

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 2022

KADER ACADEMY TRUST
(A Company Limited by Guarantee)

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KADER ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Cunningham
Y Ditchburn
PJ Leadbitter

Governors

PJ Leadbitter, Chair
P Cunningham, Vice Chair¹
AR Mitchinson, Principal and Accounting Officer¹
D Carlucci¹
S Dalton
Y Ditchburn¹
J Donald, Staff Governor¹
J A Dunne (appointed 4 July 2022)
MA Hanif M.B.E.¹
MA Khalid, Chair of the Finance and Resource committee¹
CAE Marchant
Rev N R Rao
A Russell

¹ 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

AR Mitchinson, Principal
J Donald, Deputy principal
E Burton, Senior Teacher
L Yendall, Senior Teacher

Independent auditors

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

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers

Barclays Bank plc
Unit 1 Centre Mall
Middlesbrough
TS1 2NR

Solicitors

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

KADER ACADEMY TRUST
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. 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 Kader ward, Acklam, Middlesbrough. It has a pupil capacity of 420 (Reception to Y6) plus a 78 place nursery and had a roll of 479 in the school census on Thursday 20 January 2022.

Basis on which the pupils are admitted:

Kader Academy has an agreed Published Admission Number (PAN) of 60 pupils. The academy trust 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 trust, then places will be offered to all applicants. If more than 60 applications are made, then the academy trust 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 and Articles of Association are the primary governing documents 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 operates as Kader Academy Trust.

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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 Board of Governors is the final arbiter on all policy matters and decisions concerning the management of the academy trust. The Board of Governors 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 trust 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 Principal is also the Accounting Officer.

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

Arrangements for setting pay and remuneration of key management personnel

The Board of Governors 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 the 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.
- 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 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 Board of Governors in relation to the grading of members of the Leadership Group.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

Engagement with employees (including disabled persons)

Disabled Persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the academy. The academy adapts the physical environment by making support resources available and through training and career development.

Employee Consultation

The following takes place on a regular basis throughout the academic year:

- Staff Meetings
- Whole School Briefing Meetings
- Senior Leadership Meetings
- Team Meetings

The Academy holds five Professional Development Days (PD Days) for staff every academic year.

The academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy trust's equal opportunities policy, the academy trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy trust's offices.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 trust, 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 2022 are summarised below:

- To continue to drive forward the outstanding quality of teaching and learning to ensure appropriate challenge for all pupils.
- To implement the updated EYFS statutory framework and develop the setting to include a new 30-hour curriculum in Nursery.
- To monitor and embed PIXL assessment systems, alongside Target Tracker, to provide leaders and teachers with information to underpin strategic planning to maximize pupil progress and address gaps in vulnerable groups.
- To ensure all staff are mindful of the impact of Covid19 and how to strategically plan and inspire children to love to learn, swiftly addressing concerns with targeted intervention.
- To develop and implement Kader's Curriculum in PHSE and Religious Studies.
- To continue to address the rise in SEND numbers in Early Years and KS1 by employing additional teaching and learning staff and access emergency funding from the Local Authority.
- To support the new SENDco on the National Award for Special Educational Needs Coordination and Postgraduate Certificate in Vulnerable Learners and Inclusion.
- To maintain high standards of teaching and learning in order 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 address and improve the percentage of children who achieve the expected level in RWM combined in all year groups.
- To continue to embed the foundation subjects with in curriculum teams.
- To fully embed changes made to RE and PSHE curriculum.
- To increase whole school reading attainment with the intent to accelerate progress across the whole curriculum, including mathematics.
- To ensure that the history curriculum meets the needs of our children through providing engaging experiences, sufficient and important knowledge key vocabulary and a clear progression.
- To continue 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 maintain sound financial practices.
- To continue, where possible to provide families with an 'Eco Shop 'and to work with all pupils to understand the effects of food waste on the environment.
- To develop the 'Mindful Space' outside along side the Head Start Charity.
- To continue to enhance and improve the learning environment for pupils, ensuring safety and a healthy working environment through repairs and maintenance.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

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.
- Continue to develop sound relationships between school, families and the community.
- Provide value for money for the funds expended.
- Conduct the academy trusts business in accordance with the highest standard of integrity and openness.
- Act upon any moving on points from the recent 'good' Ofsted report.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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. The Governors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Governors have considered this guidance in deciding what activities the academy trust should undertake.

The academy trust, 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 trust:

- 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 behavioral 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, councilors, 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

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GOVERNORS' REPORT (CONTINUED)
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Objectives and activities (continued)

Achievements and performance

Statutory assessment resumed in May 2022. The academy's SATs results at KS2 were:

Reading 87%, Writing 78%, Maths 92% and CRWM 70%. Details being:

English

The academy trust continued to promote reading fluency and comprehension, which was recognised as a priority after the pandemic. School purchased additional licenses from Reading plus to allow a larger proportion of pupils in KS2 to access this daily provision. In KS1 we invested heavily in RWI resources, staff and their training, allowing for smaller homogenous groups which improved early reading acquisition

Mathematics

The academy trust has:

- Mathematics Leader has continued to focus on developing reasoning and mastery solving skills to maintain/improve the percentage of pupils achieving expected and greater depth in mathematics in school by participating in the Mastery of Number program by the NCETM. There was a promotion of C.P.A and ensuring fidelity to the program throughout the school, developing number acquisition and place value to allow fluency in reading across the curriculum linked to problem solving and reasoning.
- Times Tables Rock Stars continues to be used for children in Years 3 — 6.
- To use Target Tracker and PiXL data to review trends in results, identifying need for interventions and support closing the gaps.
- To continue to use Conquer maths for online learning at school and home.

Special Educational Needs and Disability (SEND)

The academy trust continues to have an increasing number of children with SEND and has recruited additional staff to manage this.

English as an Additional Language (EAL)

The academy trust continues to have a number of children starting the school who do not speak English and interventions are put into place where necessary.

Foundation Subjects

The academy trust has:

Focused on developing the foundation subjects, developing schemas, progression of key skills and assessment criteria. Knowledge organisers were revisited and metacognition strategies were top of all agendas.

Sport

All interschool competitions, events, residential and after school clubs were resumed. Whole school sports week took place during the summer term.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance (continued)

(continued)

Community Links

A local children's autistic football team continues to access the school field on Saturday mornings to train. The academy continues to offer an Eco-Shop for members of the local and school community.

The academy trust continues to work actively with the local Food Bank and Teesside Hospice.

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, the Middlesbrough SCITT programme and Northumbria University.

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
- Works with local primary schools to share good practice e.g. moderating writing

Premises

The academy trust aims to save money in order to implement a long-term plan to further extend teaching and learning areas and ultimately become a three-form entry school.

During 2021-22 the academy trust has:

- Obtained grant funding from Head Start to introduce a 'Mindful' outdoor space for pupils to access.
- Refurbished a room in lower school to accommodate a new 30 hour early years provision.
- Obtained a full lighting survey and building conditions report in order to prioritise future building work requirements. The academy aims to seek out government grants to improve energy efficiency and building condition based on the findings in these reports.

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

Financial key performance indicators used by the academy trust are as follows:

- Total revenue income per pupil £4,982 (2021: £4,476)
- Total revenue expenditure per pupil £4,976 (2021: £4,368)
- Percentage spend on staff costs vs revenue income 74.3% (2021: 72.9%)

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance (continued)

(continued)

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

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 2022 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.

In addition, the academy introduced a 30-hour early years (nursery) provision in September 2021 for 3 and 4 year olds which has proven to be a successful addition to the school. A breakfast and afterschool provision was also implemented at this time which has also proven to be a popular provision amongst the school community, especially for our working parents. The academy received early years income during the period of £ 242,000 and income from breakfast and afterschool club of £ 22,000.

During the year ended 31 August 2022, total expenditure of £2,664,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding pension reserve movements and restricted fixed asset funds) was £140,000.

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

At 31 August 2022 net book value of fixed assets was £2,390,000 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 £49,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2022 of £2,669,000 comprising £3,000 of restricted general funds, £2,391,000 of restricted fixed asset funds, a pension reserve of £(49,000) and £324,000 of unrestricted funds.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Reserves Policy

The academy trust holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- To provide funds which can be designated to specific areas such as support for SEND pupils.
- To cover ongoing costs in relation to the running of the academy trust including catering provisions, school trips and uniform costs

The level of reserves is reviewed by Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy trust is reviewed by the Trustees 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 Trustees therefore consider it is prudent to hold reserves in the general fund in the form of restricted general funds (excluding pension reserves) and unrestricted funds of £200,000.

The academy trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £324,000.

The balance on restricted general funds, excluding pension reserve, plus the balance on unrestricted funds at 31 August 2022 is a net surplus of £327,000

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.

Investment policy

The Board 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 centered 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 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 along with an Eco-shop). 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 participates in the annual 'Rudolph Run' in support of Teesside Hospice and all funds raised from sponsorship is passed directly to the Hospice.

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 Trust operates a lotteries license which is registered with Middlesbrough Council under the Gambling Act 2005.

The academy trust runs an Eco-shop every Friday afternoon during term time in partnership with Fare Share and Middlesbrough Environment City. The initiative engages pupils in the running and management of a small enterprise, educates on the issue of food waste and global climate issues and supports the local community whilst enabling pupils to raise small funds to be used on school resources.

During the accounting period 1 September 2021 to 31 August 2022 there were no fundraising complaints received by the academy trust.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

The academy plans for future periods are:

- To continue to drive forward the outstanding quality of teaching and learning to ensure appropriate challenge for all pupils and a narrowing of the gap with vulnerable groups.
- Ensure, that we continue to address and improve the percentage of children who achieve the expected level in the RWM combined in all year groups.
- To ensure that Writing is the highest priority for curriculum recovery with a focus on enriched vocabulary.
- To continue with the 30 hour early years provision which was introduced in September 2021.
- To seek to obtain capital funding to refurbish the School House and utilise it as a teaching and learning/SEND facility.
- Continue to explore the possibility of joining a Multi Academy Trust.
- Continue to address the rise in SEND pupils.
- Focus on the following foundation subjects;
Art & DT and Geography
- To continue to work alongside Head Start to improve the mental health and wellbeing of children and staff.

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 21 November 2022 and signed on its behalf by:



P J Leadbitter
Chair of Governors

KADER ACADEMY TRUST
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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.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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.

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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. The Board met less than 6 times due to an established committee of Governors who deal with specific areas of responsibility following robust terms of reference.

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

| Governor | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| PJ Leadbitter, Chair | 4 | 4 |
| P Cunningham, Vice Chair | 4 | 4 |
| AR Mitchinson, Principal and Accounting Officer | 4 | 4 |
| D Carlucci | 3 | 4 |
| S Dalton | 3 | 4 |
| Y Ditchburn | 4 | 4 |
| J Donald, Staff Governor | 4 | 4 |
| J A Dunne | 1 | 1 |
| MA Hanif M.B.E. | 3 | 4 |
| MA Khalid, Chair of the Finance and Resource committee | 4 | 4 |
| CAE Marchant | 3 | 4 |
| Rev N R Rao | 0 | 4 |
| A Russell | 3 | 4 |

Governance reviews

Governor Support/Clerking service changed part way through the academic period from Middlesbrough Council to Stockton on Tees Council. This was due to the service provided by Middlesbrough Council ceasing trading at the end of December 2021.

The academy aims to carry out an in-depth review of its governance structure and recruit governor vacancies during the Autumn term 2022.

KADER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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 |
|------------------|-------------------|-------------------|
| MA Khalid, Chair | 3 | 3 |
| D Carlucci | 3 | 3 |
| P Cunningham | 3 | 3 |
| J Donald | 3 | 3 |
| Y Ditchburn | 0 | 3 |
| MA Hanif M.B.E. | 3 | 3 |
| PJ Leadbitter | 2 | 3 |
| AR Mitchinson | 3 | 3 |

Kader Academy Trust manages conflicts of interest by requesting declarations of interest from all Trustees and SLT personnel at the beginning of the Academic year. Declaration of interests is also a standing agenda item at each governance meeting and all members are fully aware of the requirement to be transparent and open about any possible conflicts. Kader Academy Trust does not have ownership or control of any subsidiaries, joint ventures or associates.

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 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 (three per year group) to support targeted pupils
- Providing 1:1 Teaching Assistant support for SEND pupils in mainstream education
- Participating in the National Tutoring Programme (NTP) by obtaining tutors at a subsidised rate to deliver the catch up curriculum
- Continuing to provide professional sports coaching for pupils during staffs' Planning, Preparation and assessment (PPA) time
- 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
- Continuing to provide professional development for staff to enhance pupils' teaching and learning
- Subsidising the cost of educational visits and visitors to the academy trust to enhance pupils' teaching and learning
- Continuing with a rolling programme of replacing light fittings throughout the building with more cost effective LED alternatives and exploring grant income available to the academy to enhance efficiency and help deliver the governments scheme on decarbonisation of public buildings.
- Issue of fixed term contracts to Teachers and Teaching Assistants at a lower cost to the academy trust than agency supply.
- Continuing to work in close partnership with the Prince Regent Multi Academy Trust in order to obtain favorable discounts for resources and service level agreements such as Target Tracker, Data Technician, Photocopying and Printing, Data Protection Officer, EVERY data management system.
- Continuing to work in close partnership with the Prince Regent Multi Academy Trust in order to share best practice in Teaching and Learning.
- Re-brokering utility contracts where possible

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 2021 to 31 August 2022 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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
- identification and management of risks

The Board of Governors has decided to buy-in an internal audit service from Azets.

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

- Academy trust's website
- Financial Procedures, Accounting Records and Systems
- Register of Pecuniary Interests
- Whistle Blowing Policy
- New Governor Induction Pack
- Data Protection & GDPR Compliance
- School Development Plan
- Month-end and Year-end Procedures
- Bank Procedures
- Risk Register
- Payroll and Joiners & leavers
- Procurement
- Assets
- Gifts & Hospitality
- Data Security
- Management Information and Reports
- School Number Data
- Benchmarking

The internal audit is employed to provide, on a termly basis, a report to the Board of Governors, through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

KADER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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

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 Resources Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 21 November 2022 and signed on their behalf by:



PJ Leadbitter
Chair of Governors



AR Mitchinson
Accounting Officer

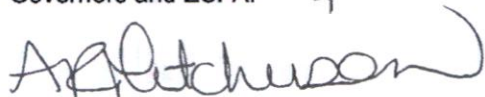
KADER ACADEMY TRUST
(A Company Limited by Guarantee)

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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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



AR Mitchinson
Accounting Officer
Date: 21 November 2022

KADER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 and 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:

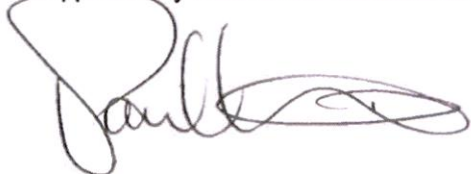
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ESFA/DfE 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 21 November 2022 and signed on its behalf by:



P J 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 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and 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

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

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

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

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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the academy trust 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.

KADER ACADEMY TRUST
(A Company Limited by Guarantee)

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of noncompliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

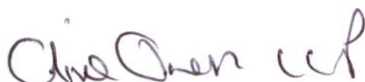
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

KADER ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Shotton BA BFP FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants

Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

Date: 24/11/22

KADER ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 16 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kader Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kader Academy Trust and 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 Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

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

- The work undertaken to draw to our conclusion includes:
- 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Clive Owen

Clive Owen LLP
Reporting Accountant

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date:

24/11/22

KADER ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

| | Note | Unrestricted funds 2022 £000 | Restricted funds 2022 £000 | Restricted fixed asset funds 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|---|------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | - | - | 9 | 9 | 33 |
| Other trading activities | 5 | 81 | - | - | 81 | 23 |
| Charitable activities | 4 | 56 | 2,294 | - | 2,350 | 2,157 |
| Total income | | 137 | 2,294 | 9 | 2,440 | 2,213 |
| Expenditure on: | | | | | | |
| Charitable activities | 7 | 89 | 2,482 | 93 | 2,664 | 2,328 |
| Total expenditure | | 89 | 2,482 | 93 | 2,664 | 2,328 |
| Net movement in funds before other recognised gains | | 48 | (188) | (84) | (224) | (115) |
| Other recognised gains: | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 23 | - | 867 | - | 867 | 57 |
| Net movement in funds | | 48 | 679 | (84) | 643 | (58) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 276 | (725) | 2,475 | 2,026 | 2,084 |
| Net movement in funds | | 48 | 679 | (84) | 643 | (58) |
| Total funds carried forward | | 324 | (46) | 2,391 | 2,669 | 2,026 |

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

BALANCE SHEET
AS AT 31 AUGUST 2022

| | Note | 2022 £000 | 2021 £000 |
|---|------|---------------------|---------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 2,390 | 2,474 |
| | | <u>2,390</u> | <u>2,474</u> |
| Current assets | | | |
| Debtors | 13 | 112 | 197 |
| Cash at bank and in hand | | 447 | 344 |
| | | <u>559</u> | <u>541</u> |
| Creditors: amounts falling due within one year | 14 | (231) | (215) |
| Net current assets | | <u>328</u> | <u>326</u> |
| Total assets less current liabilities | | <u>2,718</u> | <u>2,800</u> |
| Creditors: amounts falling due after more than one year | 15 | - | (1) |
| Net assets excluding pension liability | | <u>2,718</u> | <u>2,799</u> |
| Defined benefit pension scheme liability | 23 | (49) | (773) |
| Total net assets | | <u><u>2,669</u></u> | <u><u>2,026</u></u> |

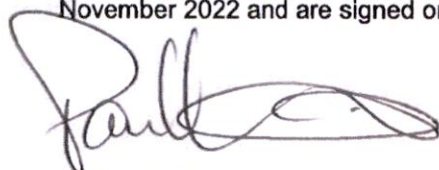
KADER ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08927009

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

| | Note | 2022 £000 | 2021 £000 |
|--|------|--------------|--------------|
| Funds of the academy trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 16 | 2,391 | 2,475 |
| Restricted income funds | 16 | 3 | 48 |
| | | <hr/> | <hr/> |
| Restricted funds excluding pension asset | 16 | 2,394 | 2,523 |
| Pension reserve | 16 | (49) | (773) |
| | | <hr/> | <hr/> |
| Total restricted funds | 16 | 2,345 | 1,750 |
| Unrestricted income funds | 16 | 324 | 276 |
| | | <hr/> | <hr/> |
| Total funds | | <u>2,669</u> | <u>2,026</u> |

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 31 to 60 were approved by the Governors, and authorised for issue on 21 November 2022 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 2022

| | Note | 2022 £000 | 2021 £000 |
|---|--------|--------------|--------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 18 | 104 | 23 |
| Cash flows from investing activities | 20 | - | (26) |
| Cash flows from financing activities | 19 | (1) | (2) |
| Change in cash and cash equivalents in the year | | 103 | (5) |
| Cash and cash equivalents at the beginning of the year | | 344 | 349 |
| Cash and cash equivalents at the end of the year | 21, 22 | <u>447</u> | <u>344</u> |

KADER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

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.

- **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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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 trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.14 Pensions (continued)

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

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 23, 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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Goodwin

The case related to male spouse or civil partner of a female member is treated in the same way as a same-sex spouse or civil partner. Survivor benefits will be calculated using service from 1 April 1972, or 6 April 1978 if the marriage or civil partnership took place after the last day of pensionable service. This change will apply for deaths in respect of female members which occurred from 5 December 2005, which is the date that same-sex civil partnerships were introduced. This case was brought against the Teachers' Pension Scheme. Actuaries have estimated that the impact of Goodwin indexation to be less than 0.1% of total liabilities. Based on this estimate it would increase liabilities by £1,339 which has been assessed to be immaterial to the financial statements.

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 £93,000.

Critical areas of judgment:

Land – Land is held under a 125 year lease from Middlesbrough Council. These assets are included on the Balance Sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Income from donations and capital grants

| | Restricted fixed asset funds 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|-------------------|--|--------------------------------|--------------------------------|
| Donations | - | - | 24 |
| Capital Grants | 9 | 9 | 9 |
| Total 2022 | <u>9</u> | <u>9</u> | <u>33</u> |
| Total 2021 | <u>33</u> | <u>33</u> | |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the academy trust's educational operations

| | Unrestricted funds 2022 £000 | Restricted funds 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|---|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Academy's educational operations | | | | |
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 1,747 | 1,747 | 1,611 |
| Other DfE/ESFA grants | | | | |
| Pupil Premium | - | 112 | 112 | 114 |
| PE and Sports Premium | - | 20 | 20 | 20 |
| UFSM | - | 68 | 68 | 56 |
| Rates | - | 8 | 8 | 11 |
| Teachers' Pay Grant | - | 3 | 3 | 23 |
| Teachers' pension grant | - | 9 | 9 | 64 |
| Other DfE Group grants | - | - | - | 1 |
| | - | 1,967 | 1,967 | 1,900 |
| Other Government grants | | | | |
| SEN | - | 57 | 57 | 29 |
| Early Years Funding | - | 242 | 242 | 150 |
| Other government grants | - | 28 | 28 | 3 |
| | - | 327 | 327 | 182 |
| Other income from the academy trust's academy's educational operations | 56 | - | 56 | 37 |
| COVID-19 additional funding (DfE/ESFA) | | | | |
| Catch-up Premium | - | - | - | 33 |
| Other DfE/ESFA COVID-19 funding | - | - | - | 5 |
| | - | - | - | 38 |
| | 56 | 2,294 | 2,350 | 2,157 |
| | 56 | 2,294 | 2,350 | 2,157 |
| Total 2021 | 37 | 2,120 | 2,157 | |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Income from other trading activities

| | Unrestricted funds 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|---|---------------------------------------|--------------------------------|--------------------------------|
| Income from facilities and services | 24 | 24 | 10 |
| Non student catering income | 3 | 3 | 1 |
| Receipts from Supply Teacher Insurance claims | 20 | 20 | 3 |
| Other income | 34 | 34 | 9 |
| | <u>81</u> | <u>81</u> | <u>23</u> |
| Total 2021 | <u>23</u> | <u>23</u> | |

6. Expenditure

| | Staff Costs 2022 £000 | Premises 2022 £000 | Other 2022 £000 | Total 2022 £000 | Total 2021 £000 |
|-----------------------------------|-----------------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| Academy's educational operations: | | | | | |
| Direct costs | 1,799 | - | 224 | 2,023 | 1,728 |
| Allocated support costs | 122 | 176 | 343 | 641 | 600 |
| | <u>1,921</u> | <u>176</u> | <u>567</u> | <u>2,664</u> | <u>2,328</u> |
| Total 2021 | <u>1,679</u> | <u>170</u> | <u>479</u> | <u>2,328</u> | |

In 2022 of the total expenditure, £89,000 (2021 - £55,000) was to unrestricted funds and £2,575,000 (2021 - £2,273,000) was to restricted funds.

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

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

There were no ex-gratia payments in the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Analysis of expenditure by activities

| | Activities undertaken directly 2022 £000 | Support costs 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|----------------------------------|--|----------------------------------|--------------------------------|--------------------------------|
| Academy's educational operations | 2,023 | 641 | 2,664 | 2,328 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total 2021 | 1,728 | 600 | 2,328 | |
| | <u> </u> | <u> </u> | <u> </u> | |

Analysis of direct costs

| | Total funds 2022 £000 | Total funds 2021 £000 |
|-------------------------|--------------------------------|--------------------------------|
| Staff costs | 1,799 | 1,566 |
| Educational supplies | 95 | 84 |
| Staff development | 16 | 5 |
| Technology costs | 9 | 4 |
| Educational consultancy | 48 | 45 |
| Supply insurance | 18 | 18 |
| Other costs | 38 | 6 |
| | <u> </u> | <u> </u> |
| | 2,023 | 1,728 |
| | <u> </u> | <u> </u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Total funds 2022 £000 | Total funds 2021 £000 |
|-------------------------------------|--------------------------------|--------------------------------|
| Net interest cost on pension scheme | 14 | 11 |
| Staff costs | 122 | 113 |
| Depreciation | 93 | 90 |
| Technology costs | 33 | 38 |
| Staff expenses | 3 | 1 |
| Maintenance of premises | 19 | 27 |
| Other premises costs | 9 | 13 |
| Energy | 44 | 21 |
| Rent & rates | 16 | 19 |
| Insurance | 19 | 23 |
| Operating lease rentals | 3 | 3 |
| Catering | 95 | 74 |
| Legal costs - Others | 6 | 8 |
| Security | 4 | 1 |
| Other costs | 149 | 148 |
| Governance costs | 12 | 10 |
| | <u>641</u> | <u>600</u> |

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2022 £000 | 2021 £000 |
|---------------------------------------|--------------|--------------|
| Operating lease rentals | 3 | 3 |
| Depreciation of tangible fixed assets | 93 | 90 |
| Fees paid to auditors for: | | |
| - audit | 8 | 8 |
| - other services | 1 | 1 |
| | <u>1</u> | <u>1</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2022 £000 | 2021 £000 |
|-----------------------|--------------|--------------|
| Wages and salaries | 1,285 | 1,131 |
| Social security costs | 120 | 98 |
| Pension costs | 394 | 339 |
| | <hr/> 1,799 | <hr/> 1,568 |
| Agency staff costs | 122 | 111 |
| | <hr/> 1,921 | <hr/> 1,679 |
| | <hr/> <hr/> | <hr/> <hr/> |

Included in operating costs of defined benefit pension schemes is a debit of £129,000 (2021: £100,000) 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:

| | 2022 No. | 2021 No. |
|----------------------------|-------------|-------------|
| Teachers | 16 | 16 |
| Administration and support | 35 | 30 |
| Management | 4 | 4 |
| | <hr/> 55 | <hr/> 50 |
| | <hr/> <hr/> | <hr/> <hr/> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Staff (continued)

c. Higher paid staff

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

| | 2022 No. | 2021 No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | - | 1 |
| In the band £70,001 - £80,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

d. Key management personnel

The key management personnel of the academy trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £299,000 (2021 £288,000).

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:

| | | 2022 £000 | 2021 £000 |
|--|----------------------------|--------------|--------------|
| A Mitchinson, Principal and Accounting Officer | Remuneration | 70 - 75 | 65 - 70 |
| | Pension contributions paid | 15 - 20 | 15 - 20 |
| J Donald, Vice Principal | Remuneration | 55 - 60 | 55 - 60 |
| | Pension contributions paid | 10 - 15 | 10 - 15 |

During the year ended 31 August 2022, Governor expenses totalled £181 (2021 - £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 £1,000,000 (2020 - £1,000,000) on any one claim and the cost for the year ended 31 August 2022 was included within the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Tangible fixed assets

| | Leasehold Land and Buildings £000 | Furniture and equipment £000 | Computer equipment £000 | Total £000 |
|--------------------------|--|------------------------------------|-------------------------------|---------------|
| Cost or valuation | | | | |
| At 1 September 2021 | 2,730 | 115 | 146 | 2,991 |
| Additions | - | 6 | 3 | 9 |
| At 31 August 2022 | 2,730 | 121 | 149 | 3,000 |
| Depreciation | | | | |
| At 1 September 2021 | 374 | 53 | 90 | 517 |
| Charge for the year | 53 | 12 | 28 | 93 |
| At 31 August 2022 | 427 | 65 | 118 | 610 |
| Net book value | | | | |
| At 31 August 2022 | 2,303 | 56 | 31 | 2,390 |
| At 31 August 2021 | 2,356 | 62 | 56 | 2,474 |

13. Debtors

| | 2022 £000 | 2021 £000 |
|--------------------------------|--------------|--------------|
| Prepayments and accrued income | 54 | 69 |
| VAT recoverable | 58 | 128 |
| | 112 | 197 |

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Creditors: Amounts falling due within one year

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Trade creditors | 54 | 92 |
| Other taxation and social security | 27 | 24 |
| Other creditors | 30 | 28 |
| Accruals and deferred income | 120 | 71 |
| | <u>231</u> | <u>215</u> |
| | 2022 £000 | 2021 £000 |
| Deferred income at 1 September 2021 | 35 | 33 |
| Resources deferred during the year | 37 | 35 |
| Amounts released from previous periods | (35) | (33) |
| | <u>37</u> | <u>35</u> |

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

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

| | 2022 £000 | 2021 £000 |
|-----------------|--------------|--------------|
| Other creditors | <u>-</u> | <u>1</u> |

Included within other creditors is a loan of £1,000 (2021: £2,000) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. Statement of funds

| | Balance at 1 September 2021 £000 | Income £000 | Expenditure £000 | Gains/ (Losses) £000 | Balance at 31 August 2022 £000 |
|-------------------------------------|---|----------------|---------------------|----------------------------|---|
| Unrestricted funds | | | | | |
| Unrestricted funds | 276 | 137 | (89) | - | 324 |
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 48 | 1,747 | (1,792) | - | 3 |
| Pupil Premium | - | 112 | (112) | - | - |
| SEN | - | 57 | (57) | - | - |
| PE and Sports Premium | - | 20 | (20) | - | - |
| Rates | - | 8 | (8) | - | - |
| Other DfE/ESFA grants | - | 64 | (64) | - | - |
| Early Years Funding | - | 242 | (242) | - | - |
| Other Government grants | - | 44 | (44) | - | - |
| Pension reserve | (773) | - | (143) | 867 | (49) |
| | (725) | 2,294 | (2,482) | 867 | (46) |
| Restricted fixed asset funds | | | | | |
| Assets inherited on conversion | 2,107 | - | (47) | - | 2,060 |
| Devolved Formula Capital | 42 | 9 | (6) | - | 45 |
| Capital expenditure from GAG | 275 | - | (29) | - | 246 |
| Condition Improvement Fund | 29 | - | (4) | - | 25 |
| Donated assets | 10 | - | (6) | - | 4 |
| Donated assets from ESFA | 12 | - | (1) | - | 11 |
| | 2,475 | 9 | (93) | - | 2,391 |
| Total Restricted funds | 1,750 | 2,303 | (2,575) | 867 | 2,345 |
| Total funds | 2,026 | 2,440 | (2,664) | 867 | 2,669 |

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 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.

Universal Infant Free School Meals included within Other DfE/ESFA Grants is funding to provide a free

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

school lunch to all pupils in reception, year 1 and year 2.

Other DfE/ESFA Grants also includes the PE and sport premium grant, rates relief, teachers' pay grant and teachers' pension grant.

Other Government grants include Early Years funding for three and four year old children, funding for pupils with Special Educational Needs and other income from the local authority.

SEN is additional funding for pupils with special education needs.

COVID-19 Catch up Premium has been awarded to schools to assist in the recovery of education as a result of the pandemic.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 23.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. Statement of funds (continued)

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

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

| | Balance at 1 September 2020 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2021 £000 |
|-------------------------------------|---|----------------|---------------------|-----------------------------|----------------------------|---|
| Unrestricted funds | | | | | | |
| Unrestricted funds | 271 | 60 | (55) | - | - | 276 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 1,611 | (1,560) | (3) | - | 48 |
| Pupil Premium | - | 114 | (114) | - | - | - |
| SEN | - | 29 | (29) | - | - | - |
| Other DfE/ESFA grants | 3 | 174 | (177) | - | - | - |
| Other Government grants | - | 154 | (154) | - | - | - |
| COVID-19 Catch up funding | - | 38 | (38) | - | - | - |
| Pension reserve | (719) | - | (111) | - | 57 | (773) |
| | (716) | 2,120 | (2,183) | (3) | 57 | (725) |
| Restricted fixed asset funds | | | | | | |
| Assets inherited on conversion | 2,154 | - | (47) | - | - | 2,107 |
| Devolved Formula Capital | 38 | 9 | (5) | - | - | 42 |
| Capital expenditure from GAG | 302 | - | (29) | 2 | - | 275 |
| Condition Improvement Fund | 35 | - | (6) | - | - | 29 |
| Donated assets | - | 10 | (1) | 1 | - | 10 |
| Donated assets from ESFA | - | 14 | (2) | - | - | 12 |
| | 2,529 | 33 | (90) | 3 | - | 2,475 |
| Total Restricted funds | 1,813 | 2,153 | (2,273) | - | 57 | 1,750 |
| Total funds | 2,084 | 2,213 | (2,328) | - | 57 | 2,026 |

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2022 £000 | Restricted funds 2022 £000 | Restricted fixed asset funds 2022 £000 | Total funds 2022 £000 |
|--|---------------------------------------|-------------------------------------|--|--------------------------------|
| Tangible fixed assets | - | - | 2,390 | 2,390 |
| Current assets | 324 | 234 | 1 | 559 |
| Creditors due within one year | - | (231) | - | (231) |
| Provisions for liabilities and charges | - | (49) | - | (49) |
| Total | 324 | (46) | 2,391 | 2,669 |

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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Unrestricted funds 2021 £000 | Restricted funds 2021 £000 | Restricted fixed asset funds 2021 £000 | Total funds 2021 £000 |
|--|---------------------------------------|-------------------------------------|--|--------------------------------|
| Tangible fixed assets | - | - | 2,474 | 2,474 |
| Current assets | 276 | 264 | 1 | 541 |
| Creditors due within one year | - | (215) | - | (215) |
| Creditors due in more than one year | - | (1) | - | (1) |
| Provisions for liabilities and charges | - | (773) | - | (773) |
| Total | 276 | (725) | 2,475 | 2,026 |

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

| | 2022 £000 | 2021 £000 |
|---|--------------|--------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (224) | (115) |
| Adjustments for: | | |
| Depreciation | 93 | 90 |
| Capital grants from DfE and other capital income | (9) | (9) |
| Defined benefit pension scheme cost less contributions payable | 129 | 100 |
| Defined benefit pension scheme finance cost | 14 | 11 |
| Decrease/(increase) in debtors | 85 | (93) |
| Increase in creditors | 16 | 39 |
| Net cash provided by operating activities | 104 | 23 |

19. Cash flows from financing activities

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Repayments of borrowing | (1) | (2) |
| Net cash used in financing activities | (1) | (2) |

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20. Cash flows from investing activities

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Purchase of tangible fixed assets | (9) | (35) |
| Capital grants from DfE Group | 9 | 9 |
| Net cash provided by/(used in) investing activities | - | (26) |

21. Analysis of cash and cash equivalents

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Cash in hand and at bank | 447 | 344 |
| Total cash and cash equivalents | 447 | 344 |

22. Analysis of changes in net debt

| | At 1 September 2021 £000 | Cash flows £000 | At 31 August 2022 £000 |
|--------------------------|-----------------------------------|--------------------|------------------------------|
| Cash at bank and in hand | 344 | 103 | 447 |
| Other loans | (2) | 1 | (1) |
| | 342 | 104 | 446 |

23. Pension commitments

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

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

Contributions amounting to £29,000 were payable to the schemes at 31 August 2022 (2021 - £27,000) and are included within creditors.

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23. Pension commitments (continued)

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. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £200,000 (2021 - £181,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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23. Pension commitments (continued)

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 2022 was £86,000 (2021 - £78,000), of which employer's contributions totalled £65,000 (2021 - £59,000) and employees' contributions totalled £ 21,000 (2021 - £19,000). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5 and 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Principal actuarial assumptions

| | 2022 % | 2021 % |
|--|-----------|-----------|
| Rate of increase in salaries | 4.05 | 3.60 |
| Rate of increase for pensions in payment/inflation | 3.05 | 2.60 |
| Discount rate for scheme liabilities | 4.25 | 1.70 |
| Inflation assumption (CPI) | 9.90 | 2.60 |
| 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:

| | 2022 Years | 2021 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| Males | 21.7 | 21.9 |
| Females | 23.5 | 23.6 |
| Retiring in 20 years | | |
| Males | 22.9 | 23.3 |
| Females | 25.3 | 25.4 |

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23. Pension commitments (continued)

Sensitivity analysis

| | 2022 £000 | 2021 £000 |
|--|-------------------|-------------------|
| Discount rate +0.1% | (30) | (46) |
| Discount rate -0.1% | 30 | 46 |
| Mortality assumption - 1 year increase | (54) | (73) |
| Mortality assumption - 1 year decrease | 54 | 73 |
| CPI rate +0.1% | 27 | 40 |
| CPI rate -0.1% | (27) | (40) |
| | <u> </u> | <u> </u> |

Share of scheme assets

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

| | At 31 August 2022 £000 | At 31 August 2021 £000 |
|-------------------------------------|------------------------------|------------------------------|
| Equities | 877 | 964 |
| Property | 232 | 83 |
| Cash and other liquid assets | 181 | 95 |
| Total market value of assets | <u>1,290</u> | <u>1,142</u> |

The actual return on scheme assets was £72,000 (2021 - £194,000).

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

| | 2022 £000 | 2021 £000 |
|---|--------------|--------------|
| Current service cost | (194) | (159) |
| Interest income | 20 | 16 |
| Interest cost | (34) | (27) |
| Total amount recognised in the Statement of Financial Activities | <u>(208)</u> | <u>(170)</u> |

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23. Pension commitments (continued)

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

| | 2022 £000 | 2021 £000 |
|--------------------------|--------------|--------------|
| At 1 September | 1,915 | 1,597 |
| Current service cost | 194 | 159 |
| Interest cost | 34 | 27 |
| Employee contributions | 21 | 19 |
| Actuarial (gains)/losses | (815) | 121 |
| Benefits paid | (10) | (8) |
| At 31 August | <u>1,339</u> | <u>1,915</u> |

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

| | 2022 £000 | 2021 £000 |
|------------------------|--------------|--------------|
| At 1 September | 1,142 | 878 |
| Interest income | 20 | 16 |
| Actuarial losses | 52 | 178 |
| Employer contributions | 65 | 59 |
| Employee contributions | 21 | 19 |
| Benefits paid | (10) | (8) |
| At 31 August | <u>1,290</u> | <u>1,142</u> |

24. Operating lease commitments

At 31 August 2022 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Not later than 1 year | 2 | 2 |
| Later than 1 year and not later than 5 years | 6 | 8 |
| | <u>8</u> | <u>10</u> |

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25. Related party transactions

Owing to the nature of the academy trust and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, 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 Governors' remuneration and expenses already disclosed in note 10.