curriculum Intents

Unlocking children's passion to succeed in their school career and beyond through a carefully considered, broad, rich, deep and ambitious curriculum, built through sequenced and interleaving learning, with its opportunities for purposeful 'exhibition standard' work, which meets the differing needs of all of our children. Building together strong foundations to acquire the key skills, values, attitudes and attributes for life-long learning; and the resilience and courage to apply them.

A one-page document, linked to our five founding keys, sets out our curriculum intent for all our pupils and students across the academy Trust.

### Personal Best

- We will challenge, support and inspire each other and ourselves to achieve our Personal Best.
- We take pride in ourselves as we confidently take responsibility for our behaviours to achieve our dreams and aspirations.
- We are self-aware learners who take care of our Physical and Mental well-being.

### Leadership

- We form positive relationships and grow ourselves as leaders.
- Our leadership skills will have a positive impact on others.
- Our leadership skills are transferrable to the next stage of our education and beyond.

### Learning

- We will collaborate to create deep, independent, curious and resilient learners.
- We acquire, apply and retain powerful and essential knowledge and skills which we are able to transfer and use across our lives.
- We are educated citizens who have been introduced to the best that has been thought and said, and who are able to appreciate the best of human creativity and achievement.

### Opportunity

- We make the most of every opportunity open to us.
- We recognise that the opportunities offered in and beyond the classroom broaden and enrich us.
- Our participation in the opportunities offered build our cultural capital needed to succeed in life.

### Community

- We are caring citizens who engage with the world and change it for the better.
- Our actions support our belief in 'being different and belonging together'.
- We will develop a holistic set of values for success in the modern world with its diverse and ever-changing community.

These values and intents are supported by a commitment to operational efficiency and excellence that optimise resource deployment for teaching and learning purposes.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



### Objects and Aims

The PKAT Articles of Association set out its objects as:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies");
- to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

To support the objects PKAT's aims are to provide:

- Personalised learning leading to enjoyment, success and achievement for all.
- A safe, healthy, orderly, sustainable and cohesive school community.
- Effective engagement with our learners, parents, local communities and partners.
- A positive, proactive approach to innovation and continuous improvement for all.

These aims are underpinned by the PKAT principles.

### Objectives, Strategies and Activities

This year has seen the academy Trust focus on the Curriculum for all its students continue. Building on the pilot work carried out last year with the Art and Science Leads across the academy Trust, the first Curriculum Teachmeet for all teachers in the academy Trust took place on 7 October 2019. This saw staff from all schools work in subject specialist groups discussing how the curriculum model for their subject worked from Reception to Year 13. The Training Day for all Trust teachers on 18 October 2019 further developed this. A series of Teachmeets for subject specialists continued to take place throughout the year and as a consequence an agreed curriculum road map was developed, linked to the five keys, which all key stages from Reception to Year 13 now use across the academy Trust. All schools in the academy Trust have worked with School Improvement Associates with regard to this curriculum review and road mapping. The results of this work were fed back formally by School Improvement Associates to Trustees.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



The work on the new Year 7 My World and Create curriculum continued to be reviewed and developed. The Exhibitions have now become a well-attended part of the school calendar and work. The very successful Year 5 'Young Explorers' Pilot was extended to all Year 5 pupils in the academy Trust during 2019-2020, but the planned camping expedition for all Year 5s did not occur in the Summer Term. The lockdown also meant the planned summer term work with the Skills Service around aspirations and STEM activities were also unable to take place.

Two schools in the academy Trust continue to work with Professor Deborah Eyre on her High Performance Learning strategies and all schools in the MAT use the language of growth mindset.

Having collaborated on Challenge<sup>22</sup>, a significant amount of time has been given by the Leadership Team, the CFO and Business leaders in the academy Trust on enacting Action<sup>22</sup>.

All schools in the academy Trust took part in an extremely successful combined theatre project across all schools linked to the Kindertransport and Holocaust, which was performed for parents and other stakeholders.

As a Trust we have also spent considerable time over the last year continuing our research on how the purposeful use of iPads could innovate learning further, reduce teacher workload and improve student outcomes. Members of the Leadership Group and ICT representatives across the academy Trust have, as part of the due diligence process, visited Apple Headquarters; visited secondary and Primary schools who use iPads as 1 to 1 devices; attended finance, EdTech strategy and planning workshops; met with Apple appointed business partners for the education sector and kept Trustees and Governing Bodies updated on the progress.

During the Spring Term 2020 before lockdown, there was both on-site and remote training for the staff who were leading the 'trail blazing' in our 5 schools in the Spring Term. All 5 schools were able to complete the trail blazing over 2 weeks with a set of 30 iPads and the review of the trail blazing was very positive in terms of learners' engagement and staff positivity regarding the possibilities of 1 to 1 devices for learning and teaching.

Although the proposed showcasing to Trustees, Governors, staff who were not directly involved in the trail blazing and parents did not occur that term, work continued with a major piece of work on the route to market and the actual specifications for the iPads, plus the technical and training support.

There was not the opportunity to engage parents in discussions in the summer term on the possibility of parental contributions towards a leasing model and the current economic conditions mean that it is no longer the right or sensitive time to consider this as many families face grave concerns regarding their financial futures. The lockdown, though, has proven more than ever the need for students to be able to access the internet on a device that allows them to continue their learning as effectively as possible at home. As an example, The Borders Local Authority have decided, as a result of the success their iPad funding, which they have invested in for some years for secondary students, has had during lockdown, to underwrite the leasing of iPads for their primary students also. It is quite clear that the blended learning model of learning will not end with the pandemic.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



We therefore, still wanted to be able to meet the roll out planned in our schools for the Autumn term 2020, but without looking at any possibility of parental contributions in the first year at least. Instead, we are going to use the academy Trust carry forward to finance this; which thanks to the good financial management of the Business teams across the academy Trust and the work of the Chief Operating Officer and Chief Finance Officer, we are in a position to be able to do.

The year groups we propose to have the iPads are not those we had originally felt would be best placed to roll out the use of 1 to 1 devices, but in recognition of the urgent catch up issues faced by our students and pupils entering Year 11 (300) and Year 6 (240) in September 2020, and as part of the recovery strategy we have decided that all pupils in Year 6 and all Year 11s across the academy Trust should have the 1 to 1 devices. This would also mean that should schools have to partially or completely close during the next academic year, or individual students in those groups have to self-isolate, we would be sure that they are equipped to continue learning.

This year will act as a 'phase 2' of the trail blazing and, if Trust and stakeholder discussions do lead to a parental contribution model, hopefully prove the concept to parents that 1 to 1 devices are worth investing in as a really effective tool for their children's learning. It will also be a valuable springboard for any future roll out of iPads to other year groups.

All schools in the academy Trust remained open to Key Worker and Vulnerable students from 23 March 2020, throughout all holidays and closed only for 5 days in the summer half term to allow enhanced cleaning to take place.

All schools maintained telephone contact on either a daily, three days a week, or once a week telephone call with the most vulnerable students in our schools. Socially distanced 'safe and well' home visits took place where there were concerns and where necessary, the Police were asked to make visits to ensure students were safe.

All schools provided work from the beginning of lockdown and developed their on-line learning and live lessons as the term progressed and all students not in school fulltime were supported through a range of on-line lessons, live lessons and printed work sent home. The engagement of pupils and students in this has been monitored and appropriate support was put in place where necessary.

From the point of extension of pupils and students in school from June, all Primary schools in the academy Trust reached capacity in terms of the number of pupils that could safely be accommodated into bubbles in their schools. Jack Hunt School reached its capacity for its keyworker and vulnerable bubbles and in surveys of parents of Year 10 and Year 12 students, saw a third in each year group requesting face to face lessons as part of the blended learning provision.

Working with Southalls, the academy Trust developed and continually reviewed a Trust wide Risk Assessment with regard to minimising risk in Trust schools.

All eligible children received Free School meal vouchers and the schools in the academy Trust continued to support families by their regular communications with families throughout lockdown, signposting how to apply for Free School meals, signposting where a range of forms of local support were available and by setting up dedicated e-mail addresses at schools.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



A competition was set up during lockdown for all pupils and students in the academy Trust to develop their creativity in a range of mediums, including written word, photography, art, crafts and baking, and judged by the Trustees.

The academy Trust remains extremely proud of its students and committed to meeting their needs. The well-qualified and dedicated teaching and support staff have high aspirations for, and high expectations of, every single student. The academy Trust wants its students to be well-rounded, confident, caring young people with leadership skills, who are motivated to achieve their best; are fully involved in their schools and the wider Trust, along with local and global communities and leave the academy Trust as life-long learners equipped to build on their success and contribute positively to the future of society.

### **Public benefit**

PKAT Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission, in exercising their powers or duties.

In addition to providing free statutory education, hosting Physically Impaired and Hearing Impaired Hubs to integrate students, Trust schools support the residents of their local communities by being available for them to hire during weekday evenings and weekend mornings. This opportunity is taken up by a range of clubs and societies such as a Chinese School, Latvian School, basketball league, netball league, ballet school, badminton, tae kwon do, football, deaf football, the Faith in Christ Church, cricket, guitar lessons, Scouts, Brownies and Guides Gang Show preparation, U3A and hosting the Vivacity holiday clubs for a wide range of children across Peterborough. Jack Hunt School always supports Pakistani Heritage community events, Police and local residents' events. The lockdown meant the use of Trust facilities by the community ceased from March 2020.

The academy Trust strives to shape tomorrows citizens for example at Jack Hunt School within the curriculum for Religion, Philosophy and Ethics (RPE), Personal Development Education (PDE) and the school's 'lesson 5' tutor programme there is a focus on ensuring that diversity and community cohesion are celebrated and reinforced. These topics are also central to the regular school assemblies. The 2017 short Ofsted inspection states that community links are strong within the school and the curriculum is essential within this. RPE and PDE are delivered through weekly lessons at Key Stage 3 and fortnightly at Key Stage 4. The sixth form curriculum also includes weekly PDE sessions.

The Art work of Trust students is displayed on the walls of Peterborough City Hospital; the only local schools to be asked to do so.

A Higher Education Champion is based in Jack Hunt School, with this work consisting of a programme to support first generation students entering Higher Education; visiting speakers from a range of professions; a bespoke programme to link our students with experts in the field; a two-week work experience programme for all Year 10 students; leadership lessons for all Year 9 students and the opportunities to be involved in National Citizen Service, Duke of Edinburgh Award Scheme, and Sports Leaders Award ensure the wider curriculum offer prepares students for University and other Level 3 options as well as developing their employability skills.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



All pupils and students in the academy Trust took part in a wide range of events to raise money for different charities throughout the year. The one event where they worked together as a Trust was the annual food hamper charity initiative, which was established at Jack Hunt School over a decade ago. This year over 100 hampers of food were provided and decorated by children in the academy Trust and then distributed to areas of need in Peterborough such as homeless shelters.

## Strategic Report

### Achievements and Performance

No schools in the academy Trust have been inspected by Ofsted since the academy Trust came into being. In the legacy schools' Inspections four of the five Trust Schools had achieved 'good' in their last Inspections before conversion. In the one Primary School, Thorpe, which had been judged as Inadequate, results in Year 6 SATs have improved consistently since conversion.

The academy Trust remains determined to improve outcomes for its pupils and students.

### Key Performance Indicators

In normal circumstances the academy Trust uses the Key Stage 2 data to report Primary School KPIs and as these were suspended for 2019-20 the academy Trust cannot report such statistics. The Primary Lead did report to Trustees what the mock examinations and teacher assessment indicated the Year 6 results should be in 2020.

In normal circumstances the academy Trust uses both Key Stage 4 and Key Stage 5 results to report secondary school KPIs. However, with regard to GCSEs and A Levels, the Centre Assessed Grades are not going to form the basis of any League Tables for 2020. Jack Hunt School followed rigorous and robust procedures for the Centre Assessed Grades for both GCSE and A Level.

### COVID-19 Impacts

COVID-19 altered significantly the functioning of all PKAT schools from 23 March 2020 for the rest of the financial year. Classroom learning was replaced for the majority of PKAT students with education via on line lessons, on line resources and in some cases by work being posted out to them. A relatively small number of students remained in school as they were the children of key workers, or in vulnerable groups. Exams, school trips and work experience were cancelled along with activities outside of the normal school day.

Staff for the most part had to adapt to working from home. With all of the changes no significant issues were encountered that could not be overcome, and the work undertaken in the academy Trust to migrate systems and files to the cloud bore fruit. Senior leaders worked tirelessly to keep up to date with the plethora of Government guidance, reacting to the ever changing situation. Risk assessments were conducted and updated accordingly, informed by the academy Trust's health and safety partner Southalls, ensuring consultation with the staff bodies in each school and via professional associations.



# Peterborough Keys Academies Trust

## Trustees' Report (continued)



Volunteers, generally short-term for work experience purposes, were not permitted on the school sites from 23 March.

The lettings portfolio, except for nursery provision, has been depleted to virtually nothing greatly reducing a valuable income stream.

Staff and students have reacted in many different ways. Existing support has been used for staff either via their line manager or through the Employee Assistance Scheme. Secondary age students have had access to the School Counsellor in addition the Student Support Officers and Heads of House. Primary age pupils have had access to pastoral support and family liaison to support their well being.

The new school year represents a change attempting to get back to normal but in reality although students and staff are back in schools the environment and regimes are very different to normal. Typically, the schools have a range of additional measures in place as a result of their stringent site-specific risk assessments, supported by the academy Trust Health & Safety consultants. These include additional cleaning, one-way systems, structuring of year or class 'bubbles', increased handwashing points and installation of sanitiser stations as well as adaptations to classroom layouts and screen installations. It is not possible to determine how long the current arrangements will be in place, whether there will be a return to a national or local lockdown, if public exams and SATS will go ahead in 2021 or indeed what new scenario may face the country. Trustees and Senior Leaders will continue to aim to keep things as close to normal but the health and safety of students and staff will be the overriding determination of the future aims and activities of PKAT. Measures in place are responsive to national and local guidance and the risk assessments are continuously updated to reflect policy. It would be a relief if the 2021-22 academic year starts with no need for COVID-19 related restrictions or adjustments. Trustees and the executive of the academy Trust are, however, in agreement that COVID is shaping the 'new normal' and must not become the sole focus of our attentions in 2020/21 at the detriment of advancing our core aims.

The financial impacts, including on PKAT reserves, are described in more detail under the Financial Review section and resultant risks are covered under the Principal Risks and Uncertainties section.

No impact on pension liabilities or investments is foreseen.

### **Going Concern**

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

### **Promoting the success of the company**

The academy Trust is to invest in websites for all the constituent schools and the academy Trust itself along with refreshing branding to allow a renewed platform for promoting the academy Trust's successes.



# Peterborough Keys Academies Trust

## Trustees' Report (continued)



A dedicated People & Infrastructure Committee exists with standing agenda items to review matters related to the interests of employees.

Trustees and Governors review and sign a Code of Conduct at least annually which is based on the model code from the National Governors Association. The academy Trust's code is reviewed and agreed by the Chair of the Board of Trustees and the Chief Executive Officer. All Trustees and Governors commit to striving to uphold this code.

Decisions of significance are discussed by the Leadership Group and proposed for recommendation by Trust functional committees and/or approval by the Full Trustee Board. These decisions follow the academy Trust Scheme of Delegation that provides a Trust-wide governance structure and clarity over levels of authorisation. These decisions are made taking into consideration the skills and knowledge of Trustees from various professional backgrounds, informed by high-quality evidence-based and discursive papers from the academy Trust's executive. Decisions are therefore considered against medium and long-term objectives ensuring that there is due regard for any likely or foreseen adverse consequences.

The Finance and Audit Committee and Finance Manual combine with the work of internal and external auditors to limit the Trustee risk of impropriety. High standards of business conduct and integrity are maintained as a matter of course as would be expected of those in public office and aligned with the seven principles of public life arising from the Nolan Committee in 1995.

### Financial Review

For the year ended 31 August 2020 the Statement of Financial Activities, before pension adjustments are included, shows a deficit of £207k (2019: surplus £77k). The deficit represents the use of capital funds accumulated to increase the capacity of the secondary school.

Revenue reserves balances as set out in Note 16 Funds are as follows:

Restricted General Fund, excluding pension reserves	£1.241m
Unrestricted Funds	£0.349m
Total revenue reserves	£1.590m

PKAT aims to have a balance in reserves in case of unforeseen instances. However, this is tempered to ensure that funding received for current students is used to educate current students.

During the year PKAT has formulated an investment strategy and determined its risk appetite for investing is very low. At present, an interest bearing current account is providing a small amount of income with no risk.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



During the year COVID-19 has impacted on finances in the following ways:

- £101k of additional costs have been incurred and it is hoped most of this will be reimbursed by the Government, however, feedback on types of costs incurred provided through the July claims process has yet to be received. Therefore, an uncertainty remains on whether the expenditure above the £34k of costs that met the narrow criteria for claiming will be reimbursed.
- All PKAT schools made use of the national Eden Red scheme for issuing Free School Meal Vouchers to eligible families once it was up and running and over the initial teething troubles. The challenges in using the platform were well-documented nationally yet Trust staff overcame these by sourcing and distributing vouchers using other routes, and latterly logging into the platform at non-peak times outside of working hours.
- One school furloughed three staff involved in lettings and was able to mitigate the £29k shortfall in lettings income with the £10k claimed during 2019-20. Two staff remained on furlough to 31 October 2020.
- Suppliers were dealt with in accordance with PPN 02/20 and PPN 04/20 so there were no issues with continuation of supply in September 2020.
- Savings were made in a few areas but a lot of costs were incurred for example exam invigilators were paid an estimate of what they would have been paid if the exams had taken place as their skills needed to be retained for future years. The response to this approach was extremely favourable. Additional ICT resources were purchased to facilitate remote learning replacing costs originally earmarked under other categories.
- Summer 2020 exam fee rebates have not been reflected in the 2019-20 Financial Statements as the Government has undertaken to reimburse the additional burden of autumn 2020 public exams only to the extent that they exceed the summer 2020 rebates.
- The Government is to provide catch up funding in 2020-21 so PKAT will not need to use reserves to cover these costs.

In summary the 2019-20 net impacts are expected to be about breakeven but could be an additional cost of £70k. Whilst this does not constitute a concern about being a Going Concern it will necessitate some difficult decisions to reduce future costs. Trustees do not feel the need to amend the Reserves Policy.

In 2018-19 there had not been any significant events impacting upon the PKAT finances.

The majority of PKAT funding is from the Education and Skills Funding Agency, supported by Local Authority for Special Educational Needs Students with Education Health Care Plans. Ancillary income generation has continued in line with legacy school approaches, most notably through letting school premises and long-term leasing of school buildings. This steady income stream has been placed under great strain as a result of the pandemic. This is under continual review as part of the ongoing Improvement Initiatives approach.

Where contracts have been expiring, endeavours have been made to buy collaboratively for PKAT rather than at individual school level where contracts are relevant for all schools, with some notable successes. As PKAT has matured, a more proactive approach to procurement is emerging and key contracts are harmonised and aligned where practical.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)

As illustrated in Note 6 Expenditure, key objectives of PKAT have been supported by expenditure made with 68.3% (2019: 73%) being spent on the direct costs of the educational operations and a further 30.5% (2019: 24.9%) being spent on support costs allocated to educational operations.

### Reserves Policy

As at 31 August 2020 total reserves, excluding the pension reserve, amounted to £58.508m (2019: £56.625m), of which £58.159m (2019: £56.328m) are restricted. The balance of £349k (2019: £297k) are free reserves. The Trustees review the reserve levels of PKAT annually. The review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Where pertinent, reserves are accounted for by individual school.

Trustees determine the level of uncommitted reserves with the aim of providing sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The risk register may help to determine particular potential issues. For the 2019-20 financial year four weeks of expenditure has been assessed as the minimum reserves required, this equates to £1.7m.

Within the Restricted Fixed Asset Fund £56.18m (2019: £53.825m) of it can only be realised by disposing of tangible fixed assets.

The pension reserve is in a deficit, £12.509m (2019: £11.018m), due to PKAT's share of the Local Government Pension Scheme (LGPS) liabilities exceeding its share of the LGPS assets.

As at 31 August 2020 the PKAT level of revenue reserves (unrestricted funds plus restricted GAG funding carried forward) is a surplus of £1.59m. There are commitments of a low value relating to general day to day supplies due to materialise early in 2020/21. The balance is therefore broadly in line with the reserves policy. Stringent budget management will continue to ensure this remains the case.

### Investment Policy

Investments may only be made with Trustee approval in line with the PKAT Investment Policy. At present, an interest bearing current account is providing a small amount of income with no risk.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



### Principal Risks and Uncertainties

A risk register was established soon after conversion and is regularly discussed by the Finance and Audit Committee, as well as being reviewed at least annually by each of the Leadership Group, Finance and Business Managers' Group and Local Governing Bodies. The register covers all categories of risk, which may affect PKAT. The Trustees have overseen the introduction of a Treat | Transfer | Tolerate | Terminate classification to summarise the approach to mitigation. The key financial risks after mitigations have taken place are:

- PFI funding fails to keep pace with contractual cost rises through indexation under the National Funding Formula
- The academy Trust suffers cuts to funding as a result of national funding changes
- PKAT does not have fit for purpose staff structures to support its financial operations
- PKAT is unable to prepare, agree and achieve a balanced three-year budget plan for submission to the ESFA. There is currently uncertainty regarding funding to cover higher Teachers' inflation rise after April 2020 and the longevity of funding to cover the increase in employers' teachers' pensions scheme contributions, which increased significantly in September 2020. It is also uncertain if more essential services will be charged for by the Local Authority.
- PKAT does not have adequately trained staff in positions exposed to financial inputs and/or processes

The key non-financial risks are:

#### Educational

- PKAT is unable to secure appropriate standards of pupil performance in all schools
- A PKAT school receives an Ofsted judgement of 3 (Requires Improvement) or 4 (Inadequate)
- The PKAT assessment framework does not enable Trustees to monitor progress towards agreed targets.

#### Strategy

- PKAT does not have fit for purpose staff structures and processes to support its operations

#### Infrastructure

- PKAT schools are forced to close due to force majeure
- PKAT is not adequately insured against risk
- PKAT endures a major incident of note for the HSE
- PKAT does not have fit for purpose technologies to support the desire to produce outstanding outcomes for learners

#### Personnel

- PKAT cannot recruit high calibre staff to fill vacancies
- A member of the Trust Executive is unable to fulfil their duties for a significant period of time

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



### Reputation

- PKAT schools have an inability to attract pupils

### Compliance

- PKAT does not publish online what it is statutorily obliged to do so
- PKAT endures a data breach

### Fundraising

Whilst students fundraise monies for other charities as part of them learning to be good, considerate citizens there are no fundraising activities being carried out to supplement PKAT government funding and income generation activities. During the second half of 2019-20 significantly less fundraising activity took place due to COVID-19 restrictions.

# Peterborough Keys Academies Trust

## Trustees' Report (continued)

### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 01 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	<b>3,522,325</b>
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	514.72
Owned transport – mini-buses	0.76
<u>Total scope 1</u>	515.48
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	166.62
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	1.28
Total gross emissions in metric tonnes CO2e	<b>683.37</b>
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	<b>0.20</b>
<p><b><u>Quantification and Reporting Methodology:</u></b> -</p> <p>We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.</p> <p><b><u>Intensity measurement</u></b></p> <p>The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.</p> <p><b><u>Measures taken to improve energy efficiency</u></b></p> <p>Removal of an old immersion heater replaced with a more economical hot water system.</p> <p>Replaced several sets of old doors – the new seals and more efficient glass improve the thermal efficiency.</p> <p>Newly built extension is equipped with solar panels.</p> <p>All secondary school blocks equipped with upgraded external lights (LEDs and dusk till dawn sensors / PIR). Embarking on replacement of internal fluorescent lights with LEDs.</p> <p>Replacement of inefficient air conditioning units at end of life and plant room replaced all temperature and pressure gauges.</p>	

# Peterborough Keys Academies Trust

## Trustees' Report (continued)



### Plans for Future Periods

All Trust Schools opened fully in September and will continue to support the academic progress and well-being of pupils and students through their recovery plans and catch up initiatives. In addition, they will continue to share best practice regarding the provision of remote learning for pupils and students unable to attend school.

Having established in 2018 the academy Trust is going to work with an external Consultant from ASCL, The Association of School and College Leaders, to review its current position in the local and regional education landscape and create a corporate plan that positions the academy Trust to make decisions about growth and potential economies of scale.

All staff who teach Year 11 and Year 6 will receive iPads and a comprehensive training programme from Apple in readiness for all 540 Year 6 and Year 11 pupils and students in the academy Trust to receive their iPads in the Autumn Term.

The Chief Operating Officer continued the work on a contract review process that is designed to engage all PKAT schools in the pursuance of efficient, effective, collaborative procurement where appropriate, with the notable delivery of a health and safety service and system in December 2019. Procurement continues to centre around identified contracts for migration to central or header agreements, as well as the purchasing of systems or support to mitigate identified risks. This process has been underpinned by a budget review being led by the Chief Finance Officer.

### Funds Held as Custodian Trustee on Behalf of Others

No such funds are held (2019: nil).

### Auditor

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on **09 December 2020** and signed on the board's behalf by:

C Higgins  
Trustee

**09 December 2020**



# Peterborough Keys Academies Trust

## Governance Statement



### Scope of Responsibility

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

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

### Governance

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

Trustee	Meetings attended	Out of a possible
Claire Higgins (Chair)	7	7
Bernard Champness	6	7
Colin Hammond	7	7
Tracey Hedges	6	7
William Kerry	6	7
Pamela Kilbey	7	7
Lisa Lloyd	6	7
Adriano Pacitti	6	7
Alan Sadler	7	7

During the year, no Trustees have been appointed or resigned. The Trust Board, along with the seven Committees, which includes a Local Governing Body (LGB) for each school, have covered all of the essential requirements as set out in the PKAT Governance Planner. In addition to External and Internal audits, having appointed suitably qualified COO and CFO the Trust Board feels reassured that the quality of non-teaching data is of sufficient quality for them to discharge their duties. When the budgeting tool was replaced, two Trustees, who are both Accountants, met with the CFO to review the tool for accuracy, completeness and security of data.

Teaching and learning data is supplied through qualified and experienced teachers. To obtain independent validation a renowned consultancy, School improvements Associates Ltd, has worked with all schools and their reports have been scrutinised by the Trust Board.

The Trust Board has met more than six times during the year, with effective oversight being maintained through the four meetings of each of the two functional sub-committees of the

# Peterborough Keys Academies Trust

Board and the four meetings of each of the five school Local Governing Bodies, which are also sub-committees of the Trust Board. This being thirty-five formal meetings in total over the year.

Trustees have visited at least one school, which is not a school where they are a Governor.

All LGBs and the Trustee Board conduct reviews and skills audits.

To maintain continuity, Chairs and Vice Chairs of LGBs have calendared meetings with the Chair of Trustees, the CEO and Company Secretary. The Company Secretary maintains regular contact with the Clerks of the LGBs and has calendared meetings to ensure consistency of understanding of PKAT governance.

The Trust Board continues use feedback loops to review its work and to build the results into the Governance Planner

Governors and Trustees have received general training from the local authority and specific PKAT training in house.

## Governance Review

The Internal Audit Programme included a Governance review conducted in January 2020. The scope was to compare arrangements in place with the requirements of the Governance Handbook and the Academies Financial Handbook to ensure compliance and whether the arrangements remained fit for purpose.

The review identified one material control weakness, eleven non-compliance issues and five minor issues. Trustees were aware of some of the issues raised but had prioritised other work in establishing PKAT. The Review was useful in noting some misunderstandings of terminology by primary schools and providing additional guidance to bridge the gap. All issues have been addressed.

The next review will be self-evaluation/by internal auditors in the Spring Term of 2020-21.

The Finance and Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to deal with the detail of financial and audit matters.

During the year, it has:

- agreed a programme of internal audits to be conducted by the Internal Auditor, a different firm to the External Auditors, and received the detailed reports
- had the External Auditors attend a meeting during which they walked the Committee through the Annual Report and Financial Statements
- monitored the progress of implementation of audit points
- reviewed in detail the risk register
- approved the Trust Central Charge
- reviewed and approved iterations of the Finance Manual
- approved new Anti-Fraud and investment Policies
- monitored the effectiveness of the Trust's chosen approach to central resource, processes and systems

Trustee attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Adriano Pacitti (Chair)	4	4
Tracey Hedges	4	4
William Kerry	4	4
Pamela Kilbey	4	4

## Review of Value for Money

As Accounting Officer, the Chief Executive Officer 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 board of Trustees 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:

- Recognising that Government funding for schools was becoming increasingly constrained an internal project entitled Challenge<sup>22</sup> was launched through which every school reviewed their budget forecast for the next three years for the cycle ending 2022 to ensure that best use was being made of resources and that future plans were affordable. The project gave rise during 2019/20 to the Action<sup>22</sup> phase that involved schools putting into action the plans that they had drawn up for improving their respective financial outlooks.
- As opportunities have arisen contracts have been negotiated Trust wide. Contracts including a health and safety SLA, health and safety software, internet connection, web filtering, legal advice retainer and the continued migration of schools to framework driven agreements for multi-function devices and utilities have been implemented during the year. The academy Trust has also worked on securing a supply partner to deliver a phased iPad 1:2:1 deployment working extensively with Apple Europe on a sustainable project plan. Additionally, renewals, for agreements concerning payroll, insurance and HR support have been secured, reducing the cost of overheads and allowing the savings to be directed to teaching and learning.

## 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 on-going 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 Peterborough Keys Academies Trust for the period 01 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

## Capacity to Handle Risk

The Board of Trustees 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 board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy Trust's significant risks that has been in place for the period 01 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

## The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance 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 board of Trustees has considered the need for a specific internal audit function and has decided to appoint Forrester Boyd as internal auditor, a different firm to the external auditors. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. In particular, the checks carried out in the current period included:

- Governance review
- testing of compliance with Finance Manual in particular:
  - testing of purchasing systems
  - testing of income recording
  - testing of expenditure, including staff expenses and petty cash
  - testing of payroll review and authorisation
  - testing of management accounts review
  - LGB and Trustee related parties
  - Emergency purchasing due to COVID-19

Each Finance and Audit Committee meeting receives a copy of new audit reports. The CFO also provides a report detailing the number of points at each level of severity raised, in progress and completed as at that point in time. The report also contains the detail of points not completed, progress made in resolving the points and seeks Committee agreement that points are registered as completed. The Committee receives the internal auditor's Internal Scrutiny Annual Summary report prior to submission to the DfE.

There was only one material control issue raised during the reporting year as part of the Governance Audit, this was in respect of one primary school not having a DBS check in place for all LGB Governors. This was rectified as soon as possible after it was raised.

# Peterborough Keys Academies Trust

A three-year Internal Audit programme was approved at the October 2019 meeting. The internal auditors have delivered their schedule of work almost as planned but modified slightly to react to the COVID-19 circumstances and adding in a check on emergency purchases during the lockdown and of costs allocated to be reclaimed for the ESFA due to COVID-19.

Two Trustees reviewed the in-house built budget tool to ensure its accuracy, completeness and security of data. They made four recommendations that were implemented by the CFO.

## Review of Effectiveness

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

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

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

Approved by order of the members of the board of Trustees on 09 December 2020 and signed on its behalf by:

C Higgins  
Trustee

P Kilbey  
Accounting Officer

# Peterborough Keys Academies Trust

## Statement on Regularity, Propriety and Compliance

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

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

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

P Kilbey  
Accounting Officer  
09 December 2020

# Peterborough Keys Academies 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 **09 December 2020** and signed on its behalf by:

C Higgins  
Trustee



# Peterborough Keys Academies Trust

## Independent Auditor's Report to the Members of Peterborough Keys Academies Trust

**For the year ended 31 August 2020**

### **Opinion**

We have audited the financial statements of Peterborough Keys Academies Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the group Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account, the group Consolidated Balance Sheet, the company Balance Sheet, the group Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the group or the parent academy trust's ability

# Peterborough Keys Academies Trust

## Independent Auditor's Report to the Members of Peterborough Keys Academies Trust (continued)

### For the year ended 31 August 2020

to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

#### **Other information**

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

#### **Opinions 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 including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept by the parent academy trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy trust accounts 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.

## For the year ended 31 August 2020

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the group's and the parent academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent academy trust, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mohamedraza Mavani (Senior Statutory Auditor)**

for and on behalf of



**Chartered Accountants  
Statutory Auditor**

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Rutland House  
Minerva Business Park  
Lynch Wood  
Peterborough  
PE2 6PZ

# **Peterborough Keys Academies Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to Peterborough Keys Academies Trust and the Education & Skills Funding Agency**

### **For the Year Ended 31 August 2020**

In accordance with the terms of our engagement letter dated 24 April 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Peterborough Keys Academies Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of Peterborough Keys Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Peterborough Keys Academies Trust's funding agreement with the Secretary of State for Education dated 26 March 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

# **Peterborough Keys Academies Trust**

## **Independent Auditor's Report to the Members of Peterborough Keys Academies Trust (continued)**

### **For the year ended 31 August 2020**

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.

We have undertaken testing as appropriate in accordance with the Academies Accounts Direction 2019 to 2020. This includes an evaluation of the control environment of the school, enquiry, analytical review and substantive testing.

The work undertaken to draw to our conclusion includes:

- Reviewing minutes of meetings, management accounts and made enquiries of management;
- Performing sample testing of expenditure ensuring items are for the Academy's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by staff, Head or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and made further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the Academy;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

# **Peterborough Keys Academies Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to Peterborough Keys Academies Trust and the Education & Skills Funding Agency**

**For the Year Ended 31 August 2020**

### **Conclusion**

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

### **Reporting Accountant**

Moore  
Rutland House  
Minerva Business Park  
Lynch Wood  
Peterborough  
PE2 6PZ

Dated: .....

# Peterborough Keys Academies Trust

## Consolidated Statement of Financial Activities

### for the year ended 31 August 2020

(including Income and Expenditure Account)

				2019/20	2018/19
	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
<b>Income and endowments from:</b>					
Donations and capital grants	2	16	-	-	16
Transfer from local authority on conversion	28	-	-	-	-
Charitable activities:					
Funding for the academy Trust's educational operations	3	147	20,128	477	20,752
Other trading activities	4	299	-	-	299
Investments	5	1	-	-	1
<b>Total</b>		463	20,128	477	21,068
<b>Expenditure on:</b>					
Raising funds	6	3	-	-	3
Charitable activities:					
Academy Trust educational activities	7	140	21,321	674	22,135
Other		268	-	-	268
<b>Total</b>		411	21,321	674	22,406
<b>Net income/(expenditure)</b>		52	(1,193)	(197)	(1,338)
<b>Transfer between funds</b>	16	-	-	-	-
<b>Other recognised gains/(losses):</b>					
Fixed Asset Valuation	12	-	-	2,088	2,088
Actuarial (loses)/gains on defined benefit pension schemes	25	-	(358)	-	(358)
<b>Net movement in funds</b>		52	(1,551)	1,891	392
<b>Reconciliation of funds</b>					
Total Funds brought forward		297	(9,717)	55,027	45,607
<b>Total Funds carried forward</b>		349	(11,268)	56,918	45,999



# Peterborough Keys Academies Trust

## Consolidated Balance Sheet

### as at 31 August 2020

Company Number 11108321

	Note	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed Assets</b>					
Tangible assets	12		56,180		53,825
<b>Current Assets</b>					
Stock	13	17		28	
Debtors	14	851		669	
Cash at bank and in hand		2,502		2,682	
		<u>3,370</u>		<u>3,379</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	(1,042)		(579)	
<b>Net current assets</b>			<u>2,328</u>		<u>2,800</u>
<b>Total assets less current liabilities</b>			<u>58,508</u>		<u>56,625</u>
Creditors: Amounts falling due after more than one year			-		-
<b>Net assets excluding pension scheme liability</b>			<u>58,508</u>		<u>56,625</u>
Defined benefit pension scheme liability	25		(12,509)		(11,018)
<b>Total net assets</b>			<u>45,999</u>		<u>45,607</u>
<b>Funds of the academy Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	56,918		55,027	
Restricted income fund	16	1,241		1,301	
Pension reserve	16	(12,509)		(11,018)	
<b>Total Restricted funds</b>			<u>45,550</u>		<u>45,310</u>
<b>Unrestricted income funds</b>	16		<u>349</u>		<u>297</u>
<b>Total Funds</b>			<u>45,999</u>		<u>45,607</u>

The financial statements on pages 36 to 61 were approved by the Trustees and authorised for issue on 09 December 2020 and are signed on their behalf by

C Higgins  
Trustee

# Peterborough Keys Academies Trust

## Academies Trust Balance Sheet

### as at 31 August 2020

Company Number 11108321

	Note	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed Assets</b>					
Tangible assets	12		56,180		53,825
<b>Current Assets</b>					
Stock	13	17		28	
Debtors	14	852		704	
Cash at bank and in hand		2,486		2,595	
		<u>3,355</u>		<u>3,327</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	(1,027)		(527)	
<b>Net current assets</b>			<u>2,328</u>		<u>2,800</u>
<b>Total assets less current liabilities</b>			<u>58,508</u>		<u>56,625</u>
Creditors: Amounts falling due after more than one year			-		-
<b>Net assets excluding pension scheme liability</b>			<u>58,508</u>		<u>56,625</u>
Defined benefit pension scheme liability	25		<u>(12,509)</u>		<u>(11,018)</u>
<b>Total net assets</b>			<u>45,999</u>		<u>45,607</u>
<b>Funds of the academy Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	56,918		55,027	
Restricted income fund	16	1,241		1,301	
Pension reserve	16	(12,509)		(11,018)	
<b>Total Restricted funds</b>			<u>45,650</u>		<u>45,310</u>
<b>Unrestricted income funds</b>	16		<u>349</u>		<u>297</u>
<b>Total Funds</b>			<u>45,999</u>		<u>45,607</u>

The financial statements on pages 36 to 61 were approved by the Trustees and authorised for issue on 09 December 2020 and are signed on their behalf by

C Higgins  
Trustee

# Peterborough Keys Academies Trust

## Consolidated Statement of Cash Flows

### for the year ended 31 August 2020



	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	283	155
<b>Cash flows from investing activities</b>	21	(463)	467
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(180)</u>	<u>622</u>
<b>Cash and cash equivalents at 1 September 2019</b>		2,682	2,060
<b>Cash and cash equivalents at 31 August 2020</b>	22	<u>2,502</u>	<u>2,682</u>

# Peterborough Keys Academies Trust

## Notes to the Financial Statements

### 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.

#### Accounting Period

The accounts have been prepared for the 12 month period from 1 September 2019 to 31 August 2020.

#### Basis of Preparation

The financial statements of the academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 (including the supplementary bulletin) issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of PKAT and PKAT Trading. The results of PKAT Trading are consolidated on a line by line basis.

No separate SOFA has been presented for PKAT alone as permitted by section 408 of 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.

The Trustees have considered the potential impact of COVID19, and the various measures taken to contain it, on the operations of the academy Trust. No immediate concerns in relation to the academy Trust's long term future have been identified but this area continues to be monitored. The Trustees are satisfied that the steps they have taken in the short term are appropriate and effective.

## 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. There are no restrictions in the Funding Agreement as to carry forward values.

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

- **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'.

- **Transfer on conversion**

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

- **Agency Arrangements – 16-19 bursary fund income**

The academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

## **Expenditure**

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

## **Basis of consolidation**

The financial statements consolidate the accounts of Peterborough Keys Academies Trust and PKAT Trading, a company to which PKAT is entitled all of the surplus generated. PKAT has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The income and expenditure account for the year dealt with in the accounts of PKAT was £17k (2019: £66k)

## **Tangible Fixed Assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 on a straight-line basis over its expected useful life, as follows:

- |                                     |                 |
|-------------------------------------|-----------------|
| • Land                              | nil             |
| • Freehold buildings                | 25 to 100 years |
| • Long leasehold buildings          | 25 to 125 years |
| • Furniture, Equipment and fixtures | 3 to 10 years   |
| • Computer equipment                | 3 to 5 years    |

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.

## 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 15. 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 notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

## Stock

All categories of stock are valued at the lower of cost or net realisable value.

## Taxation

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

## Pensions Benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected

# Peterborough Keys Academies Trust

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

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

## Fund Accounting

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

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

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

## Critical accounting estimates and areas of judgement

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

### *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 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### *Critical areas of judgement*

There have been no instances where critical judgements have been required during the period of account.

## 2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	2019/20 Total £000	2018/19 Total £000
Other donations	16	-	16	13
	16	-	16	13
Total 2018/19	13	-	13	

## 3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	2019/20 Total £000	2018/19 Total £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	19,237	19,237	18,446
Other ESFA grants	-	14	14	205
Capital grants	-	477	477	559
	-	19,728	19,728	19,210
<b>Other Government Grants</b>				
Local Authority grants	-	764	764	588
Other income from the academy Trust's educational operations	137	-	137	238
<b>Exceptional Government funding</b>				
Coronavirus Job Retention Scheme grant	10	-	10	-
Coronavirus exceptional support	-	113	113	-
	147	20,605	20,752	20,136
Total 2018/19	238	19,898	20,136	

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

- The funding received for coronavirus exceptional support covers £113k of free school meal vouchers, health and safety measures, additional cleaning and other unavoidable costs. These costs are included in notes 6 and 7 below as appropriate.
- The academy Trust furloughed some of its lettings staff under the government's CJRS. The funding received of £10k relates to staff costs in respect of 3 staff, which are included within note 8 below as appropriate.

## 4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2019/20 Total £000	2018/19 Total £000
Hire of facilities	90	-	90	108
Income from ancillary trading activities	209	-	209	524
	299	-	299	632
Total 2018/19	632	-	632	

## 5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	2019/20 Total £000	2018/19 Total £000
Short term deposits	1	-	1	4
	1	-	1	4
Total 2018/19	4	-	4	

## 6 Expenditure

	Staff Costs £000	Non Pay Expenditure		2019/20 Total £000	2018/19 Total £000
		Premises £000	Other £000		
Expenditure on raising funds:					
Direct Costs	-	-	3	3	2
Academy's educational operations:					
Direct Costs	14,244	-	1,053	15,297	15,035
Allocated support costs	3,262	2,192	1,384	6,838	5,981
Other	31	-	237	268	512
	17,537	2,192	2,677	22,406	21,530
Total 2018/19	16,297	2,065	3,168	21,530	

Net income/(expenditure) for the period includes:

	2018/19 £000	2017/18 £000
Operating lease rentals	1,518	1,440
Depreciation	674	552
Net interest on defined pension liability	218	215
Fees payable to auditor for:		
Audit	13	13
Other services	4	4

Included within expenditure are the following transactions:

Books that will cost £1k (2019: £1k) to replace have either not been returned to the secondary school library or have been removed from the shelves, a further £2k (2019: £1k) of textbooks loaned to students who have now left the school were not returned. Library stock is not recorded as an asset because the second hand value of books is negligible.

Donations have been made only to the extent that specific fundraising activity was carried out to raise the £9k (2019: £12k) paid out.

# Peterborough Keys Academies Trust



## 7 Charitable activities

	2019/20	2018/19
	Total	Total
	£000	£000
Direct costs – educational operations	15,297	15,035
Support Costs – educational operations	6,838	5,981
	<b>22,135</b>	<b>21,016</b>

	Educational Operations	2019/20	2018/19
	£000	Total	Total
	£000	£000	£000
Support staff costs	3,262	3,262	2,833
Depreciation	674	674	552
Technology costs	88	88	59
Premises costs	2,192	2,192	2,065
Legal costs	11	11	13
Other support costs	594	594	458
Governance costs	17	17	14
<b>Total Support Costs</b>	<b>6,838</b>	<b>6,838</b>	<b>5,981</b>
Total 2018/19	<b>5,981</b>	<b>5,981</b>	

## 8 Staff

### a. Staff costs

Staff cost during the period were:

	2019/20	2018/19
	£000	£000
Wages and salaries	12,396	12,058
Social security costs	1,106	1,065
Pension costs	3,683	2,793
	<b>17,185</b>	<b>15,916</b>
Agency staff costs	175	222
	<b>17,360</b>	<b>16,138</b>

### b. Non statutory/non-contractual staff severance payments

There were no such payments in 2019/20 (2019: nil).

### c. Staff numbers

The average number of persons employed, headcount, by the academy Trust during the year was as follows:

	2019/20	2018/19
	No.	No.
Teachers	203	215
Administration and support	593	506
Management	24	26

## d. Higher paid staff

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

	2019/20	2018/19
	No.	No.
£60,001 - £70,000	9	9
£70,001 - £80,000	6	5
£80,001 - £90,000	1	1
£110,001 - £120,000	1	1

## e. Key management personnel

The key management personnel of the academy Trust comprise the Trustees and the senior leadership team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy Trust was £942k (2019: £868k).

## 9 Central Services

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

- Insurance provision
- Payroll and personnel contract
- Health and Safety contract
- School Improvement
- Audit and accountancy
- Finance systems and invoice processing
- Servicing Trustees and the PKAT executive appointments

The academy Trust charges for these services on the following basis:

- After discussion and agreement by the Leadership Group, which includes the Headteachers of all schools, and approval by Trustees of the expenditure that was to be included, 4% (2016: 3.9%) of I01 funding has been charged.

The actual amounts charged during the year were as follows:

	2019/20	2018/19
	£000	£000
Jack Hunt School	408	362
Longthorpe Primary School	76	56
Middleton Primary School	82	65
Ravensthorpe Primary School	72	58
Thorpe Primary School	101	82

## 10 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 Chief Executive Officer only receives remuneration in respect of services they have provided undertaking the role of Chief Executive Officer and Headteacher of Jack Hunt School under her contract of employment.

The value of Trustees’ remuneration and other benefits was as follows:

P Kilbey (Chief Executive Officer, Headteacher of Jack Hunt School and ex-officio Trustee)  
Remuneration £110,000 - £120,000 (2019: £110,000 - £120,000)  
Employer’s pension contributions paid £25,000 - £30,000 (2019: £15,000 - £20,000)

During the period ended 31 August 2020, no travel and subsistence expenses were reimbursed to any Trustees (2019: £111 to 1 Trustee)

## 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £4.1k (2019: £4.1k).



# Peterborough Keys Academies Trust



## 12 Tangible fixed assets

	Freehold Land & Buildings £000	Leasehold Land & Buildings £000	Leasehold Improvements	Furniture, Equipment & Fixtures	Computer Equipment £000	Assets Under Construction £000	Total £000
<b>Cost</b>							
At 01 September 2019	29,479	21,830	-	-	3	3,294	<b>54,606</b>
Acquisitions	391	-	58	386	61	45	<b>941</b>
Transferred	3,201	-	29	64	-	(3,294)	<b>-</b>
Revaluation	2,088	-	-	-	-	-	<b>2,088</b>
At 31 August 2020	<b>35,159</b>	<b>21,830</b>	<b>87</b>	<b>450</b>	<b>64</b>	<b>45</b>	<b>57,635</b>
<b>Depreciation</b>							
At 01 September 2019	531	249	-	-	1	-	<b>781</b>
Charged in year	432	176	9	45	12	-	<b>674</b>
At 31 August 2020	<b>963</b>	<b>425</b>	<b>9</b>	<b>45</b>	<b>13</b>	<b>-</b>	<b>1,455</b>
<b>Net book Values</b>							
At 31 August 2019	28,948	21,581	-	-	2	3,294	<b>53,825</b>
At 31 August 2020	<b>34,196</b>	<b>21,405</b>	<b>78</b>	<b>405</b>	<b>51</b>	<b>45</b>	<b>56,180</b>

The academy Trust's transactions relating to land and buildings included:

- Land and buildings were valued by Barker Storey Matthews, now known as Eddisons, as at 01 April 2018 in October 2018.
- An additional block, an extension to an existing one and an all-weather pitch to increase Jack Hunt School's capacity was opened for the 2019/20 academic year, having been completed in August 2019. The changes were valued by Eddisons as at 01 September 2019 in August 2020 increasing the £3.592m cost by £2.256m.
- In addition to the £29k of leasehold improvements at two PKAT properties made during the summer of 2019 and brought into use for September 2019, £58k of leasehold improvements have been made to three PKAT properties during 2019-20.
- A further £43k has been spent on improvements to two PKAT leasehold properties during the summer of 2020 and brought into use on 01 September 2020.

## 13 Stock

	Group		Trust	
	2020	2019	2020	2019
	£000	£000	£000	£000
Learning resources order for new academic year	13	24	13	24
Books and stationery for resale	4	4	4	4
	<b>17</b>	<b>28</b>	<b>17</b>	<b>28</b>

## 14 Debtors

	Group		Trust	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade debtors	22	20	16	12
Amounts owed by group undertakings	-	-	25	-
VAT recoverable	143	155	143	155
Other debtors	1	1	1	56
Prepayments and accrued income	685	493	667	481
	<b>851</b>	<b>669</b>	<b>852</b>	<b>704</b>

## 15 Creditors: amounts falling due within one year

	Group		Trust	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade creditors	35	87	27	84
Amounts owed to group undertakings	-	-	3	-
Other taxation and social security	273	271	269	268
Other creditors	311	28	311	26
Accruals and deferred income	423	193	417	149
	<b>1,042</b>	<b>579</b>	<b>1,027</b>	<b>527</b>

# Peterborough Keys Academies Trust



	Group		Trust	
	2020	2019	2020	2019
	£000	£000	£000	£000
Deferred income at 1 September	39	3	3	-
Released from previous year	(39)	(3)	(3)	-
Resources deferred in the year	73	39	61	3
Deferred income at 31 August	73	39	61	3

At the balance sheet date, the academy Trust was holding £25k (2019: nil) in respect of Forest School funding, £20k of rates funding (2019: nil), £11k of Primary sports services income, a £3k (2019: nil) grant, £2k (2019: £3k) in respect of Autumn term lettings and the group was holding a further £12k (2019: £36k) in respect of trips departing after 31 August 2020.

No loans were taken or outstanding as at the balance sheet date.

## 16 Funds

	Balance at 31 August 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	(27)	18,340	(18,459)	-	(146)
Other ESFA grants	3	14	(13)	-	4
Local Authority	-	697	(702)	-	(5)
Transfer on conversion	1,313	-	-	-	1,313
Pupil Premium	12	1,077	(1,014)	-	75
Pension reserve	(11,018)	-	(1,133)	(358)	(12,509)
	(9,717)	20,128	(21,321)	(358)	(11,268)
<b>Restricted Fixed Asset Funds</b>					
Transfer on conversion	54,951	-	-	-	54,951
DfE Group capital grants	76	477	(674)	2,088	1,967
	55,027	477	(674)	2,088	56,918
<b>Total restricted funds</b>	45,310	20,605	(21,995)	1,730	45,650
<b>Total unrestricted funds</b>	297	463	(411)	-	349
<b>Total Funds</b>	45,607	21,068	(22,406)	1,730	45,999

The specific purposes for which the funds are to be applied is to provide an education for the students of the schools. The academy Trust is not subject to GAG carried forward limits.

Fund balances were allocated as follows:

	2020 £000	2019 £000
Jack Hunt School	865	941
Longthorpe Primary School	105	101
Middleton Primary School	83	143
Ravensthorpe Primary School	86	75
Thorpe Primary School	115	138
Central Services	336	200
Total before fixed assets and pension reserve	1,590	1,598
Restricted fixed asset fund	56,918	55,027
Pension Reserve	(12,509)	(11,018)
	45,999	45,607

# Peterborough Keys Academies Trust

Comparative information in respect of the preceding year are as follows:

	Balance at 31 August 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	36	17,432	(17,495)	-	(27)
Other ESFA grants	3	205	(205)	-	3
Local Authority	2	683	(685)	-	-
Transfer on conversion	1,312	1	-	-	1,313
Pupil Premium	60	1,018	(1,066)	-	12
Pension reserve	(7,451)	-	(821)	(2,746)	(11,018)
	(6,038)	19,339	(20,272)	(2,746)	(9,717)
<b>Restricted Fixed Asset Funds</b>					
Transfer on conversion	54,951	-	-	-	54,951
DfE Group capital grants	69	559	(552)	-	76
	55,020	559	(552)	-	55,027
<b>Total restricted funds</b>	48,982	19,898	(20,824)	(2,746)	45,310
<b>Total unrestricted funds</b>	115	888	(706)	-	297
<b>Total Funds</b>	49,097	20,786	(21,530)	(2,746)	45,607

Total cost analysis by academy:

	Teaching and Educational Support Staff £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	2019/20 Total £000
Jack Hunt School	7,735	1,197	574	2,089	11,595
Longthorpe Primary School	1,430	222	116	183	1,951
Middleton Primary School	1,777	347	158	245	2,527
Ravensthorpe Primary School	1,434	255	108	196	1,993
Thorpe Primary School	1,864	453	131	190	2,638
Central Services	7	(97)	(33)	18	(105)
	14,247	2,377	1,054	2,921	20,599

# Peterborough Keys Academies Trust



Comparative information in respect of the preceding year are as follows:

Total cost analysis by academy:

	Teaching and Educational Support Staff	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	2018/19 Total
	£000	£000	£000	£000	£000
Jack Hunt School	7,277	1,046	996	2,023	11,342
Longthorpe Primary School	1,380	232	116	204	1,932
Middleton Primary School	1,680	295	146	236	2,357
Ravensthorpe Primary School	1,329	230	181	202	1,942
Thorpe Primary School	1,777	440	186	196	2,599
Central Services	(10)	14	(24)	5	(15)
	13,433	2,257	1,601	2,866	20,157

## 17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets	-	-	56,180	56,180
Current Assets	365	2,243	762	3,370
Current Liabilities	(16)	(1,002)	(24)	(1,042)
Pension scheme liability	-	(12,509)	-	(12,509)
	349	(11,268)	56,918	45,999

Comparative information in respect of the preceding year are as follows:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets	-	-	53,825	53,825
Current Assets	306	1,857	1,216	3,379
Current Liabilities	(9)	(556)	(14)	(579)
Pension scheme liability	-	(11,018)	-	(11,018)
	297	(9,717)	55,027	45,607

## 18 Capital commitments

As at 31 August 2020 there were no (2019: £397k) capital commitments.

## 19 Commitments under operating leases

### Operating leases

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

	2020	2019
	£000	£000
Amounts due within one year	1,580	1,472
Amounts due between one and five years	6,172	5,791
Amounts due after five years	17,737	17,977
	<b>25,489</b>	<b>25,240</b>

## 20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group	
	2019/20	2018/19
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,338)	(744)
Adjusted for:		
Depreciation (note 12)	674	552
Capital grants from DfE and other capital grants	(477)	(559)
Interest receivable	(1)	(4)
Defined benefit pension scheme cost less contributions payable (note 25)	915	606
Defined benefit pension scheme finance costs (note 25)	218	215
(Increase)/Decrease in stocks	11	11
(Increase)/Decrease in debtors	(182)	56
Increase/(Decrease) in creditors	463	22
<b>Net cash provided by/(used in) operating activities</b>	<b>283</b>	<b>155</b>

## 21 Cash flows from investing activities

	Group	
	2019/20	2018/19
	£000	£000
Dividends, interest and rents from investments	1	4
Purchase of tangible fixed assets	(941)	(96)
Capital grants from DfE Group	477	559
<b>Net cash provided by/(used in) investing activities</b>	<b>(463)</b>	<b>467</b>

## 22 Analysis of cash and cash equivalents

	Group	
	2019/20	2018/19
	£000	£000
Cash in hand and at bank	2,502	2,682
<b>Total cash and cash equivalents</b>	<b>2,502</b>	<b>2,682</b>

## 23 Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£000	£000	£000
Cash	2,682	(180)	2,502
<b>Total</b>	<b>2,682</b>	<b>(180)</b>	<b>2,502</b>

## 24 Members liability

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

## 25 Pension and similar obligations

The 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 Cambridgeshire Pension Fund. Both are multi-employer defined benefit schemes.

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

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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

### Valuation of the Teachers' Pension Scheme

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 05 March 2019.

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 01 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1.786m (2019: £992k).

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



# Peterborough Keys Academies Trust

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 pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,243k (2019: £1,248k), of which employer's contributions totalled £982k (2019: £993k) and employees' contributions totalled £261k (2019: £255k). The agreed contribution rates for future years are 22 per cent for employers from 01 April 2020 reducing to 21.9% from 01 April 2021 and between 5.5 per cent and 12.5 per cent for employees, depending on their earnings.

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

Principal actuarial assumptions	2020	2019
Rate of increase in salaries	2.70%	2.60%
Rate of increase for pensions in payment/inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.70%	1.90%
Inflation assumption (CPI)	2.20%	2.30%
Commutation of pensions to lump sums pre-April 2008	25.00%	25.00%
Commutation of pensions to lump sums post-April 2008	64.00%	63.00%

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

	2020	2019
<i>Retiring Today</i>		
Males	22.0	21.5
Females	24.0	23.5
<i>Retiring in 20 years</i>		
Males	22.7	22.4
Females	25.5	24.9

Sensitivity analysis	2020	2019
	£000	£000
Discount rate -0.5%	2,709	2,457
Salary increase rate +0.5%	311	384
Pension increase rate (CPI) +0.5%	2,347	2,024

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

	2020	2019
	£000	£000
Equities	5,581	5,120
Bonds	877	888
Property	1,196	751
Cash	319	68
<b>Total market value of assets</b>	<b>7,973</b>	<b>6,827</b>

The actual return on scheme assets was £114k (2019: £116k).

# Peterborough Keys Academies Trust



## Amount recognised in the Statement of Financial Activities

	2019/20 £000	2018/19 £000
Current Service Cost	(1,904)	(1,528)
Past Service Cost	-	(71)
Interest income	141	166
Interest cost	(359)	(381)
<b>Total amount recognised in the SOFA</b>	<b>(2,122)</b>	<b>(1,814)</b>

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

	2019/20 £000	2018/19 £000
<b>At 1 September</b>	<b>17,845</b>	<b>12,748</b>
Current service cost	1,904	1,528
Past service cost	-	71
Interest cost	359	381
Employee contributions	260	255
Actuarial (gain)/loss	244	2,862
Benefits Paid	(130)	-
<b>At 31 August</b>	<b>20,482</b>	<b>17,845</b>

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

	2019/20 £000	2018/19 £000
<b>At 1 September</b>	<b>6,827</b>	<b>5,297</b>
Interest income	141	166
Employer contributions	989	993
Employee contributions	260	255
Benefits Paid	(130)	-
Actuarial gain/(loss)	(114)	116
<b>At 31 August</b>	<b>7,973</b>	<b>6,827</b>

## 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after April 2019 and obtaining their approval where required, and with the academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

### Expenditure Related Party Transaction

PKAT Trading – A company that has the same Members and Trustees as PKAT (incorporated 04 September 2018)

- Reimbursed to PKAT for £30,462 (2019: £26,879) of staffing costs, £2,358 (2019: nil) of learning resources, nil (2019: £721) of cover costs, £1,663 (2019: £67) of admin costs and £340 (2019: £27) of refreshments.
- £22,123 (2019: nil) of IT equipment and services and £13,529 (2019: nil) of catering provisions have been provided to PKAT.
- £36,594 (2019: £10,293) from Pupil Premium and Sixth Form Bursary monies has been used to support eligible students with activities run through PKAT Trading.
- Nil (2019: £2,672) contribution to training run by PKAT Trading for several schools.

# Peterborough Keys Academies Trust

- The element above £2,500 has been provided 'at no more than cost' because PKAT Trading aims not to make a surplus from running school trips and activities.
- As at 31 August 2019 PKAT is owed £23,489 (2019: £87,844) by PKAT Trading including £17,399 (2019: £31,290) profit for the year.
- As at 31 August PKAT owes PKAT Trading £2,975 (2019: £3,207).

Anglian Water – A company which employees Matthew Edwards (Member) and Tracey Hedges (Trustee)

- £49,317 water and sewerage charges have been incurred during 2019/20 (2019: £32,073)
- £35,617 of the above amount was accrued as at 31 August (2019: £17,997)
- £2,835 was treated as a prepayment as at 31 August (2019: nil)
- Anglian Water is the local supplier of water and sewerage services so PKAT, until recently, has no alternative but to use their services. The opportunity to compete these services has been opened up by the ESFA and PKAT is engaging in this. Neither the Member nor the Trustee was involved in setting up the supplies. If Anglian Water is making a profit from the supply it is the same for all business customers.

Greenwoods GRM LLP – a firm of solicitors where Will Kerry's (Trustee) spouse is employed

- £6,133 legal fees were incurred during 2019/20 (2019: £1,898)
- £1,510 was owed by PKAT as at 31 August (2019: nil)

Thomas Deacon Education Trust – an Academy Trust where Lisa Lloyd (Trustee) is employed

- There were no transactions during 2019/20 (2019: £980)
- No balance was outstanding as at 31 August (2019: nil)

Richard Clegg- Smith trading as Tazzi – a company owned by a friend of Pamela Kilbey (CEO)

- £300 of design work was provided during 2019/20 (2019: £85)
- No balance was outstanding as at 31 August (2019: nil)

Gladstone Primary Academy – an academy where Alan Sadler (Trustee) is a Governor

- £71 of training was provided during 2019/20 (2019: £4,150)
- No balance was outstanding as at 31 August (2019: nil)

## Income Related Party Transaction

Jack Hunt Community Learning Trust (JHCLT) – A company that has two directors being Pamela Kilbey (CEO) and Alan Sadler (Trustee)

- £243 has been reimbursed to PKAT to cover the staff time used to operate the JHCLT (2019: £4,472)
- A further £1,295 has been reimbursed to PKAT to cover photocopier and printing usage and catering provisions (2019: £87)
- As at 31 August 2020 PKAT holds £49 belonging to JHCLT because JHCLT has too few transactions to stand alone so PKAT processes them on its behalf (2019: £5,387)

Hampton Academies Trust – a company for which Alan Sadler (Trustee) is a Member

- £180 was charged for staff release during 2019/20 (2019: £3,872 was charged for using alternative provision facilities, £1,300 for providing training and £199 for providing staff).
- £485 was paid for training during 2019/20 (2019: £567)
- No balance was outstanding as at 31 August 2019 (2019: nil)

Gladstone Primary Academy – an academy where Alan Sadler (Trustee) is a Governor

- No income was derived during 2019/20 (2019: £4,150)
- No balance was outstanding as at 31 August (2019: nil)

No amounts have been written off in respect of related parties during the year to 31 August 2020 (2019: nil) and no guarantees have been given or received.

All formal PKAT meetings require declaration of interests at the start of the meeting, therefore any participants with a related party are excluded from the decision making. If a purchase is to be made, anyone with a related party is excluded from the process. Reference is made to both the Members and Trustees declarations and any staff who are involved in purchasing decisions and processes.

## 27 Agency Arrangements

The academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy Trust received £33k and disbursed £15k from the fund. An amount of £38k is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2019 are £37k received and £24k disbursed, £20k included in other creditors.

## 28 Conversion to an academy Trust

On 01 April 2018 Jack Hunt School, Longthorpe Primary School, Middleton Primary School, Ravensthorpe Primary School and Thorpe Primary School converted to academy status under the Academies Act 2010 and all of the operations and assets and liabilities were transferred to PKAT from the Peterborough City Council for £nil consideration.

The transfer has been accounted for as a combination that is substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

No transactions in relation to the conversion took place during 2019/20.

A sundry bank account was identified and transferred at fair value during 2018/19 and an analysis of its recognition in the Statement of Financial Activities for the year to 31 August 2019:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Net Current Assets				
Sundry bank account	1	-	-	1
<b>Net assets/(liabilities)</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>

## 29 Consolidated company

Company Name	PKAT Trading
Company registration number	11552820
Basis of control	All surplus and deficits belong to PKAT
Total assets as at 31 August 2020	£ 42,157
Total Liabilities as at 31 August 2020	£(42,157)
Turnover for the year ended 31 August 2020	£ 229,377
Expenditure for the year ended 31 August 2020	£(211,978)
Surplus for the year ended 31 August 2020	£ 17,399

## 30 Events after the end of the reporting period

Will remove heading if none arise before signing