

Company Registration Number: 08927009 (England & Wales)

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**CONTENTS**

	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 15
Governance Statement	16 - 21
Statement on Regularity, Propriety and Compliance	22
Statement of Governors' Responsibilities	23
Independent Auditors' Report on the Financial Statements	24 - 26
Independent Reporting Accountant's Report on Regularity	27 - 29
Statement of Financial Activities Incorporating Income and Expenditure Account	30
Balance Sheet	31 - 32
Statement of Cash Flows	33
Notes to the Financial Statements	34 - 57

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

P Cunningham  
Y Ditchburn  
Rev J Hearn (resigned 31 August 2019)  
PJ Leadbitter  
RB Lomas (resigned 31 August 2019)

**Governors**

RB Lomas, Chair (resigned 31 August 2019)<sup>1</sup>  
PJ Leadbitter, Chair from 1 September 2019<sup>1</sup>  
P Cunningham, Vice Chair<sup>1</sup>  
L Chalk, Principal and Accounting Officer (resigned 31 August 2019)<sup>1</sup>  
AR Mitchinson, Acting Principal and Accounting Officer from 1 September 2019<sup>1</sup>  
S Dalton<sup>1</sup>  
Y Ditchburn<sup>1</sup>  
MA Hanif M.B.E.<sup>1</sup>  
MA Khalid (appointed 5 December 2018)<sup>1</sup>  
CAE Marchant<sup>1</sup>  
Rev N Rao (appointed 19 November 2018)<sup>1</sup>

<sup>1</sup> Member of Finance and Resources Committee

**Company registered number**

08927009

**Company name**

Kader Academy Trust

**Principal and registered office**

Staindrop Drive  
Acklam  
Middlesbrough  
TS5 8NU

**Senior leadership team**

L Chalk, Principal and Accounting Officer to 31 August 2019  
AR Mitchinson, Vice Principal. Acting Principal and Accounting Officer from 1 September 2019  
J Donald, Senior Leader  
L Yendall, Senior Leader

**Independent auditors**

Clive Owen LLP  
Chartered Accountants  
Statutory Auditors  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Bankers**

Barclays Bank plc  
4 St Peter House  
Pavilion Shopping Centre  
Thornaby  
TS17 9FF

**Solicitors**

Ward Hadaway  
Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Governors' report and a Directors' report under company law.

The academy trust operates an academy for pupils aged 3 to 11 serving a catchment area in Middlesbrough. It has a pupil capacity of 420 pupils (Reception to Y6) and a 39 FTE place Nursery. The academy trust had a roll of 475 in the school census May 2019.

Basis on which the pupils are admitted:

Kader Academy has an agreed Published Admission Number (PAN) of 60 pupils. The academy will accordingly admit at least 60 pupils in the relevant age group each year if sufficient applications are received. If there are less than 60 applications received for the academy, then places will be offered to all applicants. If more than 60 applications are made, then the academy will apply the oversubscription criteria, outlined in its Admission Policy, to determine how places will be allocated.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association and Articles of Association is the primary governing document of the academy trust.

The Governors of Kader Academy Trust are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as Kader Academy.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

### **Members' Liability**

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

### **Governors' indemnities**

The academy trust has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business.

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Method of recruitment and appointment or election of Governors**

The management of the academy trust is the responsibility of the Governors who are elected and co-opted under the terms of the Memorandum of Association and Articles of Association.

Article 12 - The Members of the academy trust shall comprise:

- a) The signatories to the Memorandum
- b) The chairman of the Governors; and
- c) Any person appointed under Article 16.

Each of the persons entitled to appoint Members in Article 12 shall have the right from time to time by written notice delivered to the office to remove any member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

If any of the persons entitled to appoint members in Article 12:

- a) In the case of an individual, die or become legally incapacitated;
- b) In the case of a corporate entity, cease to exist and are not replaced by a successor institution;
- c) Becomes insolvent or makes any arrangement or composition with their creditors generally; or
- d) Ceases to be a member;

their right to appoint members under these articles shall vest in the remaining members.

Membership will terminate automatically if:

- a) a member (which is a corporate entity) ceases to exist and is not replaced by a successor institution;
- b) a member (which is an individual) dies or becomes incapable by reason of illness or injury of managing and administering own affairs; or
- c) a member becomes insolvent or makes any arrangement or composition with that member's creditors generally.

The Members may agree unanimously in writing to remove any Member(s) who is a signatory to the Memorandum (save that the agreement of a signatory to the Memorandum who is to be removed shall not be required), provided that it is in the interests of the academy trust to remove such a Member(s).

The Members may agree by passing a special resolution in writing to appoint such additional Members as they think fit and may agree by passing a special resolution in writing to remove any such additional Members, provided that such appointment or removal is in the interest of the academy trust.

Every person nominated to be a Member of the academy trust shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

Any Member may resign provided that after such resignation the number of Members is not less than three. A Member shall cease to be one immediately on the receipt by the academy trust of a notice in writing signed by the person or persons entitled to remove him under Articles 13 or 16 provided that no such notice shall take effect when the number of Members is less than three unless it contains or is accompanied by the appointment of a replacement Member.

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Principal or any post held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Policies adopted for the induction and training of Governors**

The training and induction provided for new Governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual.

**Organisational Structure**

During the year the academy trust continued to operate a unified management structure. The structure consists of 3 levels: the Members, Board of Governors and Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governing Body is the final arbiter on all policy matters and decisions concerning the management of the academy trust. The Governing Body delegates responsibilities to sub-committees and to the Principal and Staff to ensure most efficient and effective delivery of policy.

The Senior Leadership Team consists of the Principal, Vice Principal and 2 Senior Teachers who control the academy at an executive level implementing the policies laid down by the Governors and reporting back to them. Financial control is devolved to the Principal and School Business Manager for authorisation of spending within agreed budgets. Any spending above agreed limits must be referred to the Board of Governors.

The Senior Leadership Team is responsible for the day to day operation of the academy trust.



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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

The Governing Body will establish a committee to carry out determinations of pay in accordance with the pay policy. This will be performed by the dedicated Pay Committee or the Finance and Resources Committee. Either committee has fully delegated powers.

**Remit**

- To apply the Pay Policy, including discretionary powers specified in this document, fairly and equitably.
- To ensure each teacher's salary is reviewed annually within the Appraisal process and determine the salary at the point of the annual review based on the evidence provided to meet the Teaching Standards and the objectives set.
- To challenge senior leaders on pay performance recommendations to ensure fairness across the academy trust.
- To agree a pay range for Main Pay Range, Upper Pay Range and Unqualified teachers within the minimum and maximum stated in the STP&CD.
- To agree a pay range for Leading Practitioners, where appropriate.
- To ensure that all employees have a current and accurate job description and that this is regularly reviewed.
- To agree the levels for the annual pay award based on advice and guidance available from LGA and DfE (see Appendix A).
- To ensure rigorous arrangements are in place to set Performance Pay Objectives for the Principal, Leadership Group, UPR, MPR and Unqualified Teachers.
- To undertake appropriate annual salary reviews for all employees and award progression with reference to the appraisal reports, evidence provided and the pay recommendations they contain.
- To arrange and ensure each teacher receives a written statement of salary no later than 31 December each year.
- To undertake periodic reviews of the School Group and Principal's Pay Range and to report findings and make recommendations for change to the Governing Body in relation to the grading of members of the Leadership Group.

To undertake, as a minimum, an annual review of this Pay Policy to ensure that it reflects changes in Legislation, Pay & Conditions of Service Documents, National and Local Agreements, and any advice or guidance from the DfE. Any recommendations for change will be made to the Governing Body for consideration, consultation and formal adoption where appropriate.

**Related parties and other connected charities and organisations**

The academy trust did not enter into any related party transactions during the accounting period 1 September 2018 to 31 August 2019.

Further details are stated in note 24 to the Financial Statements.

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The principal object and activity of the charitable company is the operation of Kader Academy to provide education for students of different abilities between the ages of 3 and 11 years.

In accordance with the Articles of Association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with emphasis on excellent teaching and learning.

The main objectives of the academy trust during the year ended 31 August 2019 are summarised below:

- To continue to foster 'Growth Mindset', by providing support and ideas for parents in order to help them support their children at home.
- To maintain high standards of teaching and learning in order to continue to improve pupils' progress throughout the school and to ensure outcomes at KS1 and KS2 are at least in line with similar schools nationally.
- To continue to raise children's enjoyment of reading and writing throughout the school to maintain/improve the percentage of pupils achieving expected level and greater depth in English.
- To continue to focus on developing reasoning and mastery solving skills to maintain/improve the percentage of pupils achieving expected and greater depth in mathematics.
- To provide high quality targeted and focused interventions to support all children and keep them on track to reach their targets and narrow the gap between identified groups.
- To enhance opportunities for children's outdoor physical play by renewing outdoor playtime resources for children.
- To renew the Early Years outdoor surface in order that it can be used for outdoor teaching and learning during all weathers.
- To improve emergency evacuation route by removing walled flower bed in upper school playground
- To maintain sound financial practices.

**Objectives, strategies and activities**

The academy trust's main objectives are encompassed in its mission statement which is to encourage respect for others, a desire for knowledge, and an enthusiasm for lifelong learning. In order to achieve this the academy trust aims to:

- Provide children with a broad, balanced and enriched educational experience in order that they can acquire and apply skills and knowledge.
- Provide an inclusive, caring and supportive environment in which everyone feels safe and valued and which encourages courtesy, responsibility and consideration for the needs of others.
- Continue to raise standards of educational achievement for all pupils.
- Develop sound relationships between school, families and the community.
- Provide value for money for the funds expended.
- Conduct the academy trust's business in accordance with the highest standard of integrity and openness.

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**OBJECTIVES AND ACTIVITIES (continued)**

**Public benefit**

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The academy, as stated in its latest Ofsted Report, continues to be graded as good and provides a culture where pupils have access to high-quality learning experiences, flourish as individuals, and are consequently very well-prepared for the next stage of their education.

The Governors have invested substantial sums into new building and have a continuing programme of refurbishment and development to maintain excellent teaching and learning facilities for our pupils.

The academy:

- Provides high standards of teaching and learning in order to continue to improve pupils' progress throughout the school
- Supports children with learning difficulties and pupils with behavioural problems to enable them to be taught in mainstream classes
- Subsidises educational visits to enhance the pupils' learning
- Invites members of the community into school such as police, firemen, councillors, sports people etc. to provide the children with an insight into the local community
- Has established an ethos where pupils take great responsibility for their learning and relish the opportunity to tackle challenging tasks – helping to prepare them for the future
- Is supporting parents to engage more with their children's education and encouraging greater parental involvement.



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

The majority of pupils throughout the school meet national expectations, with some pupils exceeding national expectations

- Early Years Good Level of Development result for 2019 was 72% an increase of 2% from 2018. The academy continues to develop the 'whole child' approach to teaching and learning, using 'team chat' and 'in the moment' planning in order to support children in every area of learning so that they meet their full potential.
- The academy's Year 1 phonics screening result for 2019 was 95% an increase of 6% from 2018. The staff's excellent knowledge of pupils' learning needs and the academy's continued development of the Read, Write Inc. phonics scheme to suit the children is having a positive impact.
- The end of Key Stage 1 results for 2019 were: reading 87% (National 74.9%), writing 77.8% (National 69.2%), mathematics 81.5% (National 75.6%), RWM combined 77.8% (National 64.9%).
- The end of KS2 results for 2019 were: Grammar, Punctuation and Spelling (GPS) 90% (National 78%), reading 78.3% (National 73%), writing 90% (National 78%), mathematics 93.3% (National 79%) RWM combined 73.3% (National 65%).
- The needs of Pupil Premium pupils in school were clearly identified and appropriate strategies continued to be implemented. SEND programmes are structured to suit all the learning needs of pupils including external /send support provision. The academy had a very successful Local Authority SEND Review in the 2019 Spring term which will be used as part of the evidence presented for the Inclusion Quality Mark Award that the academy is currently working towards.
- The academy's attendance figure for 2018/2019 was 96.1%.

**English**

**Royal Shakespeare Company (RSC)**

Over the year the academy trust has been working alongside the RSC and other schools in Middlesbrough embedding the use of the works of Shakespeare within English lessons which is having a very positive impact on the pupils' learning. The academy is now a "Royal Shakespeare Company Associate School" The academy also uses Read, Write Inc., Accelerated Reading and The Power of Reading to support the pupils teaching and learning.

**Mathematics**

The academy has:

- Provided staff training on the teaching of times tables to children in Year 1- Year 4 in preparation for assessment test in summer 2020
- Provided training of the EEF Maths Reasoning Project (Oxford University numeracy training) to new Year 2 teacher- with support from the existing Y2 teacher
- Provided Third Space Learning for 1:1 tuition with 16 children in the autumn term, 16 children to complete the SATS intervention programme in the spring term and 16 children in Year 5 to achieve expected standard in the Summer term.
- Re-purchased the 'Conquer Maths' (IT program) for Year 2 – Year 6 for additional mathematics tuition in school and at home.
- Provided workshops for parents

**Special Educational Needs and Disability (SEND)**

The academy had a very successful Local Authority SEND Review in the 2019 spring term which will be used as part of the evidence presented for the Inclusion Quality Mark Award that the academy is currently working towards.

**English as an Additional Language (EAL)**

The academy has a number of children starting the school who do not speak English. To support these children the academy has a Service Level Agreement with the Local Authority EMAT Team.

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRATEGIC REPORT (continued)**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**Foundation Subjects**

The academy has:

- Been using the 'Cornerstone Curriculum' and adapting it to suit the needs of the pupils. This includes many teaching and learning experiences taking place in and out of the classroom.
- Been developing and enhancing the science scheme of work and successfully achieved the Silver Primary Science Mark in July 2019.
- Arranged for members of the Senior Leadership Team and Subject Leaders to attend courses on the new foundation subject curriculum and the academy has already begun work with staff on reviewing the teaching and learning of these subjects in view of the new Ofsted Framework.

**Sport**

Using the Sport Premium grant the academy has provided more coaching time for pupils in sporting activities which has enabled all children to access more sporting activities and competitions.

Many of the academy's pupils are proving to be successful at team and individual sporting events within the Local Authority and Tees Valley.

In July 2019 the academy successfully achieved the Silver Sport Mark and was awarded the Middlesbrough schools', "Most Improved School of the Year" Sport Award.

**Growth Mindset/Meta-cognition**

Growth Mindset has become embedded throughout the academy trust. Staff and pupils have thoroughly embraced the concept of 'I haven't got it YET'. This is having a positive impact of fostering a culture of a 'Growth Mindset' as opposed to a 'Fixed Mind-set'. Over the year the academy has introduced the 'Family Growth Mindset Scheme' by NSM Training and Consultancy as the next step in continuing and developing the initiative and 'Growth Mind-set' has been disseminated to the parents and community through workshops.

**Community Links**

The academy trust has been strengthening community links over the year and in particular parent / school relationship. The academy trust has formed a partnership with Middlesbrough Community Learning and Middlesbrough Achievement Partnership (MAP). A parent hub has been established at the academy trust. Workshops have been provided for parents to come into school. The following classes have been put into place:

- EAL- English class for parents – Provided by Middlesbrough Community Learning team.
- Parent time – A time to talk and share ideas about raising young children successfully
- Mindfulness (provided by Middlesbrough Achievement Partnership)
- Helping parents to help their child be a success at Kader Academy.
- Behaviour at home and school
- Literacy – ideas and support
- Numeracy – ideas and support
- Children's psychology – how does your child's mind work?
- Crafty fun! – ideas for parents and their child
- Employment support – Helping parents with employment needs.

The academy trust hopes that this will be a successful move forward.

**Quality Marks**

The academy trust:

- Has achieved the Early Years Quality mark for the second time
- Achieved the Silver Sports Award in July 2019
- Achieved the Primary Science Quality Mark (PSQM) in July 2019
- Is working toward the Inclusion Quality Mark and hopes to achieve this by December 2019
- Has achieved the Woodland Trust Bronze Green Tree Award



**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRATEGIC REPORT (continued)**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**Student Support**

The academy trust:

- Provides work experience for students from local secondary schools and colleges
- Mentors teaching students who work with York St. John College and the Middlesbrough SCITT programme.

**Working with other Agencies**

The academy trust:

- Uses various outside agencies to provide staff Continued Professional Development (CPD)
- Works closely with Middlesbrough Teaching Alliances
- School Leaders attend Local Authority network meetings
- Principal is a member of the Middlesbrough Achievement Partnership
- Works with local primary schools to share good practice eg moderating writing
- Has two Senior Leaders who are part of the Local Authority Moderation Teams for KS2 writing and Early Years Provision.

**Research Projects**

The academy trust is currently undertaking the following action research projects working with schools within the local authority and the surrounding area:

- Archimedes Maths Hub Readiness Programme to develop the academy trust's approach to teaching maths - developing professional understanding of the mastery approach and to be involved in Middlesbrough schools collaboration and research into primary maths
- 'Formative Assessment' action research project led by Shirley Clarke, Associate of the Institute of Education, University of London.

**Premises**

The academy trust has been saving money for a number of years and is very pleased that it has finally been able to implement its long term plan to build an extension to enhance the teaching and learning area and to enhance safeguarding by building the new main entrance, meeting room and office.

During 2018/2019 the academy has:

- Improved emergency evacuation route by removing a large walled flower bed in upper school playground
- Renewed outdoor playtime resources for children in order to enhance opportunities for children's outdoor physical play
- Re-surfaced Early Years outdoor area in order that it can be used for outdoor teaching and learning during all weathers.

The academy trust had also considered building a MUGA in the hope to build on the sporting success of its pupils. Unfortunately, currently Sport Premium funding cannot be used for this. The academy trust is therefore looking into other forms of funding for this project.

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRATEGIC REPORT (continued)**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**Key performance indicators**

The academy trust uses a number of non-financial key performance indicators to monitor its performance. These include:

- End of Key Stage results
- Achievement and progress of pupils throughout the school
- The quality of teaching and learning
- Behaviour, safety and welfare of pupils
- Quality of leadership and management

**Going concern**

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

**FINANCIAL REVIEW**

Most of the academy trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, total expenditure of £2,003,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding pension reserve movements and restricted fixed asset funds) was £32,000.

The in-year surplus, excluding the pension reserve and restricted fixed asset funds, was £29,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives.

At 31 August 2019 net book value of fixed assets was £2,563,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £461,000 recognised on the Balance Sheet.

The academy trust held fund balances at 31 August 2019 of £2,386,000 comprising £2,129,000 of restricted funds, including £461,000 deficit on the pension reserves, and £257,000 of unrestricted funds. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as at 31 August 2019 was £284,000.



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRATEGIC REPORT (continued)**

**FINANCIAL REVIEW (continued)**

**Reserves Policy**

The academy trust holds restricted and unrestricted funds (the attached financial statements detail these funds). The Governors continue to consider additional activities related to the academy trust's objectives to which the excess reserves may be applied including:

- a) Support for SEND pupils.
- b) To provide funds which can be designated to improve specific areas of teaching and learning.

The Governors of Kader Academy Trust require a revenue reserve to be held to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments. The policy of the academy trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies. The academy trust maintains a reserve of £ 200,000 held within unrestricted reserves for this purpose. If this reserve is ever utilised non-essential expenditure will be limited until the reserve is brought back to £200,000.

The level of reserves is reviewed by Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy trust is reviewed by the Governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors therefore consider it is prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £257,000. The Governors continue to consider additional activities related to the academy trust's objectives to which the excess reserves may be applied including:

- Maintaining the academy trust's position by investing in high quality education for our pupils through enhancing the provision of indoor and outdoor teaching and learning spaces.
- On-going maintenance of the building.
- To provide funds which can be designated to specific areas such as covering ongoing costs in relation to the running of the academy trust including catering provisions, school trips.

The balance on restricted general funds, excluding pension reserve, plus the balance on unrestricted funds at 31 August 2019 is a net surplus of £284,000.

**Investment policy**

The Body of Governors authorises all investment of money under its control and will only consider low risk bank deposit investments and only when satisfied that there are sufficient free cash reserves following approval from the Finance and Resources committee.

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**STRATEGIC REPORT (continued)**

**FINANCIAL REVIEW (continued)**

**Principal risks and uncertainties**

The academy trust has a risk management strategy policy and maintains a risk register. The objectives of the academy trust's risk management are;

- To ensure risks facing the academy trust are identified and appropriately documented.
- To provide assurance to the Governors that risks are being adequately controlled, or identify areas for improvement.
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risks. The risk register is reviewed periodically by Governors and systems or procedures are reviewed or established in order to manage those risks.

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. In addition the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust Balance Sheet.

The Governors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

**Fundraising**

The academy trust's approach to fundraising is legal, open, honest and respectful. The academy trust does not use a professional fundraiser and carries out minimal activities throughout the year (usually a summer and a winter raffle). There is no obligation on any person to participate.

The academy trust will sometimes make a donation to a charity (nominated by pupils) using proceeds raised from raffles held in school.

The academy trust will sometimes make a donation to televised charities (e.g. Children in Need, Comic Relief, Sports Relief) using proceeds raised from donations from pupils and their families.

In order to sell raffle tickets, Kader Academy operates a lotteries license which is registered with Middlesbrough Council under the Gambling Act 2005.

Occasionally the academy trust will engage in an enterprise programme with Virgin Money (Make £5 Grow) which is free to participate in. The initiative engages pupils in core areas of the national curriculum whilst enabling them to raise small funds to be used on school resources.

During the accounting period 1 September 2018 to 31 August 2019 there were no fundraising complaints received by the academy trust.



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**PLANS FOR FUTURE PERIODS**

The Governors intend to continue their current strategies of maintaining the academy trust's position by investing to provide high quality education for our pupils.

Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of education provided. The Principal and senior staff continue to review the curriculum and teaching and learning to ensure the appropriateness and quality is right for our pupils' development.

Over the coming academic year the academy trust intends to:

- Continue to develop teaching and learning and the curriculum to meet the new Ofsted requirements, with particular emphasis on reviewing foundation subjects.
- Continue to develop its SEND provision in order to achieve the Inclusion Quality Mark following the academy trust's successful Local Authority Inclusion Review.
- Continue to work with the Archimedes Maths Hub Readiness Programme to develop the academy's approach to teaching maths - developing professional understanding of the mastery approach and to be involved in Middlesbrough schools collaboration and research into primary maths.
- As a newly appointed Royal Shakespeare Company Associate School, continue to work with the Royal Shakespeare Company in order to continue to raise standards in reading and writing.
- Continue to work with other Middlesbrough schools on 'Formative Assessment' action research project led by Shirley Clarke, Associate of the Institute of Education, University of London.
- Develop meta-cognition with a view to introducing this concept to work alongside growth mindset in order to continue to encourage a love of learning and a resilience essential for greater accomplishment.
- Introduce and implement the 'LILAC' programme in order to develop ways of supporting more able EAL children in the academy.
- Continue to foster links with industry through the STEM programme providing opportunities for the children to gain an insight into the world of work.
- Continue to develop science provision.
- Continue to develop sport provision and achieve the Gold Sports Mark.
- Continue to develop computing within the school and achieve the E-safety Mark.
- Continue to investigate the possibility of adapting the outside premises to create a Multi-Use Games Area (MUGA) to enhance the academy trust's sporting facilities for the children.

**DISCLOSURE OF INFORMATION TO AUDITORS**

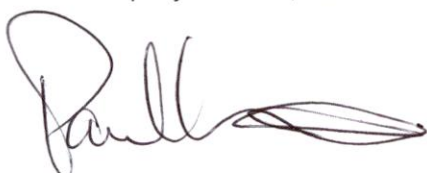
Insofar as the Governors are aware:

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

**AUDITORS**

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 3 December 2019 and signed on its behalf by:



PJ Leadbitter  
Chair of Governors

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

The Board of Governors has delegated the day-to-day responsibility to the Principal, 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 Kader Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**KADER ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 4 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
RB Lomas, Chair	3	4
PJ Leadbitter, Chair from 1 September 2019	2	4
P Cunningham, Vice Chair	4	4
L Chalk, Principal and Accounting Officer	4	4
AR Mitchinson, Acting Principal and Accounting Officer from 1 September 2019	3	4
S Dalton	4	4
Y Ditchburn	3	4
MA Hanif M.B.E.	3	4
MA Khalid	3	3
CAE Marchant	4	4
Rev N Rao	2	3

The Board of Governors has remained fairly consistent in the past financial year with the appointment of two new Governors. The Chair, RB Lomas, stepped down on 31 August 2019 and was replaced by PJ Leadbitter. The Principal and Accounting Officer, L Chalk, retired on 31 August 2019 and was replaced by AR Mitchinson by appointment of the Board.

The Finance and Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to administer the finances of the academy trust following full delegation of power from the Board of Governors. The Finance and Resources Committee has met three times during the year.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
RB Lomas, Chair	3	3
PJ Leadbitter, Chair from 1 September 2019	2	3
P Cunningham, Vice Chair	3	3
L Chalk	3	3
AR Mitchinson	3	3
S Dalton	2	3
Y Ditchburn	2	3
MA Hanif M.B.E.	3	3
MA Khalid	2	2
CAE Marchant	3	3
Rev N Rao	1	2



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

As Accounting Officer, the Principal 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 Governors 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:

- Continuing to ensure the academy trust provides high quality teaching and learning experiences for pupils,
- Providing extra experienced teachers to support targeted pupils,
- Providing 1:1 Teaching Assistant support for SEND pupils in mainstream education,
- Continuing to provide extra teaching and learning time to support targeted pupils in order for them to achieve their potential,
- Continuing to provide professional sports coaching for pupils during staffs' Planning, Preparation and assessment (PPA) time,
- Providing extra professional coaching to help the academy trust achieve Silver Sports Mark and the Local Authority "Most Improved School of the Year" sport award,
- Providing a professional musician to teach music to pupils during staffs' Planning, Preparation and Assessment (PPA) time encouraging pupils' love of music and performance,
- Utilising existing teaching staff to cover staff absence where possible,
- Subscribing to Royal Shakespeare Company Associate School status, Science Quality Mark, Sports Quality Mark and Inclusion Quality Mark status to enable the academy trust to further enhance teaching and learning for pupils,
- Continuing to provide professional development for staff to enhance pupils' teaching and learning,
- Susidising the cost of educational visits and visitors to the academy to enhance pupils' teaching and learning,
- Investing in assessment and mathematics research projects to develop staffs' professional development and enhance pupils' teaching and learning,
- Improving learning environment by resurfacing of Early Years outdoor area, completing internal re-decoration programme, replacing pupils' tables and chairs,
- Improving emergency evacuation route by removing walled flower bed in upper school playground,
- Renewing outdoor playtime resources for children in order to enhance opportunities for children's outdoor physical play,
- Replacing Y5 & Y6 classroom doors and resource room door with new fire doors,
- Continuing with a rolling programme of replacing light fittings throughout the building with more cost effective LED alternatives,
- Review of catering and HR contracts to ensure SLA's are still proving cost effective,
- Issue of three fixed term contracts to Teaching Assistants at a lower cost to the academy trust than agency supply,
- Taking part in fund raising for 'World Book Day' in partnership with Usborne books who provided match funding.



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**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 Kader Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Governors 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 Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**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 Governors
- regular reviews by the Finance and Resources 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 Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Clive Owen LLP, the external auditors, to perform additional checks.

The internal auditors' role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of purchase systems;
- testing of petty cash/expenses procedures;
- testing of income;
- testing of accounting systems and management information produced;
- testing of Governor appointments/resignations and declarations of interest;
- testing of gifts and hospitality & honorarium/ex-gratia payments;
- testing of information technology strategy;
- testing of fixed assets;
- testing of VAT and Corporation tax position;
- review of budgeting and financial management including purchasing and income;
- testing of control account/bank reconciliations

On a termly basis, the external auditors report to the Board of Governors through the Finance and General Purposes committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

The auditor has delivered their schedule of work as planned and no material control issues were identified.

**Review of effectiveness**

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

- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

Approved by order of the members of the Board of Governors on 3 December 2019 and signed on their behalf by:

A handwritten signature in dark ink, appearing to read 'PJ Leadbitter', with a large, stylized initial 'P'.

PJ Leadbitter  
Chair of Governors

A handwritten signature in dark ink, appearing to read 'AR Mitchinson', with a large, stylized initial 'A'.

AR Mitchinson  
Accounting Officer

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Kader Academy Trust I have considered my responsibility to notify the academy trust's Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust Board of Governors are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that 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 Governors and ESFA.



AR Mitchinson  
Accounting Officer  
Date: 3 December 2019



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

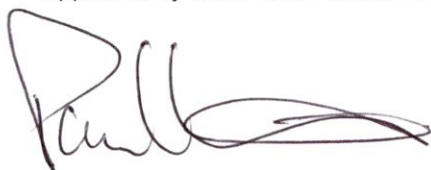
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 Governors 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 DfE/ESFA have been applied for the purposes intended.

The Governors 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 Governors on 3 December 2019 and signed on its behalf by:



PJ Leadbitter  
Chair of Governors

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KADER ACADEMY TRUST**

**Opinion**

We have audited the financial statements of Kader Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**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 Auditors' responsibilities for the audit of the financial statements 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 financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KADER ACADEMY TRUST (CONTINUED)**

**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Governors' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the 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 our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KADER ACADEMY TRUST (CONTINUED)**

**Responsibilities of Governors**

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the 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 Governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

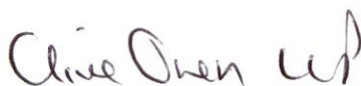
**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the academy trust'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 academy trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Shotton BA FCA (Senior Statutory Auditor)  
for and on behalf of

**Clive Owen LLP**  
Chartered Accountants  
Statutory Auditors  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

3 December 2019



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KADER  
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kader Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Kader Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Kader Academy Trust's funding agreement with the Secretary of State for Education dated 29 April 2014 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KADER  
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KADER  
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**Conclusion**

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



**Clive Owen LLP**

Reporting Accountant

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

Date: 3 December 2019

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Income from:</b>						
Donations and capital grants	3	-	-	25	25	9
Charitable activities		58	1,802	-	1,860	1,722
Other trading activities		38	-	-	38	50
<b>Total income</b>		<u>96</u>	<u>1,802</u>	<u>25</u>	<u>1,923</u>	<u>1,781</u>
<b>Expenditure on:</b>						
Charitable activities		94	1,819	90	2,003	1,935
<b>Total expenditure</b>		<u>94</u>	<u>1,819</u>	<u>90</u>	<u>2,003</u>	<u>1,935</u>
<b>Net income/ (expenditure)</b>		<u>2</u>	<u>(17)</u>	<u>(65)</u>	<u>(80)</u>	<u>(154)</u>
Transfers between funds	16	-	(5)	5	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>2</u>	<u>(22)</u>	<u>(60)</u>	<u>(80)</u>	<u>(154)</u>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(169)	-	(169)	79
<b>Net movement in funds</b>		<u>2</u>	<u>(191)</u>	<u>(60)</u>	<u>(249)</u>	<u>(75)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		255	(243)	2,623	2,635	2,710
Net movement in funds		2	(191)	(60)	(249)	(75)
<b>Total funds carried forward</b>		<u>257</u>	<u>(434)</u>	<u>2,563</u>	<u>2,386</u>	<u>2,635</u>



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08927009**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	12	2,563	2,623
		<u>2,563</u>	<u>2,623</u>
<b>Current assets</b>			
Debtors	13	238	120
Cash at bank and in hand		227	359
		<u>465</u>	<u>479</u>
Creditors: amounts falling due within one year	14	(177)	(219)
<b>Net current assets</b>		<u>288</u>	<u>260</u>
<b>Total assets less current liabilities</b>		<u>2,851</u>	<u>2,883</u>
Creditors: amounts falling due after more than one year	15	(4)	(5)
<b>Net assets excluding pension liability</b>		<u>2,847</u>	<u>2,878</u>
Defined benefit pension scheme liability	22	(461)	(243)
<b>Total net assets</b>		<u><u>2,386</u></u>	<u><u>2,635</u></u>

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

	Note	2019	2019 £000	2018	2018 £000
<b>Funds of the academy</b>					
<b>Restricted funds:</b>					
Fixed asset funds	16	2,563		2,623	
Restricted income funds	16	27		-	
Restricted funds excluding pension asset	16	2,590		2,623	
Pension reserve	16	(461)		(243)	
<b>Total restricted funds</b>	16		2,129		2,380
<b>Unrestricted income funds</b>	16		257		255
<b>Total funds</b>			2,386		2,635

The financial statements on pages 30 to 57 were approved by the Governors, and authorised for issue on 3 December 2019 and are signed on their behalf, by:



**PJ Leadbitter**  
Chair of Governors

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	(145)	(29)
<b>Cash flows from investing activities</b>	20	14	(44)
<b>Cash flows from financing activities</b>	19	(1)	(1)
<b>Change in cash and cash equivalents in the year</b>		(132)	(74)
Cash and cash equivalents at the beginning of the year		359	433
<b>Cash and cash equivalents at the end of the year</b>	21	<u>227</u>	<u>359</u>

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kader Academy Trust meets the definition of a public benefit entity under FRS 102.

**1.2 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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

**1.3 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 year is deducted from income and recognised as a liability.

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

• **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 year it is receivable and to the extent the academy trust has provided the goods or services.



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.4 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.

- **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.

**1.5 GOING CONCERN**

The Governors 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 academy trust to continue as a going concern. The Governors 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.

**1.6 TANGIBLE FIXED ASSETS**

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

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

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 incorporating income and expenditure account.

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:

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.6 TANGIBLE FIXED ASSETS (continued)**

Depreciation is provided on the following bases:

Leasehold Land	- 125 years
Leasehold Buildings	- 50 years
Furniture and equipment	- 10 years
Computer equipment	- 3 years

**1.7 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.8 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.9 DEBTORS**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 LIABILITIES AND PROVISIONS**

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 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 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.



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.12 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 bases 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 13. Prepayments are not financial instruments. 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 14 and 15. 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.

**1.13 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.

**1.14 PENSIONS**

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

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



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

Estimates and judgments 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £71,000.

Critical areas of judgment:

There are two recent court cases which could impact on the future liabilities associated with the LGPS scheme, McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £18k as at 31 August 2019.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. There is however some judgement in how this equalisation works and is reflected in the LGPS valuations. Actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities. Based on this estimate it would increase liabilities by £3k which has been assessed to be immaterial to the financial statements.

Land – Land is held under a 125 year lease from Middlesbrough Council. These assets are included on the Balance Sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy trust could use them without major modification.

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**3. Income from donations and capital grants**

	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Capital Grants	25	25	9
	<u>25</u>	<u>25</u>	<u>9</u>
Total 2018	9	9	
	<u>9</u>	<u>9</u>	

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**4. Funding for the academy trust's educational operations**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,465	1,465	1,412
Pupil Premium	-	83	83	71
PE and Sports Grant	-	19	19	19
UIFSM	-	60	60	55
Rates	-	22	22	-
Other DfE Group grants	-	14	14	-
	-	1,663	1,663	1,557
<b>Other Government grants</b>				
SEN	-	8	8	9
Early Years Funding	-	127	127	106
Local Authority grants	-	3	3	-
	-	138	138	115
Non Government grants	-	1	1	-
Non Government non grant income	6	-	6	-
Student Catering	32	-	32	38
Student Trips	20	-	20	12
	58	1	59	50
	58	1,802	1,860	1,722
Total 2018	50	1,672	1,722	



**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**5. Income from other trading activities**

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Hire of facilities	14	14	8
Non student catering income	2	2	2
Receipts from Supply Teacher Insurance claims	13	13	20
Other	9	9	20
	<u>38</u>	<u>38</u>	<u>50</u>

All income from other trading activities in 2018 was attributable to unrestricted funds.

**6. Expenditure**

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Academy's educational operations:					
Direct costs	1,236	-	192	1,428	1,318
Allocated support costs	96	179	300	575	617
	<u>1,332</u>	<u>179</u>	<u>492</u>	<u>2,003</u>	<u>1,935</u>
Total 2018	<u>1,233</u>	<u>197</u>	<u>505</u>	<u>1,935</u>	

In 2019 of the total expenditure, £94,000 (2018 - £148,000) was to unrestricted funds and £1,909,000 (2018 - £1,787,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the trust
- Fixed assets losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy's educational operations	1,428	575	2,003	1,935
	<u>1,428</u>	<u>575</u>	<u>2,003</u>	<u>1,935</u>
Total 2018	1,318	617	1,935	
	<u>1,318</u>	<u>617</u>	<u>1,935</u>	

**Analysis of direct costs**

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	1,236	1,138
Educational supplies	82	75
Staff development	5	6
Technology costs	8	11
Educational consultancy	43	52
Supply insurance	23	13
Other costs	31	23
	<u>1,428</u>	<u>1,318</u>
	<u>1,428</u>	<u>1,318</u>

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Total funds 2019 £000	Total funds 2018 £000
Staff Cost	96	95
Depreciation	71	71
Net interest cost on pension scheme	7	7
Technology costs	36	40
Staff expenses	1	1
Maintenance of premises	58	87
Cleaning	1	1
Other premises costs	8	7
Energy	22	20
Rent & rates	23	17
Catering	80	86
Other insurance premiums	22	44
Operating lease rentals	2	3
Security	1	-
Other costs	131	121
Governance costs	16	17
	<u>575</u>	<u>617</u>

**8. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	13	13
Depreciation of tangible fixed assets	71	71
Fees paid to auditors for:		
- audit	6	6
- other services	3	2
	<u>90</u>	<u>92</u>



**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**9. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	908	782
Social security costs	82	70
Pension costs	192	152
	<hr/> 1,182	<hr/> 1,004
Agency staff costs	150	229
	<hr/> 1,332	<hr/> 1,233

Included in operating costs of defined benefit pension schemes is a debit of £42,000 (2018: £22,000) relating to the pension deficit actuarial adjustment.

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	15	13
Administration and support	25	23
Management	2	4
	<hr/> 42	<hr/> 40

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £70,001 - £80,000	1	1

**d. Key management personnel**

The key management personnel of the academy trust comprise the Governors and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including national insurance and employer pension contributions) received by key management personnel for their services to the academy trust was £228,000 (2018: £269,000).

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2019	2018
		£000	£000
L Chalk, Principal and Accounting Officer	Remuneration	70 - 75	70 - 75
	Pension contributions paid	10 - 15	10 - 15
A Mitchinson, Vice Principal and Governor	Remuneration	55 - 60	50 - 55
	Pension contributions paid	5 - 10	5 - 10

During the year, no Governors received any benefits in kind (2018 - £NIL), no expenses were reimbursed or paid directly to any Governors (2018: £NIL).

**11. Governors' and Officers' insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 (2018 - £2,000,000) on any one claim and the cost for the year ended 31 August 2019 was included within the total Commercial Combined insurance cost of £14,928 (2018 - £2,509).

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**12. Tangible fixed assets**

	Leasehold Land and Buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2018	2,724	113	66	2,903
Additions	6	2	3	11
At 31 August 2019	2,730	115	69	2,914
<b>Depreciation</b>				
At 1 September 2018	216	20	44	280
Charge for the year	52	10	9	71
At 31 August 2019	268	30	53	351
<b>Net book value</b>				
At 31 August 2019	2,462	85	16	2,563
At 31 August 2018	2,508	93	22	2,623

**13. Debtors**

	2019 £000	2018 £000
VAT repayable	166	52
Prepayments and accrued income	72	68
	238	120

**14. Creditors: Amounts falling due within one year**

	2019 £000	2018 £000
Trade creditors	92	138
Other taxation and social security	21	18
Other creditors	21	17
Accruals and deferred income	43	46
	177	219



**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**14. Creditors: Amounts falling due within one year (continued)**

	2019 £000	2018 £000
	2019 £000	2018 £000
Deferred income at 1 September 2018	32	33
Resources deferred during the year	30	32
Amounts released from previous periods	(32)	(33)
	<u>30</u>	<u>32</u>

At the Balance Sheet date the Academy trust was holding deferred income relating to Universal Infant Free School Meals.

Included within other creditors is a loan of £1,000 (2018: £1,000) from Salix which is provided on the following terms: repayable over a period of 8 years via bi-annual deductions from General Annual Grant funding.

**15. Creditors: Amounts falling due after more than one year**

	2019 £000	2018 £000
Other creditors	<u>4</u>	<u>5</u>

Included within other creditors is a loan of £4,000 (2018: £5,000) from Salix which is provided on the following terms: repayable over a period of 8 years via bi-annual deductions from General Annual Grant funding.

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
Unrestricted funds	255	96	(94)	-	-	257
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	1,465	(1,433)	(5)	-	27
Pupil Premium	-	83	(83)	-	-	-
Rates	-	22	(22)	-	-	-
SEN	-	8	(8)	-	-	-
Other DfE/ESFA grants	-	93	(93)	-	-	-
Other Government grants	-	130	(130)	-	-	-
Non Government Grants	-	1	(1)	-	-	-
Pension reserve	(243)	-	(49)	-	(169)	(461)
	<u>(243)</u>	<u>1,802</u>	<u>(1,819)</u>	<u>(5)</u>	<u>(169)</u>	<u>(434)</u>
<b>Restricted fixed asset funds</b>						
Assets inherited on conversion	2,248	-	(47)	-	-	2,201
Devolved Formula Capital	31	25	(21)	-	-	35
Capital expenditure from GAG	299	-	(16)	5	-	288
Condition Improvement Fund	45	-	(6)	-	-	39
	<u>2,623</u>	<u>25</u>	<u>(90)</u>	<u>5</u>	<u>-</u>	<u>2,563</u>
<b>Total Restricted funds</b>	<u>2,380</u>	<u>1,827</u>	<u>(1,909)</u>	<u>-</u>	<u>(169)</u>	<u>2,129</u>
<b>Total funds</b>	<u>2,635</u>	<u>1,923</u>	<u>(2,003)</u>	<u>-</u>	<u>(169)</u>	<u>2,386</u>

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

The General Annual Grant (GAG) must be used for the normal running of the academy trust including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other ESFA/DfE grants relate to the PE and Sports Grant funding and the Teacher Pay Grant and must be spent on PE and Sports curriculum costs and teachers' salaries respectively. Other DfE/ESFA grants also includes Universal Infant Free School Meals which must be spent on costs relating to the provision of meals to pupils.

SEN is additional funding for pupils with special educational needs.

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Statement of funds (continued)**

Other Government grants relates to Early Years funding and must be spent on costs relating to the provision of education to pupils.

Transfers have been made from GAG to fixed asset funds in relation to capital assets acquired through GAG.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 22.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>					
Unrestricted funds	303	100	(148)	-	255
<b>Restricted general funds</b>					
General Annual Grant (GAG)	59	1,412	(1,427)	(44)	-
Pupil Premium	-	71	(71)	-	-
SEN	-	9	(9)	-	-
Other DfE/ESFA grants	-	74	(74)	-	-
Other Government grants	-	106	(106)	-	-
Pension reserve	(293)	-	(29)	79	(243)
	(234)	1,672	(1,716)	35	(243)



**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Statement of funds (continued)**

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 August 2018 £000
<b>Restricted fixed asset funds</b>					
Assets inherited on conversion	2,295	-	(47)	-	2,248
Devolved Formula Capital	25	9	(3)	-	31
Capital expenditure from GAG	267	-	(12)	44	299
Capital expenditure from unrestricted funds	3	-	(3)	-	-
Condition Improvement Fund	51	-	(6)	-	45
	<u>2,641</u>	<u>9</u>	<u>(71)</u>	<u>44</u>	<u>2,623</u>
<b>Total Restricted funds</b>	<u>2,407</u>	<u>1,681</u>	<u>(1,787)</u>	<u>79</u>	<u>2,380</u>
<b>Total funds</b>	<u>2,710</u>	<u>1,781</u>	<u>(1,935)</u>	<u>79</u>	<u>2,635</u>

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	2,563	2,563
Current assets	383	82	-	465
Creditors due within one year	(126)	(51)	-	(177)
Creditors due in more than one year	-	(4)	-	(4)
Provisions for liabilities and charges	-	(461)	-	(461)
<b>Total</b>	<u>257</u>	<u>(434)</u>	<u>2,563</u>	<u>2,386</u>

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**17. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	2,623	2,623
Current assets	424	55	-	479
Creditors due within one year	(169)	(50)	-	(219)
Creditors due in more than one year	-	(5)	-	(5)
Provisions for liabilities and charges	-	(243)	-	(243)
<b>Total</b>	<b>255</b>	<b>(243)</b>	<b>2,623</b>	<b>2,635</b>

**18. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £000	2018 £000
Net expenditure for the year (as per Statement of Financial Activities)	(80)	(154)
<b>Adjustments for:</b>		
Depreciation	71	71
Capital grants from DfE and other capital income	(25)	(9)
Defined benefit pension scheme cost less contributions payable	42	22
Defined benefit pension scheme finance cost	7	7
(Increase)/decrease in debtors	(118)	100
Decrease in creditors	(42)	(66)
<b>Net cash used in operating activities</b>	<b>(145)</b>	<b>(29)</b>

**19. Cash flows from financing activities**

	2019 £000	2018 £000
Repayments of borrowing	(1)	(1)
<b>Net cash used in financing activities</b>	<b>(1)</b>	<b>(1)</b>

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**20. Cash flows from investing activities**

	2019 £000	2018 £000
Purchase of tangible fixed assets	(11)	(53)
Capital grants from DfE Group	25	9
<b>Net cash provided by/(used in) investing activities</b>	<u>14</u>	<u>(44)</u>

**21. Analysis of cash and cash equivalents**

	2019 £000	2018 £000
Cash in hand	227	359
<b>Total cash and cash equivalents</b>	<u>227</u>	<u>359</u>



**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £20,000 were payable to the schemes at 31 August 2019 (2018 - £16,000) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared for the Department for Education on 5 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% employer administration charge)
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Pension commitments (continued)**

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £108,000 (2018 - £97,000).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £56,000 (2018 - £45,000), of which employer's contributions totalled £42,000 (2018 - £33,000) and employees' contributions totalled £ 14,000 (2018 - £12,000). The agreed contribution rates for future years are 15.6 per cent for employers and 5.5 and 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	2019 %	2018 %
Rate of increase in salaries	3.00	3.00
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.00	2.00
Commutation of pensions to lump sums	80.00	80.00

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.9	22.9
Females	23.8	25.0
<i>Retiring in 20 years</i>		
Males	23.6	25.1
Females	25.7	27.3

**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Pension commitments (continued)**

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	1,137	841
Discount rate -0.1%	1,196	885
Mortality assumption - 1 year increase	1,127	838
Mortality assumption - 1 year decrease	1,206	888
CPI rate +0.1%	1,185	877
CPI rate -0.1%	1,147	849
	<u>1,137</u>	<u>841</u>

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	539	452
Property	59	48
Cash and other liquid assets	89	112
Other	18	8
<b>Total market value of assets</b>	<u>705</u>	<u>620</u>

The actual return on scheme assets was £26,000 (2018 - £30,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £000	2018 £000
Current service cost	(64)	(52)
Past service cost	(18)	-
Interest income	18	14
Interest cost	(25)	(21)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>(89)</u>	<u>(59)</u>



**KADER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Pension commitments (continued)**

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

	2019 £000	2018 £000
<b>At 1 September</b>	863	843
Current service cost	64	52
Interest cost	25	21
Employee contributions	14	11
Actuarial losses/(gains)	177	(63)
Benefits paid	(1)	(1)
Underprovision in prior years	6	-
Past service costs	18	-
	<u>1,166</u>	<u>863</u>
<b>At 31 August</b>	<u>1,166</u>	<u>863</u>

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

	2019 £000	2018 £000
<b>At 1 September</b>	620	550
Interest income	18	14
Actuarial losses	8	16
Employer contributions	42	30
Employee contributions	14	11
Benefits paid	(1)	(1)
Underprovision in prior years	4	-
	<u>705</u>	<u>620</u>
<b>At 31 August</b>	<u>705</u>	<u>620</u>

**23. Operating lease commitments**

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Not later than 1 year	7	8
Later than 1 year and not later than 5 years	6	9
	<u>13</u>	<u>17</u>
	<u>13</u>	<u>17</u>

**KADER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**24. Related party transactions**

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.