

Peterborough Keys Academies Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2021

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 Penelope Walkinshaw
Trustees	Claire Higgins (Chair) Bernard Champness Colin Hammond Tracey Hedges William Kerry Lisa Lloyd Adriano Pacitti Alan Sadler
Company Secretary	Emma Stephens-Dunn
Leadership Group	
Chief Executive Officer & Accounting Officer	Pamela Kilbey
Primary School Lead	Martin Fry
Headteacher	Katharine Fountain resigned 31/08/2021
Headteacher	Ryan McLay
Headteacher	Katharine Simpson-Holley
Headteacher	Katherine Trethewy
Chief Operating Officer	Matthew Deere
Teaching & Learning Project Lead	Christopher Game
Chief Finance Officer	Deborah Keith
Company Name	Peterborough Keys Academies Trust
Principal and Registered Office	Jack Hunt School, Bradwell Road Peterborough, PE3 9PY
Company Registration Number	11108321 (England and Wales)
Independent Auditor	Moore, Rutland House Minerva Business Park, Lynch Wood Peterborough, PE2 6PZ
Bankers	Lloyds Bank plc, Fenlands House Manorgrove Centre, Vicarage Farm Road Peterborough, PE1 5UH
Solicitors	Greenwoods GRM LLP, Monkstone House 30 City Road, Peterborough, PE1 1JE

Peterborough Keys Academies Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 01 September 2020 to 31 August 2021. 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 3,720 (2020: 3,690) and had a roll of 3,529 (2020: 3,511) in the school census in October 2021.

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

Structure, Governance and Management

Constitution

The academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy Trust. The Trustees of Peterborough Keys Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as PKAT.

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

Peterborough Keys Academies Trust

Trustees' Report (continued)

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

There is a Trustee and Governor Induction Procedure in place for new appointees. The process is led by the relevant Chair, with input from the Headteacher or CEO (as applicable) and support from the Clerk. New Governors and Trustees will have a mentor assigned to them.

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, Audit & Risk and People & Infrastructure. An academic year Governance Planner includes a schedule of meetings for the main Trust Board, the two Committees and Local Governing Bodies with agenda items scheduled to meet external deadlines and Trust priorities. The Trust Board, both Committees and the Local Governing Bodies, have appropriate Terms of Reference which are reviewed at least annually.

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

Arrangements for setting pay and remuneration of key management personnel

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

Peterborough Keys Academies Trust

Trustees' Report (continued)

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.

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	0.30

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	£17k
Provide the total pay bill	£17.1m
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.10%

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.

Peterborough Keys Academies Trust

Trustees' Report (continued)

There are no connected charities to disclose.

Engagement with employees (including disabled persons)

Regular briefings are held with employees to advise on matters of concern. During the pandemic many briefings have moved to online and are recorded in some cases to aid accessibility. Specific briefings are held with various teams during the year to update on educational and operational (including financial) performance. Briefings in 2020/21 have had strong threads relating to health and safety and technology particularly in reference to remote learning and remote working, and maintaining a safe environment for students, pupils and adults.

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

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

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

The academy Trust has renewed the investment in an employee benefits platform providing staff with access to a range of incentives, discounts and services as part of the employee deal. Within this platform staff also have access to an employee assistance programme, enabling them to seek support outside the organisation for a range of issues. All employee benefits are structured around their impact to colleagues in the following wellbeing areas:

- Health
- Physical
- Professional
- Domestic
- Financial

The work of a cross-Trust well-being working party has been impacted by the pandemic limiting face-to-face contact. Nevertheless, the group has contributed decisively to the makeup of the employee deal and the renewed investment in the benefits portfolio.

The academy Trust has deployed a significant number of Apple iPads across the Trust harnessing the power of global technology experts to deliver a transformational digital learning project. Project 'iLearn' has seen five year groups receive generation 8 iPads for use at home and in school, with the mission to unlock potential and encourage students and pupils to be creative, engaged, skilled and confident digital learners. Aside from teaching and learning one of the core missions of this project is to drive change in working patterns that bring benefits for professionals from a workload perspective. A large number of staff have been equipped with devices to meet this objective. A comprehensive training package has been leveraged by Trust leaders funded by Apple Europe.

Peterborough Keys Academies Trust

Trustees' Report (continued)

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

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

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

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

Through COVID-19 the duty of care to suppliers has been demonstrable as PKAT adhered to the government procurement notes PPN 02/20 and PPN 04/20 and the further DfE guidance in February 2021 to ensure that regular suppliers did not go into administration due to loss of income as well as paying all invoices as soon as possible rather than paying to terms.

Although PKAT's main income is from Government there are still a number of customers that it works with. To facilitate relationships PKAT ensures invoices are raised timeously in line with agreements made. During the COVID-19 lockdown customers were not chased for overdue debts as in many cases they would have been without income. Only a small amount of debt remained outstanding by 30 September 2021.

Objectives and Activities

The Vision of the Trust

Creating a Learning Community through:

- Unlocking Learning
- Unlocking Potential
- Unlocking Futures

Trust Key Values (our 5 Keys to unlock potential)

Our key values underpin all the work in every Trust school.

Peterborough Keys Academies Trust

Trustees' Report (continued)

PERSONAL BEST

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

LEADERSHIP

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

LEARNING

- We 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 citizens who have been introduced to the best that has been thought and said, and appreciate human creativity and achievement.

OPPORTUNITY

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

COMMUNITY

- We are caring citizens who want to make a positive impact within our local and global communities.
- We inform and engage our parents and carers in the learning journey of their children and support them to meet challenges.
- Our belief in 'being different and belonging together' enables us to succeed in our diverse and modern world.

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");

Peterborough Keys Academies Trust

Trustees' Report (continued)

- 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.

Objectives, Strategies and Activities

The Trust commissioned an external consultant from the Association of School and College Leaders during the year to review its current position in the local and regional education landscape. Trustees and the executive team then committed time to devise a strategic plan that positions the academy Trust to make decisions about growth and potential economies of scale over the next 5 years.

In response to the pandemic's effect on children's learning the schools in the Trust have had to implement a curriculum which identifies gaps in knowledge and skills and enables all children to unlock their potential. This has been achieved through the use of the 'catch up' funding to target children most affected by Covid and our provision of technology for use in school and at home. In addition, Year 11 and Year 13 students were supported by an additional timetabled hour after school to catch up their learning. There has been additional work on children's mental health and well-being by schools. The curriculum review and road mapping from EYFS to Year 13, linked to the 5 Keys of Personal Best, Leadership, Learning, Opportunity and Community, continued to be supported by School Improvement Associates.

This year has seen a greater use of live lessons through TEAMS during school lockdowns. In addition to developing their on-line learning, schools have also provided where preferred, written resources to be sent home. The engagement of pupils and students in remote learning has been monitored and appropriate support was put in place where necessary. All schools have surveyed staff, students and parents regarding remote learning and have amended their practice, as appropriate, in the light of feedback received.

Peterborough Keys Academies Trust

Trustees' Report (continued)

The roll-out of our 'iLearn' iPad project has supported remote learning during the pandemic, in addition to learning in the classroom. During the year we have been able to provide 1 to 1 devices to all students in Years 12, 11, 10, 6 and 5. We have maintained our view that the economic effects of the pandemic on our community means that for the moment, we have to do this without the possibility of parental contributions. Instead, we used a combination of the academy Trust carry forward and the use of the Catch-up funding. As a consequence, pupils and students in Years 5, 10 and 12 were able to take the devices home over the summer holidays to better prepare for the national examinations they will face in 2022. The use of iPads is a major part of the catch-up work of the Trust. The impact of the iPads is being monitored and reported back to Trustees regularly. This includes student voice; with students at KS4 and KS5 reporting 'they could not imagine learning without the devices now'.

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

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

Two schools in the academy Trust continued to work with Professor Deborah Eyre on her High Performance Learning (HPL) strategies. Both schools will be going through accreditation with regard to HPL. All schools in the academy Trust use the language of growth mindset.

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

Public benefit

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

Peterborough Keys Academies Trust

Trustees' Report (continued)

In addition to providing free statutory education, hosting Physically Impaired and Hearing Impaired Hubs to integrate students, Trust schools support the residents of their local communities by being available for them to hire during weekday evenings and weekend mornings. Before the pandemic, 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, West Peterborough Dance, U3A and hosting the Vivacity holiday clubs for a wide range of children across Peterborough. Jack Hunt School always supports Pakistani Heritage community events, Police and local residents' events. The lockdown meant the use of Trust facilities by the community ceased from March 2020. The Trust began the reopening these facilities in the summer term of 2021 and we look forward to when conditions will allow the provision to grow again.

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

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.

All pupils and students in the academy Trust took part in a wide range of events to raise money for different charities throughout the year. One event where they worked together as a Trust was the annual food hamper charity initiative, which was established at Jack Hunt School over a decade ago. In addition, pupils and students across the Trust were able to take part in an Art competition where the work is displayed on the walls of Peterborough City Hospital; we remain the only local schools to be asked to provide Art work for the Hospital.

Strategic Report

Achievements and Performance

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

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

Peterborough Keys Academies Trust

Trustees' Report (continued)

Key Performance Indicators

In normal circumstances the academy Trust uses the Key Stage 2 data to report Primary School KPIs and as these were suspended for 2019/20 and 2020/21 the academy Trust cannot report such statistics. The Primary Lead reported to Trustees what the mock examinations and teacher assessment indicated the Year 6 results would have been in 2021.

In normal circumstances the academy Trust uses both Key Stage 4 and Key Stage 5 results to report secondary school KPIs. However, with regard to GCSEs and A Levels, the Centre Assessed Grades are not going to form the basis of any League Tables for 2020 and 2021. Jack Hunt School followed rigorous and robust procedures for the Teacher Assessed Grades for both GCSE and A Level.

A suite of Key Performance Indicators has been agreed upon for monthly internal reporting, the dashboard commenced in relation to September 2021. The Finance, Audit and Risk Committee deemed the measures appropriate to give more insight across the Trust than simply reviewing the financial reports.

COVID-19 Impacts

COVID-19 altered significantly the functioning of all PKAT schools from 23 March 2020 for the rest of that financial year and has continued to impact for the current financial year. During national lockdowns classroom learning was replaced for the majority of PKAT students with education via on line lessons, on line resources and in some necessary cases by work being posted out to them. A relatively small number of students remained in school through national lockdowns as they were the children of key workers, or deemed to be in vulnerable groups. Exams, school trips and work experience were cancelled along with activities outside of the normal school day, such as awards evenings, concerts and theatrical performances.

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

Volunteers, generally short-term for work experience purposes, were not permitted on the school sites from 23 March 2020.

The lettings portfolio, except for nursery provision, has been depleted to virtually nothing greatly reducing a valuable income stream. A dance school was able to safely operate for part of the year under a stringent risk assessment and with significant safety-driven constraints.

Peterborough Keys Academies Trust

Trustees' Report (continued)

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

During the spring of 2021 and at the end of the summer holidays the Trust established an assisted testing centre delivering thousands of lateral flow tests for secondary age pupils.

The new school year has yielded significant change as nationally we attempt to get nearer to normality but in reality although students and staff are back in schools some of the eased restrictions are being reintroduced in early October due to rising COVID-19 rates across the city.

Typically, the schools had, and continue to have in place when required, a range of additional measures in place as a result of their stringent site-specific risk assessments, supported by the academy Trust Health & Safety consultants. These include additional cleaning, one-way systems, structuring of year or class 'bubbles', increased handwashing points and installation of sanitiser stations as well as adaptations to classroom layouts and screen installations. It is not possible to determine how long the current arrangements will be in place, whether there will be a return to a national or local lockdown, if public exams and SATS will go ahead in 2022 or indeed what new scenario may face the country. An Outbreak Management Plan is in place created during the financial year 2020/21 and can be referred to in response to rising case numbers in the Trust schools and across the city.

Trustees and Senior Leaders will continue to aim to keep things as close to normal but the health and safety of students and staff will be the overriding determination of the future aims and activities of PKAT. Measures in place are responsive to national and local guidance and the risk assessments are continuously updated to reflect policy. It would be a relief if the 2022/23 academic year starts with no need for COVID-19 related restrictions or adjustments. Trustees and the executive of the academy Trust are, however, in agreement that COVID-19 is shaping the 'new normal' and must not become the sole focus of our attentions in 2021/22 at the detriment of advancing our core aims.

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

No impact on pension liabilities or investments is foreseen.

Going Concern

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

Peterborough Keys Academies Trust

Trustees' Report (continued)

Promoting the success of the company

The academy Trust invested in a new Trust website, and websites for all the constituent schools in 2020/21. Five of these six sites were launched during the year. This work has included refreshing branding to allow a renewed platform for promoting the academy Trust's successes. Brand guidelines were refreshed during the year.

The Trust began to explore more deeply digital marketing during the year and formed a partnership with a digital communications agency with a view to exploring the benefits of such an approach to marketing. This work has focussed on the Trust and its brand positioning online, particularly on social media platforms.

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

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

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

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

Financial Review

For the year ended 31 August 2021 the Statement of Financial Activities, before pension adjustments are included, shows a deficit of £265k (2020: deficit £207k). The deficit represents the use of capital funds accumulated to increase the capacity of the secondary school.

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

Restricted General Fund, excluding pension reserves	£1.008m
Unrestricted Funds	£0.445m
Total revenue reserves	£1.453m

Peterborough Keys Academies Trust

Trustees' Report (continued)

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's investment strategy determined its risk appetite for investing is very low. At present, an interest bearing current account is providing a small amount of income with no risk.

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

- £162k of additional costs have been incurred that are not reclaimable from the ESFA as PKAT schools have not met the ESFA staff absence criteria. In 2019/20 £113k of additional costs were incurred but they were covered by accrued income of the same value. After the accounts were finalised the ESFA determined only £35k of the costs would be reimbursed so there is a £78k reduction in 2020/21 income.
- £43k of FSM vouchers purchased prior to the Eden Red platform was reinstated for the Spring term lockdown. The £162k of additional costs includes £54k of FSM vouchers issued for periods of isolation, in 2019/20 these costs were reimbursed by the ESFA. In 2019/20 all PKAT schools made use of the national Eden Red scheme for issuing Free School Meal Vouchers to eligible families once it was up and running and over the initial teething troubles. The challenges in using the platform were well-documented nationally yet Trust staff overcame these by sourcing and distributing vouchers using other routes, and latterly logging into the platform at non-peak times outside of working hours.
- One school furloughed two (2020: three) staff involved in lettings until 31 October 2020 and was able to mitigate the £40k (2020: £29k) shortfall in lettings income with the £2k (2020: £10k) claimed during 2020/21.
- Suppliers were dealt with in accordance with the further DfE guidance in February 2021 that built on PPN 02/20 and PPN 04/20 so there were no issues with continuation of supply after lockdowns.
- Savings were made in a few areas, but a lot of costs were incurred for example exam invigilators were paid an estimate of what they would have been paid if the exams had taken place as their skills needed to be retained for future years. The response to this approach was extremely favourable. Additional ICT resources were purchased to facilitate remote learning replacing costs originally earmarked under other categories.
- Summer 2020 exam fee rebates were not reflected in the 2019/20 Financial Statements as the Government had undertaken to reimburse the additional burden of autumn 2020 public exams only to the extent that they exceed the summer 2020 rebates. This has resulted in a net credit in 2020/21 of £19k (2020: nil)
- Catch-up funding of £263k and £9k of National Tutoring Programme funding was received, £42k unspent catch-up funding has been ringfenced to continue the much needed support of affected students. There was no equivalent funding in 2019/20.
- The secondary school received mass testing funding of £45k (2020: nil).

In summary the quantifiable 2020/21 net impacts are £230k cost (2020: nil). Whilst this does not constitute a concern about being a Going Concern it will necessitate some difficult decisions to reduce future costs. Trustees do not feel the need to amend the Reserves Policy.

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, most notably through letting school premises and long-term leasing of school buildings. This steady income stream has been placed under great strain as a result of the pandemic. This is under continual review as part of the ongoing Improvement Initiatives approach.

Where contracts have been expiring, endeavours have been made to buy collaboratively for PKAT rather than at individual school level where contracts are relevant for all schools, with some notable successes. As PKAT has matured, a more proactive approach to procurement is emerging and key contracts are harmonised and aligned where practical. Trustees monitor this through a focused strategic dashboard that highlights supplies and services harmonised and centralised, and those planned for future consideration.

As illustrated in Note 6 Expenditure, key objectives of PKAT have been supported by expenditure made with 66.0% (2020: 68.3%) being spent on the direct costs of the educational operations and a further 32.6% (2020: 30.5%) being spent on support costs allocated to educational operations.

Reserves Policy

As at 31 August 2021 total reserves, excluding the pension reserve, amounted to £58.243m (2020: £58.508m), of which £57.798m (2020: £58.159m) are restricted. The balance of £445k (2020: £349k) are free reserves. The Trustees review the reserve levels of PKAT annually. The review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Where pertinent, reserves are accounted for by individual school.

Trustees determine the level of uncommitted reserves with the aim of providing sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The risk register may help to determine particular potential issues. For the 2020/21 financial year four weeks of expenditure has been assessed as the minimum reserves required, this equates to £1.7m (2020: £1.7m).

Within the Restricted Fixed Asset Fund £55.741m (2020: £56.18m) of it can only be realised by disposing of tangible fixed assets.

The pension reserve is in a deficit, £17.203m (2020: £12.509m), due to PKAT's share of the Local Government Pension Scheme (LGPS) liabilities exceeding its share of the LGPS assets.

As at 31 August 2021 the PKAT level of revenue reserves (unrestricted funds plus restricted GAG funding carried forward) is a surplus of £1.45m (2019: £1.59m). There are commitments of a low value relating to general day to day supplies due to materialise early in 2021/22. The balance is therefore broadly in line with the reserves policy. Stringent budget management will continue to ensure this remains the case.

Peterborough Keys Academies Trust

Trustees' Report (continued)

Investment Policy

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

Principal Risks and Uncertainties

A risk register was established soon after conversion and is regularly discussed by the Finance, Audit and Risk 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.

During the year software was selected to replace the previous spreadsheet approach to further embed risk management within the organisation at all levels. The software facilitates both access for Trustees to the live data and streamlined reporting. Risk are now categorised as Extreme, High, Medium or Low after mitigations have been implemented. Risk management with PKAT is in line with the Academy Trust Handbook provision and 'musts' and HM Government's Orange Book.

Our risks have been reclassified into departments and directorates to further enable more precise focus. Trustees and senior staff attended training tailored to their role in risk management making best use of the software during the year. The systematic approach allows a much sharper focus by the Board on the most important aspects of our risk profile.

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 suffers cuts to funding as a result of national funding changes

The key non-financial risks are:

Educational

- The Trust is unable to secure appropriate standards of pupil performance in all schools
- The Trust's school communities are unaware who the Child Protection Officers and Designated Person for Safeguarding are

Premises and Estates

- The Trust's schools are impacted by force majeure or external threat
- The Trust endures a major incident of note for the HSE

Peterborough Keys Academies Trust

Trustees' Report (continued)

Technology

- The Trust endures a data breach
- The Trust does not have fit for purpose technologies to support the desire to produce outstanding outcomes

HR & OD

- The Trust does not have fit for purpose staff structures and processes to support its operations
- PKAT is not regarded as a consistent and fair employer by colleagues
- The Trust cannot recruit and/or retain high calibre staff

Marketing

- The Trust's schools have an inability to attract pupils
- The Trust has a poor reputation amongst the community

Fundraising

Whilst students fundraise monies for other charities as part of them learning to be good, considerate citizens there are no fundraising activities being carried out to supplement PKAT government funding and income generation activities. During 2020/21 and the second half of 2019/20 significantly less fundraising activity took place due to COVID-19 restrictions.

Peterborough Keys Academies Trust

Trustees' Report (continued)



Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	2020/21	2019/20
Energy consumption used to calculate emissions (kWh)	4,790,131	3,522,325
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	651.11	514.72
Owned transport – mini-buses	.47	0.76
<u>Total scope 1</u>	651.58	515.48
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	261.41	166.62
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	0.57	1.28
Total gross emissions in metric tonnes CO2e	913.56	683.37
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.26	0.20
<p><u>Quantification and Reporting Methodology:</u> -</p> <p>We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.</p> <p><u>Intensity measurement</u></p> <p>The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.</p> <p><u>Measures taken to improve energy efficiency</u></p> <p>Two primary schools have replaced lightbulbs with LED and one has included PIR motion sensors.</p> <p>One school has replaced roof insulation with more modern materials whilst having the roof repaired and another school has embarked on a roof replacement project.</p>		

Peterborough Keys Academies Trust

Trustees' Report (continued)

Plans for Future Periods

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

Having worked with an external Consultant from ASCL review its current position in the local and regional education landscape Trustees and the Executive have created a plan that positions the academy Trust to make decisions about growth and potential economies of scale. Work on this will be ongoing throughout the year.

All teaching staff in the Trust have received a comprehensive training programme from Apple and this will continue during the year. All students and pupils in Years 13, 11, 10, 6 and 5 now have 1 to 1 devices and the pedagogy around their use will be further developed throughout the year.

The Chief Operating Officer will continue to build on Health and Safety work to constantly review the Trust's Risk Assessment during the year to minimise transmission risk of COVID-19 in our schools.

Funds Held as Custodian Trustee on Behalf of Others

No such funds are held (2020: nil).

Auditor

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on December 2021 and signed on the board's behalf by:

C Higgins
Trustee

December 2021

Peterborough Keys Academies Trust

Governance Statement

Scope of Responsibility

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

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

Governance

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

Trustee	Meetings attended	Out of a possible
Claire Higgins (Chair)	7	7
Bernard Champness	7	7
Colin Hammond	6	7
Tracey Hedges	6	7
William Kerry	5	7
Pamela Kilbey	7	7
Lisa Lloyd	5	7
Adriano Pacitti	7	7
Alan Sadler	7	7

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

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

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

Peterborough Keys Academies Trust

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

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

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

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

Trustees and governors undertook a skills audit in 2021, as well as a board self-evaluation and action planning exercise to inform training and recruitment plans. All Trustees and Governors have free access to the Peterborough and Cambridgeshire annual Governor Training Programme, as well as to National Governance Association Learning Link e-learning modules, The Key for School Governors (online governance information and resources) and advice and support from the Trust's subscription to the National Governance Association. Bespoke training is also procured to address specific needs.

Governance Review

The Internal Audit Programme included a Governance review conducted in January 2021. The scope was to compare arrangements in place with the requirements of the Governance Handbook and the Academies Financial Handbook to ensure compliance and whether the arrangements remained fit for purpose.

The review identified two minor issues, this was a vast improvement compared with the first Governance review a year earlier that identified one material control weakness, eleven non-compliance issues and five minor issues. The two new issues have been addressed.

The next review will be by internal auditors in the Spring Term of 2021/22.

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

During the year, it has:

- agreed a programme of internal audits to be conducted by the Internal Auditor, a different firm to the External Auditors, and received the detailed reports
- had the External Auditors attend a meeting during which they walked the Committee through the Annual Report and Financial Statements
- monitored the progress of implementation of audit points
- reviewed in detail the risk register
- approved the Trust Central Charge
- reviewed and approved iterations of the Finance Manual
- reviewed the Anti-Fraud Policy
- reviewed School Resource Management Self-Assessment Tool outputs
- reviewed capital reporting and depreciation
- conducted a Going Concern review
- monitored the effectiveness of the Trust's chosen approach to central resource, processes and systems

Peterborough Keys Academies Trust

Trustee attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Adriano Pacitti (Chair)	5	5
Tracey Hedges	5	5
William Kerry	5	5
Pamela Kilbey	5	5
Alan Sadler	3	3

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:

- Aligning all the schools in the Trust on gas and electricity supply framework contracts and introducing a water and sewerage supply deal through a further compliant deal
- Investigating the commercial viability of outsourcing cleaning provision in the Trust primary schools
- Securing an improved employee benefits package at a reduced cost
- Reviewing insurance arrangements across the Trust and securing a new LTA with a commercial insurer
- Renewing HR and Payroll bureau contracts
- Outsourcing the Trust DPO
- Consolidating all Trust websites with one provider and refreshing the Trust website
- Securing a Trust-wide contract for an applicant tracking system and recruitment and onboarding tool, to further support consistency and the safer recruitment process
- Migrating emails to cloud servers and standardising email accounts across the Trust
- Introducing single solution for managing wireless internet connectivity across the Trust
- Improving the Trust's approach to risk management including migrating the risk register to an online, accessible platform, and delivering cross-Trust training on the Trust's risk profile
- Continuing the work with key global partners to deliver a phased iPad 1:2:1 deployment that is sustainable and delivers transformational benefits to staff, pupils and students

Peterborough Keys Academies Trust

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 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Forrester Boyd as internal auditor, a different firm to the external auditors. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- Governance review
- Payroll review and authorisation
- 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 management accounts review
 - LGB and Trustee related parties
 - Emergency purchasing due to COVID-19

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

There were no material control issues raised during the reporting year.

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

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 school resource management self-assessment tool
- 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, Audit and Risk 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 December 2021 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 2020.

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 2020.

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

P Kilbey
Accounting Officer
December 2021

Peterborough Keys Academies Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- 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 December 2021 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 2021

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 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 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 2021 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 2019 and the Academies Accounts Direction 2020 to 2021.

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

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

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

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

For the year ended 31 August 2021

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

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

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

For the year ended 31 August 2021

- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

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

For the year ended 31 August 2021

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, Charities Act 2011 (exempt Charity) and Charities SORP 2019, Academies Accounts Direction 2021, Academies Financial Handbook 2020 and UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.

We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of noncompliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Mohamedraza Mavani (Senior Statutory Auditor)

for and on behalf of



Chartered Accountants

Statutory Auditor

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

December 2021

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 2021

In accordance with the terms of our engagement letter dated 28 May 2021 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 28 March 2018 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

Peterborough Keys Academies Trust

For the year ended 31 August 2020

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

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

We have undertaken testing as appropriate in accordance with the Academies Accounts Direction 2020 to 2021. 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 trust'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 Trust;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

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 2020 to 31 August 2021 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: December 2021

Peterborough Keys Academies Trust

Consolidated Statement of Financial Activities

for the year ended 31 August 2021

(including Income and Expenditure Account)

		2020/21			2019/20	
	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	152	-	-	152	16
Charitable activities:						
Funding for the academy Trust's educational operations	3	128	21,268	570	21,966	20,752
Other trading activities	4	225	-	-	225	299
Investments	5	-	-	-	-	1
Total		505	21,268	570	22,343	21,068
Expenditure on:						
Raising funds	6	145	-	-	145	3
Charitable activities:						
Academy Trust educational activities	7	77	22,924	698	23,699	22,135
Other		187	-	-	187	268
Total		409	22,924	698	24,031	22,406
Net income/(expenditure)		96	(1,656)	(128)	(1,688)	(1,338)
Transfer between funds	16	-	-	-	-	-
Other recognised gains/(loses):						
Fixed Asset Valuation	12	-	-	-	-	2,088
Actuarial (loses)/gains on defined benefit pension schemes	25	-	(3,271)	-	(3,271)	(358)
Net movement in funds		96	(4,927)	(128)	(4,959)	392
Reconciliation of funds						
Total Funds brought forward		349	(11,268)	56,918	45,999	45,607
Total Funds carried forward		445	(16,195)	56,790	41,040	45,999

Peterborough Keys Academies Trust

Consolidated Balance Sheet

as at 31 August 2021

Company Number 11108321

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed Assets					
Tangible assets	12		55,741		56,180
Current Assets					
Stock	13	9		17	
Debtors	14	1,066		851	
Cash at bank and in hand		2,834		2,502	
		<u>3,909</u>		<u>3,370</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	(1,407)		(1,042)	
Net current assets			<u>2,502</u>		<u>2,328</u>
Total assets less current liabilities			<u>58,243</u>		<u>58,508</u>
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension scheme liability			<u>58,243</u>		<u>58,508</u>
Defined benefit pension scheme liability	25		(17,203)		(12,509)
Total net assets			<u>41,040</u>		<u>45,999</u>
Funds of the academy Trust:					
Restricted funds					
Fixed asset fund	16	56,790		56,918	
Restricted income fund	16	1,008		1,241	
Pension reserve	16	(17,203)		(12,509)	
Total Restricted funds			<u>40,595</u>		<u>45,650</u>
Unrestricted income funds	16		<u>445</u>		<u>349</u>
Total Funds			<u>41,040</u>		<u>45,999</u>

The financial statements on pages 35 to 60 were approved by the Trustees and authorised for issue on December 2021 and are signed on their behalf by

C Higgins
Trustee

Peterborough Keys Academies Trust

Academies Trust Balance Sheet

as at 31 August 2021

Company Number 11108321

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed Assets					
Tangible assets	12		55,741		56,180
Current Assets					
Stock	13	8		17	
Debtors	14	1,026		852	
Cash at bank and in hand		2,829		2,486	
		<u>3,863</u>		<u>3,355</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	(1,361)		(1,027)	
Net current assets			<u>2,502</u>		<u>2,328</u>
Total assets less current liabilities			<u>58,243</u>		<u>58,508</u>
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension scheme liability			<u>58,243</u>		<u>58,508</u>
Defined benefit pension scheme liability	25		(17,203)		(12,509)
Total net assets			<u>41,040</u>		<u>45,999</u>
Funds of the academy Trust:					
Restricted funds					
Fixed asset fund	16	56,790		56,918	
Restricted income fund	16	1,008		1,241	
Pension reserve	16	(17,203)		(12,509)	
Total Restricted funds			<u>40,595</u>		<u>45,650</u>
Unrestricted income funds	16		<u>445</u>		<u>349</u>
Total Funds			<u>41,040</u>		<u>45,999</u>

The financial statements on pages 35 to 60 were approved by the Trustees and authorised for issue on December 2021 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 2021



	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	21	283
Cash flows from investing activities	21	311	(463)
Change in cash and cash equivalents in the reporting period		332	(180)
Cash and cash equivalents at 1 September 2020		2,502	2,682
Cash and cash equivalents at 31 August 2021	22	2,834	2,502

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 2020 to 31 August 2021.

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 2020 to 2021 (including the supplementary bulletin) issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

No separate SOFA has been presented for PKAT alone as permitted by section 408 of the Companies Act 2006.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

Peterborough Keys Academies Trust

Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. There are no restrictions in the Funding Agreement as to carry forward values.

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

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

- **Transfer on conversion**

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

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

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

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Basis of consolidation

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

The income and expenditure account for the year dealt with in the accounts of PKAT was £4k loss (2020: £17k profit)

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.

Peterborough Keys Academies Trust

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

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

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

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

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

Liabilities

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

Provisions

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

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

Leased Assets

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

Peterborough Keys Academies Trust

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

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

Stock

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

Taxation

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

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

Pensions Benefits

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

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

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

Peterborough Keys Academies Trust

unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Peterborough Keys Academies Trust

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	2020/21 Total £000	2019/20 Total £000
Other donations	152	-	152	16
	<u>152</u>	<u>-</u>	<u>152</u>	<u>16</u>
Total 2019/20	<u>16</u>	<u>-</u>	<u>16</u>	

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	2020/21 Total £000	2019/20 Total £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	18,161	18,161	17,006
Other DfE / ESFA grants				
UIFSM	-	205	205	227
Pupil Premium	-	1,066	1,066	1,077
Others	-	802	802	941
Capital grants	-	570	570	477
	<u>-</u>	<u>20,804</u>	<u>20,804</u>	<u>19,728</u>
Other Government Grants				
Local Authority grants	-	752	752	764
Other income from the academy Trust's educational operations	126	-	126	137
COVID-19 additional funding (DfE/ESFA)				
Coronavirus exceptional support	-	(78)	(78)	113
Catch-up premium	-	263	263	-
Additional costs for the period of restricted attendance	-	43	43	-
National Tutoring Programme	-	9	9	-
COVID-19 additional funding (non- DfE/ESFA)				
Coronavirus Job Retention Scheme grant	2	-	2	10
Mass testing funding	-	45	45	-
	<u>128</u>	<u>21,838</u>	<u>21,966</u>	<u>20,752</u>
Total 2019/20	<u>147</u>	<u>20,605</u>	<u>20,752</u>	

The academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding". The costs are included in notes 6, 7 and 8 below as appropriate.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy Trust's funding for Universal infant Free School Meals and Pupil Premium is no longer reported under the General Annual Grant heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

Peterborough Keys Academies Trust

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2020/21 Total £000	2019/20 Total £000
Hire of facilities	60	-	60	90
Income from ancillary trading activities	165	-	165	209
	<u>225</u>	<u>-</u>	<u>225</u>	<u>299</u>
Total 2019/20	<u>299</u>	<u>-</u>	<u>299</u>	

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	2020/21 Total £000	2019/20 Total £000
Short term deposits	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total 2019/20	<u>1</u>	<u>-</u>	<u>1</u>	

6 Expenditure

	Staff Costs £000	Non Pay Expenditure		2020/21 Total £000	2019/20 Total £000
		Premises £000	Other £000		
Expenditure on raising funds:					
Direct Costs	-	-	145	145	3
Academy's educational operations:					
Direct Costs	14,911	-	958	15,869	15,297
Allocated support costs	3,605	2,378	1,847	7,830	6,838
Other	23	-	164	187	268
	<u>18,539</u>	<u>2,378</u>	<u>3,114</u>	<u>24,031</u>	<u>22,406</u>
Total 2019/20	<u>17,537</u>	<u>2,192</u>	<u>2,677</u>	<u>22,406</u>	

Net income/(expenditure) for the period includes:

	2020/21 £000	2019/20 £000
Operating lease rentals	1,697	1,518
Depreciation	698	674
Net interest on defined pension liability	223	218
Fees payable to auditor for:		
Audit	10	13
Other services	7	4

Included within expenditure are the following transactions:

Books that will cost £1k (2020: £1k) to replace have either not been returned to the secondary school library or have been removed from the shelves, a further £1k (2020: £2k) 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.

Peterborough Keys Academies Trust

Donations have been made only to the extent that specific fundraising activity was carried out to raise the £3k (2020: £9k) paid out. During the pandemic the DfE and Cambridgeshire County Council donated electronic devices worth £142k, which PKAT in turn donated to students to support their remote learning.

7 Charitable activities

	2020/21	2019/20
	Total	Total
	£000	£000
Direct costs – educational operations	15,869	15,297
Support Costs – educational operations	7,830	6,838
	23,699	22,135

	Educational Operations	2020/21 Total	2019/20 Total
	£000	£000	£000
Support staff costs	3,605	3,605	3,262
Depreciation	698	698	674
Technology costs	298	298	88
Premises costs	2,378	2,378	2,192
Legal costs	11	11	11
Other support costs	829	829	594
Governance costs	11	11	17
Total Support Costs	7,830	7,830	6,838
Total 2019/20	6,838	6,838	

8 Staff

a. Staff costs

Staff cost during the period were:

	2020/21	2019/20
	£000	£000
Wages and salaries	12,902	12,396
Social security costs	1,183	1,106
Pension costs	4,100	3,683
	18,185	17,185
Agency staff costs	205	175
	18,390	17,360

b. Non statutory/non-contractual staff severance payments

There were no such payments in 2020/21 (2020: nil).

c. Staff numbers

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

	2020/21	2019/20
	No.	No.
Teachers	190	203
Administration and support	306	593
Management	33	24

d. Higher paid staff

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

	2020/21	2019/20
	No.	No.
£60,001 - £70,000	6	9
£70,001 - £80,000	6	6
£80,001 - £90,000	3	1
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	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 £984k (2020: £942k).

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, 5% (2020: 4%) of I01 funding has been charged.

The actual amounts charged during the year were as follows:

	2020/21	2019/20
	£000	£000
Jack Hunt School	540	408
Longthorpe Primary School	95	76
Middleton Primary School	115	82
Ravensthorpe Primary School	93	72
Thorpe Primary School	123	101

Peterborough Keys Academies Trust

10 Related Party Transactions – Trustees’ remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the academy Trust. The Chief Executive Officer only receives remuneration in respect of services they have provided undertaking the role of Chief Executive Officer and Headteacher of Jack Hunt School under her contract of employment.

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

P Kilbey (Chief Executive Officer, Headteacher of Jack Hunt School and ex-officio Trustee)
Remuneration £120,000 - £130,000 (2020: £110,000 - £120,000)
Employer’s pension contributions paid £25,000 - £30,000 (2020: £25,000 - £30,000)

During the period ended 31 August 2021, no travel and subsistence expenses were reimbursed to any Trustees (2020: nil)

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 2021 was included within an overall quote for all insurance requirements, it is believed to be in line with the £4.1k charged in 2019/20 (2020: £4.1k).

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12 Tangible fixed assets

	Freehold Land & Buildings £000	Leasehold Land & Buildings £000	Leasehold Improvements	Furniture, Equipment & Fixtures	Computer Equipment £000	Assets Under Construction £000	Total £000
Cost							
At 01 September 2020	35,159	21,830	87	450	64	45	57,635
Acquisitions	41	3	6	45	59	105	259
Transferred	-	-	43	-	2	(45)	-
At 31 August 2021	35,200	21,833	136	495	125	105	57,894
Depreciation							
At 01 September 2020	963	425	9	45	13	-	1,455
Charged in year	434	177	13	50	24	-	698
At 31 August 2021	1,397	602	22	95	37	-	2,153
Net book Values							
At 31 August 2020	34,196	21,405	78	405	51	45	56,180
At 31 August 2021	33,803	21,231	114	400	88	105	55,741

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

- Land and buildings were valued by Barker Storey Matthews, now known as Eddisons, as at 01 April 2018 in October 2018. The trustees do not consider there to be any material change in this valuation at the year end.
- An additional block, an extension to an existing one and an all-weather pitch to increase Jack Hunt School's capacity was opened for the 2019/20 academic year, having been completed in August 2019. The changes were valued by Eddisons as at 01 September 2019 in August 2020 increasing the £3.592m cost by £2.256m. The trustees do not consider there to be any material change in this valuation at the year end.
- £23k of alterations and £18k of additions to freehold property have been made.
- In addition to the £6k of leasehold improvements at two PKAT properties made during the summer of 2020 and bought into use for September 2020, £43k of leasehold improvements have been made to three PKAT properties during 2019/20.
- A further £67k has been spent on improvements to two PKAT leasehold properties during the summer of 2021 and brought into use on 01 September 2021. These assets are included within Assets under Constriction.

13 Stock

	Group		Trust	
	2021 £000	2020 £000	2021 £000	2020 £000
Learning resources order for new academic year	5	13	4	13
Books and stationery for resale	4	4	4	4
	9	17	8	17

14 Debtors

	Group		Trust	
	2021 £000	2020 £000	2021 £000	2020 £000
Trade debtors	32	22	-	16
Amounts owed by group undertakings	-	-	19	25
VAT recoverable	261	143	261	143
Other debtors	1	1	1	1
Prepayments and accrued income	772	685	745	667
	1,066	851	1,026	852

15 Creditors: amounts falling due within one year

	Group		Trust	
	2021 £000	2020 £000	2021 £000	2020 £000
Trade creditors	2	35	-	27
Amounts owed to group undertakings	-	-	5	3
Other taxation and social security	298	273	289	269
Other creditors	325	311	325	311
Accruals and deferred income	782	423	742	417
	1,407	1,042	1,361	1,027

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	Group		Trust	
	2021 £000	2020 £000	2021 £000	2020 £000
Deferred income at 1 September	73	39	61	3
Released from previous year	(73)	(39)	(61)	(3)
Resources deferred in the year	73	73	59	61
Deferred income at 31 August	73	73	59	61

At the balance sheet date, the academy Trust was holding £31k (2020: £25k) in respect of Forest School funding, £16k (2020: £20k) of rates funding, £12k (2020: £11k) of Primary sports services income, nil (2020: £3k) grant, nil (2020: £2k) in respect of Autumn term lettings and the group was holding a further £14k (2020: £12k) in respect of trips departing after 31 August 2021.

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

16 Funds

	Balance at 31 August		Expenditure £000	Gains, losses and transfers £000	Balance at
	2020 £000	Income £000			31 August 2021 £000
Restricted General Funds					
General Annual Grant (GAG)	(146)	18,161	(18,462)	-	(447)
Other DfE/ESFA grants	4	1,084	(1,102)	-	(14)
Local Authority	(5)	752	(764)	-	(17)
Transfer on conversion	1,313	-	-	-	1,313
Pupil Premium	75	1,066	(968)	-	173
UIFSM	-	205	(205)	-	-
Pension reserve	(12,509)	-	(1,423)	(3,271)	(17,203)
	(11,268)	21,268	(22,924)	(3,271)	(16,195)
Restricted Fixed Asset Funds					
Transfer on conversion	54,951	-	-	-	54,951
DfE Group capital grants	1,967	570	(698)	-	1,839
	56,918	570	(698)	-	56,790
Total restricted funds	45,650	21,838	(23,622)	(3,271)	40,595
Total unrestricted funds	349	505	(409)	-	445
Total Funds	45,999	22,343	(24,031)	(3,271)	41,040

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

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Fund balances were allocated as follows:

	2021 £000	2020 £000
Jack Hunt School	612	865
Longthorpe Primary School	182	105
Middleton Primary School	3	83
Ravensthorpe Primary School	118	86
Thorpe Primary School	81	115
Central Services	457	336
Total before fixed assets and pension reserve	<u>1,453</u>	1,590
Restricted fixed asset fund	56,790	56,918
Pension Reserve	<u>(17,203)</u>	<u>(12,509)</u>
	41,040	45,999

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

	Balance at 31 August			Gains, losses and transfers	Balance at 31 August
	2019 £000	Income £000	Expenditure £000	£000	2020 £000
Restricted General Funds					
General Annual Grant (GAG)	(27)	18,113	(18,232)	-	(146)
Other ESFA grants	3	14	(13)	-	4
Local Authority	-	697	(702)	-	(5)
Transfer on conversion	1,313	-	-	-	1,313
Pupil Premium	12	1,077	(1,014)	-	75
UIFSM	-	227	(227)	-	-
Pension reserve	(11,018)	-	(1,133)	(358)	(12,509)
	<u>(9,717)</u>	<u>20,128</u>	<u>(21,321)</u>	<u>(358)</u>	<u>(11,268)</u>
Restricted Fixed Asset Funds					
Transfer on conversion	54,951	-	-	-	54,951
DfE Group capital grants	76	477	(674)	2,088	1,967
	<u>55,027</u>	<u>477</u>	<u>(674)</u>	<u>2,088</u>	<u>56,918</u>
Total restricted funds	<u>45,310</u>	<u>20,605</u>	<u>(21,995)</u>	<u>1,730</u>	<u>45,650</u>
Total unrestricted funds	<u>297</u>	<u>463</u>	<u>(411)</u>	<u>-</u>	<u>349</u>
Total Funds	<u>45,607</u>	<u>21,068</u>	<u>(22,406)</u>	<u>1,730</u>	<u>45,999</u>

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Total cost analysis by academy:

	Teaching and Educational Support Staff £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	2020/21 Total £000
Jack Hunt School	8,143	1,063	597	2,476	12,279
Longthorpe Primary School	1,436	223	90	215	1,964
Middleton Primary School	1,887	378	111	307	2,683
Ravensthorpe Primary School	1,596	256	135	242	2,229
Thorpe Primary School	1,919	445	155	238	2,757
Central Services	(67)	63	12	(10)	(2)
	14,914	2,428	1,100	3,468	21,910

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

Total cost analysis by academy:

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

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible Fixed Assets	-	-	55,741	55,741
Current Assets	531	2,307	1,071	3,909
Current Liabilities	(86)	(1,299)	(22)	(1,407)
Pension scheme liability	-	(17,203)	-	(17,203)
	445	(16,195)	56,790	41,040

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

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

18 Capital commitments

As at 31 August 2021 there were £50k (2020: nil) capital commitments.

19 Commitments under operating leases

Operating leases

At 31 August 2021 the total of the academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	1,575	1,580
Amounts due between one and five years	6,186	6,172
Amounts due after five years	16,305	17,737
	24,066	25,489

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

	Group	
	2020/21 £000	2019/20 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,688)	(1,338)
Adjusted for:		
Depreciation (note 12)	698	674
Capital grants from DfE and other capital grants	(570)	(477)
Interest receivable	-	(1)
Defined benefit pension scheme cost less contributions payable (note 25)	1,200	915
Defined benefit pension scheme finance costs (note 25)	223	218
(Increase)/Decrease in stocks	8	11
(Increase)/Decrease in debtors	(215)	(182)
Increase/(Decrease) in creditors	365	463
Net cash provided by/(used in) operating activities	21	283

21 Cash flows from investing activities

	Group	
	2020/21 £000	2019/20 £000
Dividends, interest and rents from investments	-	1
Purchase of tangible fixed assets	(259)	(941)
Capital grants from DfE Group	570	477
Net cash provided by/(used in) investing activities	311	(463)

22 Analysis of cash and cash equivalents

	Group	
	2020/21	2019/20
	£000	£000
Cash in hand and at bank	2,834	2,502
Total cash and cash equivalents	2,834	2,502

23 Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash	2,502	332	2,834
Total	2,502	332	2,834

24 Members liability

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

25 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 05 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1.898m (2020: £1.786m).

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 2021 was £1,276k (2020: £1,243k), of which employer's contributions totalled £1,002k (2020: £982k) and employees' contributions totalled £274k (2020: £261k). The agreed contribution rates for future years are 21.9 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	2021	2020
Rate of increase in salaries	3.40%	2.70%
Rate of increase for pensions in payment/inflation	2.90%	2.20%
Discount rate for scheme liabilities	1.65%	1.70%
Inflation assumption (CPI)	2.90%	2.20%
Commutation of pensions to lump sums pre-April 2008	25.00%	25.00%
Commutation of pensions to lump sums post-April 2008	64.00%	64.00%

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

	2021	2020
<i>Retiring Today</i>		
Males	22.2	22.0
Females	24.4	24.0
<i>Retiring in 20 years</i>		
Males	23.2	22.7
Females	26.2	25.5

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Sensitivity analysis	2021 £000	2020 £000
Discount rate -0.5%	-	2,709
Salary increase rate +0.5%	-	311
Pension increase rate (CPI) +0.5%	-	2,347
Discount rate -0.1%	712	-
Member life expectancy +1 year	1,121	-
Salary increase rate +0.1%	72	-
Pension increase rate (CPI) +0.1%	629	-

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

	2021 £000	2020 £000
Equities	7,257	5,581
Bonds	1,841	877
Property	1,516	1,196
Cash	217	319
Total market value of assets	10,831	7,973

The actual return on scheme assets was £1,557k (2020: £-114k).

Amount recognised in the Statement of Financial Activities

	2020/21 £000	2019/20 £000
Current Service Cost	(2,204)	(1,904)
Past Service Cost	-	-
Interest income	145	141
Interest cost	(368)	(359)
Total amount recognised in the SOFA	(2,427)	(2,122)

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

	2020/21 £000	2019/20 £000
At 1 September	20,482	17,845
Current service cost	2,204	1,904
Past service cost	-	-
Interest cost	368	359
Employee contributions	274	260
Actuarial (gain)/loss	4,828	244
Benefits Paid	(122)	(130)
At 31 August	28,034	20,482

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

	2020/21 £000	2019/20 £000
At 1 September	7,973	6,827
Interest income	145	141
Employer contributions	1,004	989
Employee contributions	274	260
Benefits Paid	(122)	(130)
Actuarial gain/(loss)	1,557	(114)
At 31 August	10,831	7,973

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26 Related party transactions

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

Expenditure Related Party Transaction

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

- Reimbursed to PKAT for £26,317 (2020: £30,462) of staffing costs, £25 (2020: £2,358) of learning resources, £103 (2020: £1,663) of admin costs and nil (2020: £340) of refreshments.
- £2,835 (2020: £22,123) of IT equipment and services and £45,396 (2020: £13,529) of catering provisions have been provided to PKAT.
- £916 (2020: £36,594) from Pupil Premium and Sixth Form Bursary monies has been used to support eligible students with activities run through PKAT Trading.
- 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 2021 PKAT is owed £15,718 (2020: £23,489) by PKAT Trading including £13,747 (2020: £17,399) profit for the year.
- As at 31 August 2021 PKAT owes PKAT Trading £4,612 (2020: £2,975).

Anglian Water – A company which employees Matthew Edwards (Member)

- £13,343 water and sewerage charges have been incurred during 2020/21 (2020: £49,317)
- £46,287 was accrued as at 31 August 2021 (2020: £35,617)
- Nil was treated as a prepayment as at 31 August 2021 (2020: £2,835)
- Anglian Water is the local supplier of water and sewerage services so PKAT, until recently, has no alternative but to use their services. The opportunity to compete these services was opened up by the ESFA and PKAT engaged in the exercise and switched to Smarta Water Ltd from 01/04/2021. The Member was not involved in setting up the supplies from Anglian Water. 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

- £7,142 legal fees were incurred during 2020/21 (2020: £6,133)
- £306 was recorded as a prepayment as at 31 August (2020: nil)
- nil was owed by PKAT as at 31 August 2021 (2020: £1,510)

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

- £1,593 charges for student travel were incurred (2020: nil)
- No balance was outstanding as at 31 August 2021 (2020: nil)

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

- No transactions occurred during 2020/21 (2020: £300)
- No balance was outstanding as at 31 August 2021 (2020: nil)

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

- No transactions occurred during 2020/21 (2020: £71)
- No balance was outstanding as at 31 August 2021 (2020: nil)

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Income Related Party Transaction

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

- Nil was reimbursed to PKAT to cover the staff time used to operate the JHCLT (2020: £243)
- £13 has been reimbursed to PKAT to cover admin costs (2020: £1,295)
- As at 31 August 2021 PKAT holds £36 belonging to JHCLT because JHCLT has too few transactions to stand alone so PKAT processes them on its behalf (2020: £49)

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

- £1,400 was received in respect of trainee teachers during 2020/21 (2020: £180 was received for staff release).
- Nil was paid for training during 2020/21 (2020: £485)
- No balance was outstanding as at 31 August 2021 (2020: nil)

No amounts have been written off in respect of related parties during the year to 31 August 2021 (2020: nil) and no guarantees have been given or received.

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

27 Agency Arrangements

The academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy Trust received £24k and disbursed £81k from the fund. Comparatives for the accounting period ending 31 August 2020 are £33k received and £15k disbursed, £38k included in other creditors.

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 2021	£ 50,880
Total Liabilities as at 31 August 2021	£(50,880)
Turnover for the year ended 31 August 2021	£ 136,172
Expenditure for the year ended 31 August 2021	£(139,824)
Surplus for the year ended 31 August 2021	£ (3,652)