

Peterborough Keys Academies Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2019

Company Registration Number:
11108321 (England and Wales)



**PETERBOROUGH KEYS
ACADEMIES TRUST**

Unlocking Potential

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 (appointed 16 October 2018) Penelope Walkinshaw
Trustees	Claire Higgins (Chair) Bernard Champness Michael Fish (resigned 02 November 2018) Colin Hammond Tracey Hedges William Kerry Lisa Lloyd Adriano Pacitti Alan Sadler Amir Suleman (resigned 25 September 2018)
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
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 2018 to 31 August 2019. 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 3,660 (2018: 3,610) and had a roll of 3,488 (2018: 3,436) in the school census in October 2019.

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 the 2018/19 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 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	0.2

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	£10k
Provide the total pay bill	£15.31m
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.065%

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)

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.

Attributes and Values

The attributes and values below are the expected practice we aspire to develop and embed in the pupils, students and adults of the Peterborough Keys Academies Trust:

Our Key to unlocking our Personal Best

We will challenge, support and inspire each other and ourselves to achieve our personal best.

Our key to unlocking Leadership

We form positive relationships and grow ourselves as leaders.

Peterborough Keys Academies Trust

Trustees' Report (continued)

Our Key to unlocking Learning

We collaborate to create deep, independent and resilient learners.

Our Key to unlocking Opportunities

We make the most of every opportunity open to us

Our Community Key

We are caring citizens who engage with the world and change it for the better

Our Key Operations

Underpin this in that our learning environment is safe and inspirational.

Curriculum Intents and Core Principles

During the reporting year 2018/19 the Leadership Group and Trustees have collaborated to further develop the core principles of the Trust and build a set of curriculum intents to inform and direct the onward development of the Trust, using the aforementioned attributes and values.

The underpinning principles of the Trust are the commitments to:

- 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.

These commitments are expanded upon with the curriculum intents themed around the five keys mentioned in the attributes and values, with each key emboldened by three statements.

- **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 relationship 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.

Peterborough Keys Academies Trust

Trustees' Report (continued)

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

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 under-pinned by the PKAT principles.

Peterborough Keys Academies Trust

Trustees' Report (continued)

Objectives, Strategies and Activities

2018/19 was the first full academic year and financial year operated by PKAT following the initial five-month period between conversion and the last annual report date. This year has seen the focus shift to deepening and strengthening the core principles upon which the Trust is built. Leadership Group activity, supported by Trustees, has further advanced the Trust on its journey to capitalise on the benefits of having become a Multi-Academy Trust.

The Trust has focused throughout 2018/19 on the Curriculum for all its students and has devoted significant time to this. There have been Curriculum Planning Days, which have included staff from across the MAT and Trustees; engagement in research; attendance at national Curriculum Conferences; training on the new Ofsted framework; and Leadership Group meeting time. This work has continued in individual academies and as a consequence the MAT has developed a one-page document, linked to our 5 founding keys, that sets out our curriculum intent for all our pupils and students across the MAT. This document has been discussed at LGB and Trustee Meetings and is now in use across the MAT.

We have added to our original 3 goals the words underlined: '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'.

For each of the 5 Keys, Personal Best, Leadership, Learning, Opportunity and Community, all underpinned by Operational efficiency and excellence, there are three, very clear bullet points regarding the curriculum offer. In addition to our established goals and principles, we have explicitly covered such areas as mental and physical well-being, being 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; recognition that participation in the opportunities offered build the cultural capital needed to succeed in life and developing a holistic set of values for success in the modern world with its diverse and ever-changing community. In all schools Curriculum and Subject Leads have started mapping out their curriculum provision in relation to this document and preparing 'road maps.'

The Art Leads across the MAT have worked together throughout 2018/19 on a very successful curriculum pilot. As one of the outcomes of this collaboration the Art work of PKAT students is displayed on the walls of Peterborough City Hospital; the only local schools to be asked to do so. The Science Leads began working together at the end of the academic year 2018/19 and the Senior Science technician from Jack Hunt School has been very successfully visiting primary schools over the year to demonstrate various experiments and dissections. Staff in Primary Schools have reported how much their pupils have been engaged by the visits and the high level of questioning and enquiry that has arisen from them. PKAT held its second Science Challenge Competition at Jack Hunt School in July 2019 for its Primary schools and this annual event has proved to be a successful innovation regarding personal best and the link to Science at secondary school.

A programme of Teachmeets for subject staff across the MAT has been established for 2019/20 with the first meeting having taken place on 7 October 2019 followed by the Trust Training Day on 18 October 2019 which developed the work further and included local schools outside the MAT, with whom we have been working closely with for many years.

Peterborough Keys Academies Trust

Trustees' Report (continued)

The phrase 'purposeful, exhibition standard work' refers to the work that was undertaken across the schools that were going to be part of the MAT during 2017/18, and research nationally, to establish a new Year 7 curriculum to start in September 2018. A presentation to Trustees has highlighted the development of project-based learning in 'My World' and 'Create, taught by specialists to develop learning and thinking across subjects. Exhibition standard work that is produced as a consequence of 6-week projects is then actually exhibited to parents and the local community. The work includes written work, Drama pieces, Art work, and Food technology and Design technology exhibits. The first exhibition in November 2018 was 'Remembrance' and was attended by the Mayor and Mayoress of Peterborough, members of the armed forces, representatives from a school outside of Peterborough; staff from Primary schools in addition to parents. Curriculum maps in Primary Schools indicate the exhibition standard/brilliant pieces of work that are the outcomes for the various topics studied.

With regard to the work across the MAT on the Year 5 curriculum, Jack Hunt School became a Direct Licenced Centre for the Duke of Edinburgh Awards last year and developed an award for Primary School children within the MAT. We started with a pilot group of year 5 children from every Primary School within the Trust.

The chosen students attended 3 sessions which taught them how to read maps and charts, erect tents, learn orienteering skills and learn how to use cooking stoves, called Trangias, outside. The Duke of Edinburgh co-ordinator reported that, *'They all collaborated brilliantly together throughout every session, completing tasks, applying their problem-solving skills and making new friendships in the process. The PKAT students then got to put all their newly acquired skills to the test on an overnight camping trip at Sacrewell Farm. They all performed fantastically, spending a successful night camping at the farm where they worked together to set up their tents, cooked a full evening meal together and settled down for a night under the stars, or rather a night in the rain unfortunately! Waking up to a very damp and wet Monday morning, the children rallied well and cooked breakfast for each other before packing up camp and going on a shortened walk around the Castor Hanglands where they could put all their orienteering and map reading skills to the test. All the children had a turn at leading the group throughout the walk, guiding the other students around the landscape. Despite the rain, the children did extremely well and thoroughly enjoyed the whole experience! The event was a fantastic example of what our Trust schools can achieve by supporting each other and working together.'* It has been agreed by the Leadership Group to extend the Pilot to all Year 5 students 2019/20 and this has already begun. The Year 5 curriculum has been amended to reflect the Young Explorers project. In one of the units in the Year 7 'My World' curriculum students build on the Year 5 skills with orienteering work at Ferry Meadows, and look at exploration worldwide through the backpacking project.

In addition, to raise aspiration for University all Year 5s in the MAT undertook a visit in June 2019, through the Skills Service, to the University Centre Peterborough. The visit included STEM activities and talks about apprenticeships and university entrance. The Year 5s also undertook a business challenge in their own schools which involved business representatives involved in the challenge. The Leadership Group agreed that both activities will form part of the Year 5 offer going forward and the MAT Plan includes additional opportunities which have been offered to the MAT through the very valuable link with the Skills Service.

Two schools in the MAT 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.

Peterborough Keys Academies Trust

Trustees' Report (continued)

All schools in the MAT have been part of a quality assurance audit by School Improvement Associates and leaders across the MAT were given the opportunity to be part of the Quality Assurance visits to other schools. Audit results were feedback to Trustees.

A significant amount of time has been given to the Leadership Team, the CFO and Business leaders in the MAT collaborating on Challenge22; financial planning for the next 3 years. Trustees have been involved in this and the MAT is now proceeding with Action22.

With regard to developing learning and teaching across the MAT the Leadership Group and Trustees visited Apple Headquarters on 10 July 2019. As a consequence, a Planning Essentials day led by XMA (appointed business partner of Apple in UK) with the MAT Leadership Group and ICT Leaders took place on 2 October 2019. The plan is to have 'trail blazing' in each school with devices provided by Apple during the Spring and Summer terms 2020 with a full roll out chosen year groups in each school in September 2020.

PKAT is 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. PKAT 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 PKAT 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, PKAT 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.

PKAT strives to shape tomorrows citizens for example at Jack Hunt School within the curriculum for Religious Education (RE), Personal Development Education (PDE) and the school's 'lesson 5' tutor programme that focuses 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. RE 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.

Peterborough Keys Academies Trust

Trustees' Report (continued)

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.

Strategic Report

Achievements and Performance

When PKAT was formed two of the founding schools, Middleton and Thorpe, were sponsored schools. The Key Performance Indicators below demonstrate that the individualised School Improvement Plans and support from other schools within PKAT have produced Key Stage 2 results that do not have the sponsored schools reducing PKAT's achievement data by being below the other schools in all instances. Thorpe school's results show continuing improvement.

Middleton Primary School has been selected as a flagship school for the Success For All programme.

A specialist data analyst has been contracted to interpret data available to help to focus the resources available where they are required to make the biggest impact, supplemented with additional laser sharp analysis purchased from the DAISI team at Nottingham City Council.

Jack Hunt School's most recent Ofsted inspection was in January 2017 where the short inspection upheld the previous rating of Good from a full inspection and referred to 'securely good'.

Longthorpe Primary School's most recent Ofsted inspection was in December 2013 when it was rated as Good. The current Headteacher was not in post at the time of this inspection.

Middleton Primary School's most recent Ofsted inspection was in March 2013 when it received a Good rating.

Ravensthorpe Primary School's most recent Ofsted inspection was a full inspection in January 2016 when it achieved a Good rating.

Thorpe Primary School's most recent Ofsted inspection was in February 2017 when it was rated as Inadequate having previously been Good. Whilst the report acknowledged that:

- Children say, and their parents confirm, that they are happy and well looked after.
- The newly appointed Headteacher and her recently extended leadership team have brought momentum to improving the school's performance. This new leadership recognises that the pace of school improvement has been too slow in the past.

Pupil numbers remain strong with most schools increasing Published Admission Numbers following extensions to accommodate part of Peterborough's expanding population. Increases in the number on roll look likely to continue as schools with expansion projects have increased intake sizes during the coming years.

Peterborough Keys Academies Trust

Trustees' Report (continued)

The Key Performance Indicators below contain the detail of statistics that have national average comparators to give the PKAT schools achievements a context. The Department for Education plans to release data for KS5 2018/19 in January 2020 which is too late to be contained within this report, consequently 2017/18 published data has been utilised. On the day of A-level results Jack Hunt School was able to publish a press release stating “we are extremely pleased with an overall pass rate of 95%; with 66% of students achieving A* to C grades.”.

PKAT remains determined to improve outcomes for its pupils and students.

Key Performance Indicators

Provisional 2018/19 Primary Schools Key Stage 2 data:

Subject	Measure	Longthorpe Primary School	Middleton Primary School	Ravensthorpe Primary School	Thorpe Primary School	PKAT average	National Average
Reading	EXS+	72%	60%	45%	71%	62%	73%
	Av Scale Score	105	100	99	105	102	105
Writing	EXS+	58%	67%	62%	78%	66%	78%
Maths	EXS+	82%	65%	72%	81%	75%	79%
	Av Scale Score	105	102	102	105	104	105
Grammar Spelling Punctuation	EXS+	75%	59%	59%	89%	71%	65%
	Av Scale Score	107	101	101	108	104	107
Combined Reading Writing Maths	EXS+	53%	47%	41%	65%	52%	78%

Secondary School data:

Key Stage 4 – provisional data August 2019 results

Measure	Jack Hunt School	England Average
Progress 8 score	Average – -0.02	Average – -0.03
Entering EBacc	33%	40%
Staying in Education or employment	99%	94%
Grade 5 or above in English & Maths GCSE	25%	43%
Attainment 8 score	42.14 points	46.55 points
EBacc average point score	3.68 points	4.07 points

Although the attainment of Grade 5 in English and Maths GCSE is below the national average the progress 8 score demonstrates that Jack Hunt School students have made the progress expected based on their levels when they joined the school.

Peterborough Keys Academies Trust

Trustees' Report (continued)

Key Stage 5

Measure	Jack Hunt School	England Average*
Progress score A-levels	Average – -0.11	Average – -0.01
Progress score all academic qualifications	Average – -0.11	Average – -0.01
Progress score applied general qualification	Average – -0.58	Average – +0.06
Average Result A-levels	30.11 points	33.33 points
Average Result all academic qualifications	30.15 points	33.66 points
Average Result applied general qualification	24.81 points	28.47 points
Staying in education or employment	82%	87%

*2017/18 data used for average as national data is not available for 2018/19 until January 2020

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.

Financial Review

For the year ended 31 August 2019 the Statement of Financial Activities, before pension adjustments are included, shows a surplus of £77k (2018: £56.548m). As 2017/18 was the first year of trading the previous year comparative surplus included reserves brought forward therefore Note 16 Funds, which separates out 2017/18 year activities from the transfer on conversion shows an in year surplus of £285k. However, PKAT is not blind to the future financial pressures and is actively working on ways of maximising income and minimising expenditure to avoid an overall deficit.

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

Restricted General Fund, excluding pension reserves	£1.301m
Unrestricted Funds	£0.297m
Total revenue reserves	£1.598m

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.

PKAT is formulating an investment strategy having gained confidence it understands the combined finances of its schools. PKAT also needs to determine its risk appetite for investing, although being a public sector organisation this will not be high. At present, an interest bearing current account is providing a small amount of income with no risk.

There have not been any significant events impacting upon the PKAT finances.

Peterborough Keys Academies Trust

Trustees' Report (continued)

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. Notable through letting school premises and long-term leasing of school buildings. 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 develops, a more proactive approach to procurement is emerging and key contracts are harmonised and aligned where practical.

As illustrated in Note 6 Expenditure, key objectives of PKAT have been supported by expenditure made with 73% (2018: 74%) being spent on the direct costs of the educational operations and a further 24.9% (2018: 25.8%) being spent on support costs allocated to educational operations.

Reserves Policy

As at 31 August 2019 total reserves, excluding the pension reserve, amounted to £56.625m (2018: £56.548m), of which £56.328m (2018: £56.433m) are restricted. The balance of £297k (2018: £115k) are free reserves. Trustees will review these balances at a future Finance and Audit Committee and make a recommendation to the full Trustee board as to what parameters should be set as to how these funds may be used by member schools.

Within the Restricted Fixed Asset Fund £53.825m (2018: £54.281m) of it can only be realised by disposing of tangible fixed assets.

The pension reserve is in a deficit, £11.018m (2018: £7.451m), due to PKAT's share of the Local Government Pension Scheme (LGPS) liabilities exceeding its share of the LGPS assets

Investment Policy

Investments may only be made with Trustee approval. PKAT has not yet established an Investment Policy other than to permit the use of interest bearing bank accounts. This policy is being developed.

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

Peterborough Keys Academies Trust

Trustees' Report (continued)

- 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 does not have resources that are fit for purpose
- PKAT's websites are unfit for purpose
- 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

Reputation

- PKAT schools have an inability to attract pupils

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.

Peterborough Keys Academies Trust

Trustees' Report (continued)

Plans for Future Periods

As PKAT embarks on its second full year of existence, the MAT Plan has been structured to ensure that the early work carried out to establish the Trust is built upon and the working practices and relationships are emboldened, embedded and developed upon.

Plans for the Academic Year 2019/20 are linked to the appropriate key from within the Trust's attributes and values, and the curriculum intents and core principles.

Our Key to unlocking our Personal Best

- Exhibition-standard events to be hosted termly by Year 7 students in the newly purpose-refurbished teaching block hosting the MyWorld and Create Year 7 curricula
- Development of a PKAT Science Challenge
- Development of a physical and emotional wellbeing strategy for learners

Our key to unlocking Leadership

- Embed a PKAT Student Leaders Group facilitated by Jack Hunt School Head Prefects
- Further development of the Young Explorers programme
- Development of the Primary Curriculum Leader role in each school
- Evaluation of performance across the MAT supported by an external review partner, with planned peer review of SEFs

Our Key to unlocking Learning

- Strengthened, renewed laser-sharp focus on quality first teaching
- Develop PKAT skills framework and curriculum map by all PKAT subject leaders cross-phase
- Planning of a pilot for cross-MAT training and development project
- Mentoring of younger students by older 'tech experts'

Our Key to unlocking Opportunities

- Joint theatre project across all schools lined to the Kindertransport and Holocaust
- Access for primary school pupils to 'virtual operations' via the Skills Service outreach
- 'Aim Higher' programme to increase aspirations around the workplace and university

Our Community Key

- All schools undertaking a 'Christmas Hamper Challenge'
- Work with the communities to develop the delivery of the statutory Sex & Relationships Education Policy across the Trust
- Host a Senior Citizens Christmas Party

Our Key Operations

- Continue to implement the component parts of the financial strategy to deliver an enhanced carry forward position in the coming three years
- Develop an employee charter raising awareness of the Trust employee benefits

Peterborough Keys Academies Trust

Trustees' Report (continued)

- Continue the development of a PKAT Technology Strategy and in particular focus on the work with XMA / Apple Education
- Implement a new Health & Safety and Compliance system and approach across the Trust

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. Procurement has centred 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.

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 10 December 2019 and signed on the board's behalf by:

C Higgins
Trustee

10 December 2019

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 five 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)	5	5
Bernard Champness	3	5
Michael Fish	0	1
Colin Hammond	4	5
Tracey Hedges	4	5
William Kerry	5	5
Pamela Kilbey	5	5
Lisa Lloyd	3	5
Adriano Pacitti	4	5
Alan Sadler	5	5
Amir Suleman	0	0

During the year, two Trustees have resigned; consideration is being given to their replacement. 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 commissioned a further year of support and reassurance from the consultancy with the first school visit taking place in October 2019.

Peterborough Keys Academies Trust

The Trust Board has met less than six times during the year, however, effective oversight has been maintained through the four meetings of each of the two functional sub-committees of the 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-three 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 are carrying out a review, and the Trustee Board, covering all Trustees and each LGB, is conducting a skills audit. The Internal Audit programme includes a Governance review to be carried out in early 2020 to review the Governance put in place pre-conversion and using the experience of the first year to consider whether it remains fit for purpose.

To maintain continuity, Chairs and Vice Chairs of LGBs have met with the Chair of Trustees, the CEO and CFO. The Company Secretary maintains regular contact with the Clerks of the LGBs and has arranged 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.

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:

- appointed Internal Auditors, agreed a programme of audits between April and July and received the detailed reports
- had the External Auditors attend a meeting during which they walked the Committee through the first Annual Report and Financial Statements
- monitored the progress of implementation of audit points
- reviewed the Trust action in connection with the cyber fraud
- reviewed in detail the risk register
- approved the Trust Central Charge
- reviewed and approved iterations of the Finance Manual
- monitored the effectiveness of the Trust's chosen approach to central resource, processes and systems
- required teacher absence insurance to be procured only after a business case has been approved

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Adriano Pacitti (Chair)	4	4
Tracey Hedges	2	4
William Kerry	2	4
Pamela Kilbey	4	4

Peterborough Keys Academies Trust

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 Challenge22 was launched through which every school reviewed their budget forecast for the next three years to ensure that best use was being made of resources and that future plans were affordable. Integral to this process was the recognition that the initial budgeting tool implemented was not fit for purpose and it was replaced with a bespoke solution. Internal benchmarking formed part of the process. The project also included face to face workshops covering a range of topics including income generation, the 'entrepreneurial school', human resources and contract management.
- As opportunities have arisen contracts have been negotiated Trust wide. Contracts including energy, safeguarding software and multi-function devices have been implemented during the year, along with the renewals of payroll, insurance and HR and Health & Safety Service Level Agreements, reducing the cost of overheads 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 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

Peterborough Keys Academies Trust

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. 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:

- 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
 - LGB and Trustee related parties
- reviewing census data compilation
- review adequacy of insurance cover
- review risk register use across the Trust

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.

Material control issues raised during the reporting year were:

- One primary school was not:
 - evidencing monthly review of management accounts, practices have been revised
 - aware of the Risk Register, a copy was forwarded and the Secondary School Business Manager shared the LGB paper to accompany the Risk Register review for Primary Schools to use as a template
 - obtaining CFO approval before transacting with LGB related parties, practices have been revised
- Another primary school was not:
 - evidencing monthly review of management accounts, practices have been revised
 - evidencing Headteacher review of monthly payroll, practices have been revised

Peterborough Keys Academies Trust

- able to assist auditors on the first date agreed highlighting an over reliance on an individual. Before the incident, the staffing structure had been reviewed and an appointment made, which is intended to strengthen cover.
- A further primary school was not
 - evidencing monthly review of management accounts, practices have been revised
 - banking income expediently and not recording it on the corporate system, the issues had been discovered and were already being rectified, with CFO support, when reviewed by the internal auditors

The internal auditors have delivered their schedule of work as planned, which was within a condensed time period due to the mid-year appoint arising from the infancy of the Trust. A three-year programme was approved at the October 2019 meeting.

PKAT was the subject of a Financial Management and Governance Review Validation visit by the ESFA, across two days on 31 January and 1 February 2019. The conclusion and findings were emailed on 12 July 2019, 23 weeks after the fieldwork concluded. At the next Finance and Audit Committee meeting and Trustee Board meeting the findings and conclusions were discussed at length and a formal response was agreed and sent.

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 10 December 2019 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 2018.

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 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.

Financial issues

- A sophisticated cyber fraud resulted in one payment being made to someone other than the intended recipient. As soon as this was discovered senior Trust staff gathered information, reviewed it, contained the fraud and reported it the police and other relevant authorities. Working practices were reviewed and an additional verification process has been instigated. The police investigation is ongoing and no monies had been recovered at the date of signing the accounts.

P Kilbey
Accounting Officer
10 December 2019

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 2015 and the Academies Accounts Direction 2018 to 2019
- 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 10 December 2019 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 2019

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 2018 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 2017 to 2018 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 2018 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 2018 to 2019.

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 2019

- 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.

Peterborough Keys Academies Trust

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

For the year ended 31 August 2019

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.

for and on behalf of



**Chartered Accountants
Statutory Auditor**

.....

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 2019

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 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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.

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

For the Year Ended 31 August 2019

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 2017 to 2018. 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.

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

For the Year Ended 31 August 2019

Conclusion

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

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 2019

(including Income and Expenditure Account)

		2018/19			Five Months 2017/18	
	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000	Total £000
Income and endowments from:						
Donations and capital grants	2	13	-	-	13	3
Transfer from local authority on conversion	27	1	-	-	1	48,657
Charitable activities:						
Funding for the academy Trust's educational operations	3	238	19,339	559	20,136	8,277
Other trading activities	4	632	-	-	632	58
Investments	5	4	-	-	4	1
Total		888	19,339	559	20,786	56,996
Expenditure on:						
Raising funds	6	2	-	-	2	2
Charitable activities:						
Academy Trust educational activities	7	192	20,272	552	21,016	8,599
Other		512	-	-	512	16
Total		706	20,272	552	21,530	8,617
Net income/(expenditure)		182	(933)	7	(744)	48,379
Transfer between funds	16	-	-	-	-	-
Other recognised gains/(loses):						
Actuarial (loses)/gains on defined benefit pension schemes	24	-	(2,746)	-	(2,746)	718
Net movement in funds		182	(3,679)	7	(3,490)	49,097
Reconciliation of funds						
Total Funds brought forward		115	(6,038)	55,020	49,097	-
Total Funds carried forward		297	(9,717)	55,027	45,607	49,097

Peterborough Keys Academies Trust

Consolidated Balance Sheet

as at 31 August 2019

Company Number 11108321

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Fixed Assets					
Tangible assets	12		53,825		54,281
Current Assets					
Stock	13	28		39	
Debtors	14	669		725	
Cash at bank and in hand		2,682		2,060	
		<u>3,379</u>		<u>2,824</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	(579)		(557)	
Net current assets			<u>2,800</u>		<u>2,267</u>
Total assets less current liabilities			<u>56,625</u>		<u>56,548</u>
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension scheme liability			<u>56,625</u>		<u>56,548</u>
Defined benefit pension scheme liability	24		(11,018)		(7,451)
Total net assets			<u>45,607</u>		<u>49,097</u>
Funds of the academy Trust:					
Restricted funds					
Fixed asset fund	16	55,027		55,020	
Restricted income fund	16	1,301		1,413	
Pension reserve	16	(11,018)		(7,451)	
Total Restricted funds			<u>45,310</u>		<u>48,982</u>
Unrestricted income funds	16		<u>297</u>		<u>115</u>
Total Funds			<u>45,607</u>		<u>49,097</u>

The financial statements on pages 33 to 36 were approved by the Trustees and authorised for issue on 10 December 2019 and are signed on their behalf by

C Higgins
Trustee

Peterborough Keys Academies Trust

Academies Trust Balance Sheet

as at 31 August 2019

Company Number 11108321

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Fixed Assets					
Tangible assets	12		53,825		54,281
Current Assets					
Stock	13	28		39	
Debtors	14	704		725	
Cash at bank and in hand		2,595		2,060	
		3,327		2,824	
Liabilities					
Creditors: Amounts falling due within one year	15	(527)		(557)	
Net current assets			2,800		2,267
Total assets less current liabilities			56,625		56,548
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension scheme liability			56,625		56,548
Defined benefit pension scheme liability	24		(11,018)		(7,451)
Total net assets			45,607		49,097
Funds of the academy Trust:					
Restricted funds					
Fixed asset fund	16	55,027		55,020	
Restricted income fund	16	1,301		1,413	
Pension reserve	16	(11,018)		(7,451)	
Total Restricted funds			45,310		48,982
Unrestricted income funds	16		297		115
Total Funds			45,607		49,097

The financial statements on pages 33 to 36 were approved by the Trustees and authorised for issue on 10 December 2019 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 2019



	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	155	1,345
Cash flows from investing activities	21	467	715
Change in cash and cash equivalents in the reporting period		622	2,060
Cash and cash equivalents at 1 September 2018		2,060	-
Cash and cash equivalents at 31 August 2019	22	2,682	2,060

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 2018 to 31 August 2019. Comparative figures are for the 5 month period from conversion to an academy Trust on 1 April 2018 to 31 August 2018.

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 2018 to 2019 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.

Peterborough Keys Academies Trust

Conversion to an academy Trust

The conversion from a state maintained school to an academy Trust on 01 April 2018 involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below. The assets and liabilities transferred on conversion from the state maintained schools to the academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

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.

Peterborough Keys Academies Trust

- **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 26.

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.

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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 £66k (2018: £49,097k)

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.

Peterborough Keys Academies Trust

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

Learning resources ordered for the new academic year, unsold uniforms, books and stationery stocks 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.

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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 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

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assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

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2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total £000	Five Months 2017/18 Total £000
Other donations	13	-	13	3
	<u>13</u>	<u>-</u>	<u>13</u>	<u>3</u>
Total 2017/18	<u>3</u>	<u>-</u>	<u>3</u>	

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total £000	Five Months 2017/18 Total £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	18,446	18,446	6,900
Other ESFA grants	-	205	205	942
Capital grants	-	559	559	69
	<u>-</u>	<u>19,210</u>	<u>19,210</u>	<u>7,911</u>
Other Government Grants				
Local Authority grants	-	688	688	299
Other income from the academy Trust's educational operations	238	-	238	67
	<u>238</u>	<u>19,898</u>	<u>20,136</u>	<u>8,277</u>
Total 2017/18	<u>67</u>	<u>8,210</u>	<u>8,277</u>	

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total £000	Five Months 2017/18 Total £000
Hire of facilities	108	-	108	41
Income from ancillary trading activities	524	-	524	17
	<u>632</u>	<u>-</u>	<u>632</u>	<u>58</u>
Total 2017/18	<u>58</u>	<u>-</u>	<u>58</u>	

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5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total £000	Five Months 2017/18 Total £000
Short term deposits	4	-	4	1
	4	-	4	1
Total 2017/18	1	-	1	

6 Expenditure

	Non Pay Expenditure			2018/19 Total £000	Five Months 2017/18 Total £000
	Staff Costs £000	Premises £000	Other £000		
Expenditure on raising funds:					
Direct Costs	-	-	2	2	2
Academy's educational operations:					
Direct Costs	13,434	-	1,601	15,035	5,960
Allocated support costs	2,833	2,065	1,083	5,981	2,639
Other	30	-	482	512	16
	16,297	2,065	3,168	21,530	8,617
Total 2017/18	6,362	852	1,403	8,617	

Net income/(expenditure) for the period includes:

	2018/19 £000	Five Months 2017/18 £000
Operating lease rentals	1,440	679
Depreciation	552	229
Net interest on defined pension liability	215	89
Fees payable to auditor for:		
Audit	13	12
Other services	4	1

Included within expenditure are the following transactions:

Books that will cost £1k (2018: £1k) to replace have either not been returned to the secondary school library or have been removed from the shelves, a further £1k (2018: £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 £12k (2018: £2.5k) paid out.

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7 Charitable activities

	2018/19	Five Months 2017/18
	Total £000	Total £000
Direct costs – educational operations	15,035	5,960
Support Costs – educational operations	5,981	2,639
	21,016	8,595

	Educational Operations £000	2018/19 Total £000	Five Months 2017/18 Total £000
Support staff costs	2,833	2,833	1,118
Depreciation	552	552	229
Technology costs	59	59	46
Premises costs	2,065	2,065	851
Other support costs	458	458	394
Governance costs	14	14	1
Total Support Costs	5,981	5,981	2,639
Total 2017/18	2,639	2,639	

8 Staff

a. Staff costs

Staff cost during the period were:

	2018/19	Five Months 2017/18
	£000	£000
Wages and salaries	12,058	4,832
Social security costs	1,065	417
Pension costs	2,793	1,113
	15,916	6,362
Agency staff costs	222	71
	16,138	6,433

b. Non statutory/non-contractual staff severance payments

There were no such payments in 2018/19 (2018: nil).

c. Staff numbers

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

	2018/19	Five Months 2017/18
	No.	No.
Teachers	215	206
Administration and support	506	573
Management	26	28

d. Higher paid staff

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

	2018/19 No.	Five Months 2017/18 No.
£60,001 - £70,000	9	-
£70,001 - £80,000	5	-
£80,001 - £90,000	1	-
£110,001 - £120,000	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 £868k (2018: £275k).

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, 3.9% (2018: 3.9%) percent of I01 funding has been charged.

The actual amounts charged during the year were as follows:

	2018/19 £000	Five Months 2017/18 £000
Jack Hunt School	362	140
Longthorpe Primary School	56	25
Middleton Primary School	65	27
Ravensthorpe Primary School	58	23
Thorpe Primary School	82	33

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.

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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 (2018: £45,000 - £50,000)
Employer's pension contributions paid £15,000 - £20,000 (2018: £5,000 - £10,000)

During the period ended 31 August 2019, travel and subsistence expenses totalling £111 were reimbursed to 1 Trustee (2018: £67 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 2019 was £4.1k (2018: £1.7k).

12 Tangible fixed assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Computer Equipment £000	Assets Under Construction £000	Total £000
Cost					
At 01 September 2018	29,479	21,805	-	3,226	54,510
Acquisitions	-	-	3	93	96
Transferred	-	25	-	(25)	0
At 31 August 2019	29,479	21,830	3	3,294	54,606
Depreciation					
At 01 September 2018	156	73	-	-	229
Charged in year	375	176	1	-	552
At 31 August 2019	531	249	1	-	781
Net book Values					
At 31 August 2018	29,323	21,732	-	3,226	54,281
At 31 August 2019	28,948	21,581	2	3,294	53,825

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

- Land and buildings were valued by Barker Storey Matthews as at 01 April 2018 in October 2018.
- An additional block to increase Jack Hunt School's capacity was opened for the 2019/20 academic year, having been completed in August 2019. Negotiations are in progress to assess its final cost. £64k has been spent on fixtures and fittings to bring the building into a usable state.
- A further £29k has been spent on improvements to fixtures and fittings on various PKAT properties during the summer of 2019 and brought into use on 01 September 2019.
- A building of wooden construction was purchased for £25k using grant money received 31 March 2018 by Ravensthorpe Primary School. It was erected during the summer of 2018 and brought into use on 01 September 2019.

13 Stock

	Group		Trust	
	2019 £000	2018 £000	2019 £000	2018 £000
Learning resources order for new academic year	24	33	24	33
Books and stationery for resale	4	4	4	4
Uniform for resale	-	2	-	2
	28	39	28	39

14 Debtors

	Group		Trust	
	2019 £000	2018 £000	2019 £000	2018 £000
Trade debtors	20	13	12	13
VAT recoverable	155	293	155	293
Other debtors	1	13	56	13
Prepayments and accrued income	493	406	481	406
	669	725	704	725

15 Creditors: amounts falling due within one year

	Group		Trust	
	2019 £000	2018 £000	2019 £000	2018 £000
Trade creditors	87	23	84	23
Other taxation and social security	271	250	268	250
Other creditors	28	6	26	6
Accruals and deferred income	193	278	149	278
	579	557	527	557

	Group		Trust	
	2019 £000	2018 £000	2019 £000	2018 £000
Deferred income at 1 September	3	19	-	-
Released from previous year	(3)	(19)	-	-
Resources deferred in the year	39	19	3	19
Deferred income at 31 August	39	19	3	19

At the balance sheet date, the academy Trust was holding £3k (2018: £3k) in respect of Autumn term lettings and the group was holding a further £36k (2018: nil) in respect of trips departing after 31 August 2019. At 31 August 2018 the academy Trust was also holding £13k of rates funding and £3k for 2018/19 collaborative triad funding pot.

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

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16 Funds

	Balance at 31 August 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted General Funds					
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)
Restricted Fixed Asset Funds					
Transfer on conversion	54,951	-	-	-	54,951
DfE Group capital grants	69	559	(552)	-	76
	55,020	559	(552)	-	55,027
Total restricted funds	48,982	19,898	(20,824)	(2,746)	45,310
Total unrestricted funds	115	888	(706)	-	297
Total Funds	49,097	20,786	(21,530)	(2,746)	45,607

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

Capital contribution to Local Authority Jack Hunt School new build £397k

Fund balances were allocated as follows:

	2019 £000	2018 £000
Jack Hunt School	941	844
Longthorpe Primary School	101	137
Middleton Primary School	143	144
Ravensthorpe Primary School	75	144
Thorpe Primary School	138	177
Central Services	200	82
Total before fixed assets and pension reserve	1,598	1,528
Restricted fixed asset fund	55,027	55,020
Pension Reserve	(11,018)	(7,451)
	45,607	49,097

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Comparative information in respect of the preceding five month period are as follows:

	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted General Funds				
General Annual Grant (GAG)	6,900	(6,864)	-	36
Other ESFA grants	522	(519)	-	3
Local Authority	299	(297)	-	2
Transfer on conversion	1,337	-	(25)	1,312
Pupil Premium	420	(360)	-	60
Pension reserve	(7,839)	(330)	718	(7,451)
	1,639	(8,370)	693	(6,038)
Restricted Fixed Asset Funds				
Transfer on conversion	55,155	(229)	25	54,951
DfE Group capital grants	69	-	-	69
	55,224	(229)	25	55,020
Total restricted funds	56,863	(8,599)	718	48,982
Total unrestricted funds	133	(18)	-	115
Total Funds	56,996	(8,617)	718	49,097

Total cost analysis by academy:

	Teaching and Educational Support Staff £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	2018/19 Total £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

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Comparative information in respect of the preceding five month period are as follows:

	Teaching and Educational Support Staff	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Five Months 2017/18 Total
	£000	£000	£000	£000	£000
Jack Hunt School	2,925	434	362	901	4,622
Longthorpe Primary School	551	103	41	136	831
Middleton Primary School	659	116	71	89	935
Ravensthorpe Primary School	476	65	33	139	713
Thorpe Primary School	681	181	60	116	1,038
Central Services	7	(6)	(50)	(32)	(81)
	5,299	893	517	1,349	8,058

17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	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

Comparative information in respect of the preceding five month period are as follows:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets	-	-	54,281	54,281
Current Assets	118	1,967	739	2,824
Current Liabilities	(3)	(554)	-	(557)
Pension scheme liability	-	(7,451)	-	(7,451)
	115	(6,038)	55,020	49,097

18 Capital commitments

As at 31 August 2019 there were £397k (2018: £463k) of capital commitments to be paid to the Local Authority when the Jack Hunt School additional block has been built, which was ready for use by September 2019.

19 Commitments under operating leases

Operating leases

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

	2019 £000	2018 £000
Amounts due within one year	1,472	1,419
Amounts due between one and five years	5,791	5,620
Amounts due after five years	17,977	18,810
	25,240	25,849

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

	Group	
	2018/19 £000	Restated Five Months 2017/18 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(744)	48,379
Adjusted for:		
Depreciation (note 12)	552	229
Capital grants from DfE and other capital grants	(559)	(55,224)
Interest receivable	(4)	(1)
Defined benefit pension scheme obligation inherited	-	7,839
Defined benefit pension scheme cost less contributions (note 24)	606	241
Defined benefit pension scheme finance costs (note 24)	215	89
(Increase)/Decrease in stocks	11	(39)
(Increase)/Decrease in debtors	56	(725)
Increase/(Decrease) in creditors	22	557
	155	1,345

21 Cash flows from investing activities

	Group	
	2018/19 £000	Five Months 2017/18 £000
Dividends, interest and rents from investments	4	1
Purchase of tangible fixed assets	(96)	(25)
Capital grants from DfE Group	559	739
	467	715

22 Analysis of cash and cash equivalents

	Group	
	2018/19 £000	Five Months 2017/18 £000
Cash in hand and at bank	2,682	2,060
	2,682	2,060

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23 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.

24 Pension and similar obligations

The academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016.

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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- an increase in employer contribution rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- the rise in contribution delayed from 1 April to September 2019
- 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 £196,000 million giving a notional past service deficit of £22,100 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 2020/21 onwards will be discussed as part of the next Spending review round.

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The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £992k (2018: £467k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,248k (2018: £509k), of which employer's contributions totalled £993k (2018: £405k) and employees' contributions totalled £255k (2018: £104k). The agreed contribution rates for future years are 23 per cent for employers 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	2019	2018
Rate of increase in salaries	2.60%	2.60%
Rate of increase for pensions in payment/inflation	2.30%	2.30%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.30%	2.30%
Commutation of pensions to lump sums pre-April 2008	25.00%	25.00%
Commutation of pensions to lump sums post-April 2008	63.00%	63.00%

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

	2019	2018
<i>Retiring Today</i>		
Males	21.5	22.4
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.4	24.0
Females	24.9	26.3
Sensitivity analysis	2019	2018
	£000	£000
Discount rate -0.5%	2,457	1,714
Salary increase rate +0.5%	384	325
Pension increase rate (CPI) +0.5%	2,024	1,365

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

	2019 £000	2018 £000
Equities	5,120	4,185
Bonds	888	583
Property	751	371
Cash	68	158
Total market value of assets	6,827	5,297

The actual return on scheme assets was £116k (2018: £391k).

Amount recognised in the Statement of Financial Activities

	2018/19 £000	Five Months 2017/18 £000
Current Service Cost	(1,528)	(646)
Past Service Cost	(71)	-
Interest income	166	51
Interest cost	(381)	(140)
Total amount recognised in the SOFA	(1,814)	(735)

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

	2018/19 £000	Five Months 2017/18 £000
At 1 September	12,748	-
Conversion of academy Trusts	-	12,185
Current service cost	1,528	646
Past service cost	71	-
Interest cost	381	140
Employee contributions	255	104
Actuarial (gain)/loss	2,862	(327)
At 31 August	17,845	12,748

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

	2018/19 £000	Five Months 2017/18 £000
At 1 September	5,297	-
Conversion of academy Trusts	-	4,346
Interest income	166	51
Employer contributions	993	405
Employee contributions	255	104
Actuarial gain/(loss)	116	391
At 31 August	6,827	5,297

25 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)

- £27,694 has been reimbursed to PKAT for £26,879 of staffing costs, £721 of cover costs, £67 of photocopying and £27 of refreshments.
- £10,293 from Pupil Premium and Sixth Form Bursary monies has been used to support eligible students with activities run through PKAT Trading.
- £2,672 contribution to training run by PKAT Trading for several schools.
- 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 £87,844 by PKAT Trading, £31,290 profit for the year and the balance is transactions processed through the PKAT bank account pending the provision of an operational bank account for PKAT Trading.
- As at 31 August 2019 PKAT owes PKAT Trading £3,207 for the training noted above including VAT.

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

- £32,073 water and sewerage charges have been incurred (2018: £7,737)
- £17,997 of the above amount was accrued as at 31 August 2019 (2018: £3,909)
- Anglian Water is the local supplier of water and sewerage services so PKAT has no alternative but to use their services. 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

- £1,898 legal fees (2018: £3,342)
- No balance was outstanding as at 31 August (2018: nil)

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

- £800 legal fees and £180 cover charges (2018: nil)
- No balance was outstanding as at 31 August (2018: nil)

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

- £85 of letterhead design work was provided during the five months to 31 August 2019 (2018: £185)
- No balance was outstanding as at 31 August (2018: 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)

- £4,472 has been reimbursed to PKAT to cover the staff time used to operate the JHCLT (2018: £8,614)
- A further £87 has been reimbursed to PKAT to cover photocopier and printing usage and catering provisions (2018: £228)

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- As at 31 August 2019 PKAT holds £5,387 belonging to JHCLT because JHCLT has too few transactions to stand alone so PKAT processes them on its behalf (2018: £4,645)

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

- £3,872 was charged for using alternative provision facilities and £1,300 for providing training and £199 for staff release (2018: £320 for providing staff).
- £567 was paid for training (2018: nil)
- No balance was outstanding as at 31 August 2019 (2018: £320 due to PKAT)

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

- £4,150 Contribution to School Sports Coordinator (2018: £1,667)
- No balance was outstanding as at 31 August (2018: nil)

No amounts have been written off in respect of related parties during the year to 31 August 2019 (2018: 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.

26 Agency Arrangements

The academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy Trust received £37k and disbursed £24k from the fund. An amount of £20k is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2018 are £12k received and £5k disbursed, £7k included in other creditors.

27 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.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the Statement of Financial Activities for the five months to 31 August 2018:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible Fixed Assets				
Freehold land and buildings	-	-	32,680	32,680
Leasehold land and buildings	-	-	21,805	21,805
Net Current Assets				
Budget surplus on LA funds	4	1,337	670	2,011
Non-current liabilities				
LGPS pension surplus/(deficit)	-	(7,839)	-	(7,839)
Net assets/(liabilities)	4	(6,502)	55,155	48,657

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All leasehold land and buildings were transferred on the basis of 125-year lease with a peppercorn rent.

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
Net assets/(liabilities)	1	-	-	1

28 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 2019	£ 140,890
Total Liabilities as at 31 August 2019	£(140,890)
Turnover for the year ended 31 August 2019	£ 460,877
Expenditure for the year ended 31 August 2019	£(429,587)
Surplus for the year ended 31 August 2019	£ 31,290