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**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2020
for
University Academy Keighley**

Forrester Boyd
Statutory Auditors
Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

University Academy Keighley

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for the Year Ended 31 August 2020

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University Academy Keighley
Reference and Administrative Details
for the Year Ended 31 August 2020

MEMBERS:	P Hunter Prof M G Bradshaw Mrs J Marshall
TRUSTEES	Prof M G Bradshaw Mrs A Rafiq Mrs G Khan G Logan (appointed 17.9.19) G A McFarlane G R Hussain (appointed 11.12.19) Mrs N Kazmi Mrs N Koser Ms S Malik P Hunter
ACCOUNTING OFFICER	M Turvey (Deputy Head)
KEY MANAGEMENT PERSONNEL	A Kneeshaw (Executive Principal) J Skurr (Head of School) G Myers (Interim Finance Director)
REGISTERED OFFICE	The Offices of the Vice Chancellor The University of Bradford Richmond Road Bradford West Yorkshire BD7 1DP
REGISTERED COMPANY NUMBER	07134810 (England and Wales)
AUDITORS	Forrester Boyd Statutory Auditors Chartered Accountants 66-68 Oswald Road Scunthorpe North Lincolnshire DN15 7PG
SOLICITORS	Schofield Sweeney LLP Church Bank House, Church Bank Bradford West Yorkshire BD1 4DY
BANKERS	Lloyds Bank PLC Hustlergate Bradford BD1 1NT

University Academy Keighley
Report of the Trustees
for the Year Ended 31 August 2020

The trustee's who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The annual report serves the purposed of both a Trustees' Report, incorporating a Strategic report, and a Directors report under company law.

Location and Capacity Information

The Academy Trust operates an Academy for pupils aged 11 to 16 in Keighley, West Yorkshire. It has a pupil admission number of 900 and had a roll of 636 in the 2020 October Census.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the charity is to advance, for the public benefit, education in the United Kingdom in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum.

Significant activities

The main strategic objectives for 2019-20 were as follows:

1) Gain a 'Good' Ofsted Inspection Rating: This was easily the most important objective for the year, as attaining this rating was seen as pivotal to the future success and potentially the survival of the school. Attaining the school's first ever 'Good' would considerably raise UAK's profile in the local community and potentially lead to many more students attending. The dramatic drop in the school roll over recent years had led to large in-year deficits, which in turn had threatened the ongoing financial viability of UAK. The positive impact of a 'Good' inspection rating has since been demonstrated by a net rise of over 75 students across 2020, a 14% overall rise in numbers.

A 'Good' would also provide a considerable further boost to staff morale, which was so poor in 2018 that it led to staff strikes and picketing of the school.

2) Further Embed Staff in to New Operational Systems: There was considerable positive and necessary staff turnover in 2018-19. This meant that at the start of 2019-20, the school had a Head of School with just three months tenure and apart from one role - an entirely new leadership team. There were also significant numbers of new starters in teaching and non-teaching roles. With an Ofsted inspection likely, it was a considerable challenge to successfully induct and familiarise these new staff to their roles, as well as to new systems and operational procedures which had been introduced.

This work was overseen by the Carlton Academy Trust Director of School Improvement, with very successful results as witnessed by the outcome and comments contained within the Ofsted report.

3) Improve the Financial Position of the Trust: Despite making a substantial in-year surplus in 2018-19, financial pressures continued to present a major threat to the school at the start of 2019-20. These both threatened the conversion to Carlton Academy Trust as well as UAK's continued viability as a going concern. The major element of this threat were the large PFI payments, which rise by a compounded 3.4% each year, so that in the final year of the PFI contract (2034-35) they are over £800k higher than current payments.

Through increased student numbers, as well as a number of restructures and prudent financial practice, the financial outlook has considerably improved with a very large in-year surplus recorded at the end of 2019-20. This, along with assurances provided by the ESFA about ongoing student-led funding, led to Carlton Academy Trust to formally approve the transfer of UAK.

Public benefit

The Trustees are aware of, and have complied with, the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission.

University Academy Keighley
Report of the Trustees
for the Year Ended 31 August 2020

OBJECTIVES AND ACTIVITIES

Mission and Core Principles

In accordance with transfer to Carlton Academy Trust, the school is now following the core operational principles, as follows:

- **Student Focussed:** The interests of students are paramount and the prime focus of all staff, systems and initiatives at the school.
- **High Expectations:** With no compromises or excuses accepted according to socio or economic disadvantage, ability, gender, cultural or other factors.
- **Outstanding Behaviour, Discipline and Conduct:** In recognition of their roles as essential pre-requisites for outstanding learning, progress and achievement.
- **Specialisation and Productivity:** Maximal resources are deployed to activities directly relating to teaching and learning and the wider educational development of students. This leads to higher standards and the accelerated progress of students.
- **Financial and Operational Efficiency:** To ensure maximal deployment of resources to directly student-facing activities- primarily teaching and learning.

FUNDRAISING

The Trust does not employ or use any external fundraisers. All fundraising / income generation undertaken during the year was monitored by the trustees.

ACHIEVEMENT AND PERFORMANCE

Achievements and Performance Including Key Performance Indicators

Academic results for the last four years are outlined below:

Achievement Measures	2017	2018	2019	2020
% Students with at least 1 qualification	100	99.2	100	99.1
% Standard Basics (4+ in English & Maths)	49	42.1	42.7	50
% Good Basics (5+ in English & Maths)	28	25.4	25.9	30.2
Achievement in English & Maths	2017	2018	2019	2020
% Standard Pass in English	60	60.3	62.2	63.2
% Good Pass in English	45	46.8	47.6	44.3
% Standard Pass in Maths	52	46.8	46.2	56.6
% Good Pass in Maths	30	29.4	28.7	34
Progress 8	2017	2018	2019	2020
Overall Progress 8	0.02	-0.03	-0.18	0.21
English Progress 8	0.01	-0.04	0	0.08
Maths Progress 8	0.06	0.04	-0.24	0.19
Ebacc Progress 8	-0.04	-0.34	-0.61	-0.03
Open Progress	0.07	0.23	0.15	0.56
Attainment 8	2017	2018	2019	2020
Average Total Attainment 8	36.69	37.04	36.45	40.25
Average Attainment 8 Grade	3.67	3.66	3.64	4.02
	2017	2018	2019	2020
APS KS2	4.2	4.23	4.31	4.28
Cohort Size	100	126	144	106

Commentary

- **Overall Results:** Cancellation of examinations in summer 2020 means that outcomes are based on internal centre-assessed grades, and not standardised against the national cohort. However, robust internal processes of assessment mean that improvements in outcomes reflect the overall improvement in the Academy at all levels, in line with a school with a 'Good' Ofsted judgement.

- **Progress Overall:** Whilst national measures for progress are unavailable, SISRA data suggest overall progress has improved from previous measures, across all Progress 8 elements. Progress in English, Maths & the Open buckets is positive, with slightly negative progress in the Ebacc bucket due to inconsistencies across subject groupings, with Geography and some elements of the Sciences performing well.

- **Attainment:** Overall attainment, and the percentage of pupils achieving both Grade 4+ and Grade 5+ in English & Maths, has improved from previous outcomes.

University Academy Keighley
Report of the Trustees
for the Year Ended 31 August 2020

FINANCIAL REVIEW

Financial review

The majority of the academy's income derives from central government funding via the Education and Skills Funding Agency (ESFA). The academy also received funding from Bradford MDC to support special educational needs and designated special provision. In addition, the academy has raised funds through its expertise and use of its facilities.

During the year ended 31st August 2020 the academy recorded a surplus of £795,510 (before actuarial movement and depreciation); total income was £5,812,447 and the total expenditure the same period was £5,329,540. The operating expense, excluding depreciation and non-cash pension movements, was £4,960,900.

At 31st August 2020 the total assets less current liabilities was £2,584,357 (2019: £1,843,450), and the net book value of tangible fixed assets was £250,133 (2019: £304,736).

There is a declared deficit on the defined benefit pension scheme (Local Government Pension Scheme, LGPS) for associate staff. Whereas the value is significant, it is the norm nationwide. Whilst the return on the fair value of assets has been maintained at the same low level as the previous academic year, the defined benefit obligations have reduced from that of the previous year.

The deficit has increased from £2.6m in 2019 to £3.0m in 2020. There is still a real risk that contribution rates will increase in the future.

Reserves and Investment Policy

Reserves:

The trustees manage the academy's reserves to ensure the academy can meet its commitments and ensure sufficient funds are available in a current account to meet foreseeable requirements.

At 31st August 2020, the academy trust held the following reserves:

	£
Restricted General Fund	688,413
Restricted Asset Fund	250,133
Unrestricted Fund	1,645,811
Pension Reserve	(3,012,000)

In the Investment and Treasury Management Policy, the governing body do not set a specific target range of reserves but look to invest funds "not immediately required for the furtherance of its objectives". The previous target set was to ensure sufficient sums were available in a current account or at short notice to meet foreseeable requirements. Current staffing costs are budgeted in the region of £291 k per month (including secondment charges and the Carlton Bolling SLA) and monthly PFI charges are £109 k.

Investment:

The trustees seek to earn an acceptable rate of return on surplus funds without undue risk as prescribed in the Investment and Treasury Management Policy. Cash is monitored on a daily basis, and is invested with Lloyds Bank plc and can be invested as prudently as required.

Going concern

Financial projections show that the academy will make large financial surpluses over the next three financial years, and as such is a going concern. These were projections were based on assurances received from the ESFA during the year that the basis of the schools' funding allocation would remain unchanged.

According to outline projections made over 15 years and based on many pessimistic assumptions, the school is also financially viable. The caveat is that student numbers continue to rise, reaching around 750 by 2025. Numbers are already well in excess of projections at the start of 2020-21, so there is confidence that these student numbers will be reached.

FUTURE PLANS

For perhaps the first time, the academy is very settled and on a rapid trajectory of improvement. Therefore, 2020-21 is a year to consolidate and develop upon recent improvements, progressing within now well-established systems and with no need for significant change or introduction of new improvement initiatives.

Due to the significant increase in student numbers, the academy plans to further expand staffing to deal with these. This will include the addition of an Assistant Head with responsibility for Progress and Standards, as well as Lead Teachers in key areas and a number of main scale teachers.

The school is also set to join Carlton Academy Trust as of 1st September 2021.

University Academy Keighley
Report of the Trustees
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of University Academy Keighley are also the directors of the charitable company for the purposes of common law. The charitable company is known as University Academy Keighley. The principal sponsor is the University of Bradford and the co-sponsor is the City of Bradford Metropolitan District Council.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on Page 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.

Trustees' Indemnities

No specific Third Party or Pension Indemnities.

Principal activities

The principal activity of the charitable company is the education provision of teaching and learning. The main ambition for our students is encapsulated in the statement "Aspire, Accomplish, Achieve", and we support the learning of all our students to the highest standards possible, creating the environment where effective teaching and learning can take place, endeavouring to remove barriers for learning such as deprivation, behaviour or social issues.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed under the rules contained within its Memorandum and Articles of Association. The appointments are made by the Secretary of State, the academy sponsors and the trustees who delegate powers to the academy senior leadership team.

The membership of the main board of trustees is in accordance with the structure contained within its Memorandum and Articles of Association. Trustees have a breadth of skills, which are beneficial to the academy.

University Academy Keighley
Report of the Trustees
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The structure and operation of the Trust follows the guidelines as set out in the Academies Financial Handbook and Academies Governance Handbook.

The Trustees have overall responsibility and ultimate decision-making authority for the effective operation of the academy. Their role is strategic rather than operational, holding senior leaders to account for the performance of the school across all areas of operation. This is mainly achieved through quality assurance methodologies, budget monitoring, and oversight of strategic planning.

Members are the original subscribers to the Trust, and are the equivalent to shareholders in a company. Their role is to ensure Trustees perform their duties in a competent manner in accordance with the charitable purposes of its founding/articles of association.

The most senior members of the senior leadership team are the Executive Principal and Head of School, who together ensure the effective implementation of strategic initiatives and policies as defined by Trustees and are responsible for the overall performance of UAK.

Specific duties are devolved to eight other senior leaders, the most senior of which is the Deputy Head of School, who was accounting officer throughout the year, which is a new role to the structure in 2019-20. The remaining team are two Assistant Heads with responsibility for Teaching and Learning and Pastoral, respectively, with the other five being Directors responsible for specific subject areas. The success of this new structure and the personnel occupying them was demonstrated with the Ofsted 'Good' judgement in January.

UAK has been working in a formal school support agreement with Carlton Bolling/Carlton Academy Trust (CAT) since September 2018, and under due diligence to convert and become a full member of the Trust. This conversion was confirmed by CAT Trustees in July 2020, but due to the legal complications associated with the schools' PFI contract, the official transfer is expected to be on 1 September 2021. Other than the legal aspects, the school already operates as a full de-facto member of CAT so no interruptions to provision are anticipated at conversion.

The school also works with many high-quality external providers to supplement provision to students. These include One Britain One Nation (social inclusion charity), Community Champions (charitable organisation to raise aspirations of students), Forest Schools, and careers guidance services

Policies and Procedures Adopted for the Induction and Training of Trustees

When appointed, new trustees are provided with an induction which outlines the composition of the board of trustees and members, expectations of their role and familiarisation with the current context of the academy. They will also be allocated a link governor role according to their particular knowledge and experience.

Trustees will also be provided with access to ongoing training, with the academy currently signed up to Gold membership with the National Governors Association. Membership includes monthly magazines, weekly newsletters, training webinars, online resources and resources specifically aimed at those new to the role.

Trustees have easy access to all academy policies via the website or internal academy systems, and are actively encouraged to visit to attend events, observe daily practice and to undertake duties relating to their link responsibilities.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The performance of senior leaders is overseen by the Head of School, who makes pay recommendations on the basis of these. The Head of School's performance is appraised by the Executive Headteacher, in association with the Chair of Trustees. All pay decisions are then ratified by the Trust board.

Trade union facility time

A member of teaching staff was seconded to the NASUWT on a full-time basis until her resignation on 30/04/2019, which was fully funded by the local authority through a facilities time agreement.

University Academy Keighley
Report of the Trustees
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£
Total cost of facility time	11,046
Total pay bill	3,579,598

Percentage of the total pay bill spent on facility time calculated as:

$(\text{total cost of facility time} \div \text{total pay bill}) \times 100$	0.31%
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Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

$(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100$	0.37%
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Connected Organisations Including Related Party Relationships

University Academy Keighley operates as a sole entity and is not part of a wider network or federation. The University of Bradford is the principal sponsor. The City of Bradford Metropolitan District Council is the co-sponsor.

University of Bradford Faculty of Management and Law:

During the year, the academy paid £Nil (2019: £6,012) to the University of Bradford Faculty of Management and Law in respect of HR support and hire of meeting rooms.

ShIPLEY College:

A Trustee is also a governor at Shipley College. During the year the Trust paid £250 (2019: £2,500) to Shipley College in respect of course fees.

Carlton Bolling (SLA)

The support of Carlton Bolling is covered by a Service Level Agreement. Two Trustees from Carlton Bolling have joined the Trustees of UAK during the Financial Year and so the Carlton Bolling SLA has been moved into Related Party Relationships. However, the original SLA signed on 1st September 2018 has not been renewed or amended at any stage. Charges to cover the SLA are estimated as £231,928 (2019: £244,614) (4% of Gross Income) for the SLA and staffing charges of £217,247 (2019: £40,648) and for miscellaneous costs £8,456 (2019: Nil)

Other Significant Agreements

Rodillian Multi Academy Trust:

During the year, the academy paid £Nil (2019: £282,074) to Rodillian MAT

Bradford MDC (Clerking Only):

The charge to the academy during the year ended 31st August 2020 was £3,000 (2019: £1,905). These were in relation to clerking the finance committee meetings.

University Academy Keighley
Report of the Trustees
for the Year Ended 31 August 2020

PRINCIPAL RISKS AND UNCERTAINTIES

Risks and uncertainties have considerably reduced over the year, with a significantly improved financial position, improved Ofsted rating and confirmed move in the Carlton Academy Trust. As a result, the trust is now in the best overall position in its existence.

In common with many schools, the biggest threat at the outset of 2020-21 is the continued prevalence of the Coronavirus pandemic. This constitutes a significant threat to the interruption of education at the school as staff and students are forced to self-isolate. Consequences of this could result in poorer levels of provision as a result of employing temporary staff, closure of school year group bubbles or the entire school. Even with remote learning protocols, students' progress and attainment will inevitably suffer and standards in absolute terms will fall. Although all schools are subject to these uncertainties, UAK is at greater risk due to the high number of cases within the local community and difficulties some students experience accessing work and working productively from home.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that

-so far as that Trustee is aware, there is no relevant audit information of which the academy trust's auditors are unaware and
-that Trustee has taken all steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the academy trust's auditors are aware of that information

AUDITORS

The auditors, Forrester Boyd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 1 December 2020 and signed on its behalf by:



Prof M G Bradshaw - Trustee

University Academy Keighley
Governance Statement
for the Year Ended 31 August 2020

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that UAK 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 trustees, we have reviewed and taken account of the guidance in DFE's Governance Handbook and Competency Framework for governance.

During the year the board of trustees delegated the day to day responsibility to the Executive Principal (Carlton Trust), the Head of School (Carlton Trust) and the Accounting Officer who is the deputy head, for ensuring financial controls conform to the requirements and responsibilities of both propriety and good financial management in accordance with the requirements assigned to it in the funding agreement between University Academy Keighley and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

The information on governance here supplements that described in the trustees' report and in the statement of trustees responsibilities. The board of trustees has formally met four times during the year (limited due to COVID difficulties), including the AGM. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of Possible
Gwendolen Bradshaw	4	4
Naz Kazmi	1	4
Gail Khan	4	4
Nazia Koser	4	4
Shahin Malik	3	4
Gary McFarlane	4	4
Aziz Rafiq	1	1
Gareth Logan	4	4
Gull Hussain	3	4
Phillip Hunter	4	4
Members		
Joanne Marshall	1	1
Philip Hunter	1	1
Gwendolen Bradshaw	1	1

Finance and Audit Committee:

This Committee was resurrected during 2019-20, but meetings were reduced due to COVID.

Trustee	Meetings Attended	Out of Possible
Gwendolen Bradshaw	3	3
Gail Khan	3	3
Nazia Koser	1	2

Accounting Officer

Both the Executive Principal and Head of School were ineligible to be Accounting Officer, as both are employed by Carlton Academy Trust and therefore deemed to have a potential conflict of interest. Therefore, the Deputy Head of School took on this responsibility in 2019-20.

University Academy Keighley
Governance Statement
for the Year Ended 31 August 2020

Review of Value for Money

The Accounting Officer has responsibility for ensuring the Trust delivers good value in the use of public funds in delivering educational outcomes to students. In conjunction with other senior leaders and specialist personnel, they seek to maximise value for money and effect maximal effectiveness and productivity from Trust spending. This applies to all areas of operation, and the success of this comprehensive approach is best illustrated by the very strong in-year surplus recorded at the end of this year.

Finance Governance and Oversight

The Trust obtains objective oversight through the services of independent internal auditors, whilst external auditors provide advice on compliance and accounting methodologies. Their findings are presented and discussed at The Finance and Audit Committee (which will become the Risk and Audit committee), as well as Trust Board meetings

The Interim Financial Controller produces monthly management reports and accounts which updates on any emergent financial issues and advises on the current financial position against budget. These reports are shared with the Chair of Trustees, Executive Principal, Head of School and Accounting Officer.

Trustees scrutinise the budget each year, recognising the need to achieve avoid in-year or multi-year deficit positions and therefore remain a going concern. They also receive and approve the annual accounts and report.

The Purpose of the System of Internal Control

Internal controls are designed to mitigate and manage risk to a reasonable level rather than to eliminate them entirely. Processes are ongoing and codified in the Risk Register, where major risks are identified, listed and assessed for the likelihood of occurrence and impact together with methodologies to manage them should they occur.

Capacity to Handle Risk

Trustees have reviewed the key risks facing the Trust, together with the operating, financial and compliance controls that have been implemented to mitigate these risks. This is a formal ongoing process that has been used throughout the year which includes approval of the annual report and financial statements and is subject to scrutiny by the Finance and Audit Committee (which will become the Risk and Audit Committee). However, due to the limitations caused by Covid-19, some of these responsibilities were undertaken at trustee meetings.

The Risk and Control Framework

Financial control systems comprise a combination of regular management information and administrative systems and procedures, the latter of which includes segregation of duties and a comprehensive system of delegation and accountability. Specific elements include:

- Comprehensive budgeting and budget monitoring software which produce annual budgets and detailed ongoing financial reports against this set budget for scrutiny by Trustees and relevant senior leaders.
- Finance is discussed as a standing item at Trustee meetings, enabling oversight and scrutiny of financial performance, proposed purchases, capital works and expenditure.
- Provision of a clear scheme of delegation for purchases
- Systems for delegation of authority and segregation of duties
- Identification and management of risks.

External partners are also engaged to undertake audits as directed by Trustees in alignment with current strategic priorities.

Internal audits

The programme of Internal Audit work was agreed by Trustees and three visits were arranged during the Year as follows

- The visit on 1 November 2019 looked at Staffing Contracts and no major issues were reported
- A visit was arranged in March 2020 to look at Invoices and the associated Bank details. Due to COVID, this did not take place. It has been rearranged for the 16th of November 2020.
- A visit was arranged in June 2020 to look at Health and Safety measures and practises with the Academy. Again, due to COVID, this did not take place and will be rearranged in the new year.

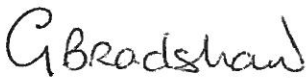
University Academy Keighley
Governance Statement
for the Year Ended 31 August 2020

Review of Effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. Their work has been informed by:

- Work and reports from the external auditor
- Attendance at Finance and Audit committee meetings.
- Review of Related Party transactions
- Work of senior leaders who have responsibility for internal financial controls.
- Weekly meetings between the Head of School and Interim Financial Controller.
- Bank and other reconciliations.
- Standing item financial updates presented at Trustee meetings.

Approved by order of the members of the board of trustees on 1 December 2020 and signed on its behalf by:



Prof M G Bradshaw - Trustee



Mark Turvey - Accounting Officer

University Academy Keighley

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2020

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

Since I have become accounting officer, I have placed reliance on my discussions with the Chair of Governors and the Interim Financial Controller of the academy regarding the period before my appointment in September 2019. I have also used my meetings with the academy's Interim Financial Controller with regard to ensuring the following:

- Sound and appropriate financial governance is in place and risk management processes are under urgent review during this year and for the new academic year
- Preparation of management accounts and the monitoring of budgets took place during the year
- Any weaknesses in financial systems and controls are identified and there is continuous improvement in systems, and
- There is sufficient due process for the preparation of the annual accounts of the academy

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

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

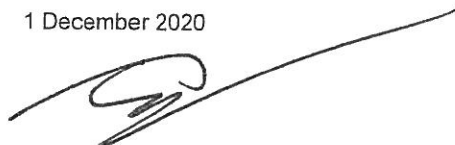
Non-financial issues:

The programme of Internal Audit work was agreed by Trustees and three visits were arranged during the Year as follows

- The visit on 1 November 2019 looked at Staffing Contracts and no major issues were reported
- A visit was arranged in March 2020 to look at Invoices and the associated Bank details. Due to COVID, this did not take place. It has been rearranged for the 16th of November 2020.
- A visit was arranged in June 2020 to look at Health and Safety measures and practises with the Academy. Again, due to COVID, this did not take place and will be rearranged in the new year.

Mark Turvey - Accounting Officer

1 December 2020



Unverslty Academy Keighley

**Statement of Trustees' Responsibilities
for the Year Ended 31 August 2020**

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- Make judgments and accounting estimates that are reasonable and prudent
- ~~State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements~~
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust 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 academy trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the academy trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust'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 board of trustees on 1 December 2020 and signed on its behalf by:



Prof M G Bradshaw - Trustee

Report of the Independent Auditors to the Members of University Academy Keighley

Opinion

We have audited the financial statements of University Academy Keighley (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, incorporating income and expenditure accounts, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

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 2020 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.
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the charities SORP 2019 and Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Other information includes the Trustees' Annual Report (incorporating the Strategic Report and Directors' Report), the governance statement, and the Accounting Officer's statement.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of University Academy Keighley

Matters on which we are required to report by exception

In the light of the 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 Strategic Report and Directors' Report.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (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 trustees 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 trustees are responsible for assessing the academy trusts' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

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

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

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 trusts' 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 the academy trusts' members as a body, for our audit work, for this report, or for the opinions we have formed.

Forrester Boyd

Carrie Anne Jensen ACA (Senior Statutory Auditor)
for and on behalf of Forrester Boyd
Statutory Auditors
Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

1 December 2020

Independent Reporting Accountant's Assurance Report on Regularity to University Academy Keighley and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by University Academy Keighley during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of University Academy Keighley's accounting officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the 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 our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy Trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

Conclusion

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

Forrester Boyd

Carrie Anne Jensen ACA, Reporting Accountant
Forrester Boyd
Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

1 December 2020

University Academy Keighley
Statement of Financial Activities
for the Year Ended 31 August 2020

				2020	2019	
	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	-	14,243	14,243	52,892
Charitable activities						
Funding for the academy's educational operations	3	-	5,513,410	-	5,513,410	5,796,019
Other trading activities	4	280,418	-	-	280,418	318,648
Investment income	5	4,376	-	-	4,376	5,454
Total		284,794	5,513,410	14,243	5,812,447	6,173,013
EXPENDITURE ON Charitable activities						
Academy's educational operations	3	93,104	5,125,796	110,640	5,329,540	6,382,577
Total	6	93,104	5,125,796	110,640	5,329,540	6,382,577
NET INCOME/(EXPENDITURE)		191,690	387,614	(96,397)	482,907	(209,564)
Transfers between funds	18	-	(41,794)	41,794	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	(146,000)	-	(146,000)	(1,300,000)
Net movement in funds		191,690	199,820	(54,603)	336,907	(1,509,564)
RECONCILIATION OF FUNDS						
Total funds brought forward		1,454,121	(2,523,407)	304,736	(764,550)	745,014
TOTAL FUNDS CARRIED FORWARD		<u>1,645,811</u>	<u>(2,323,587)</u>	<u>250,133</u>	<u>(427,643)</u>	<u>(764,550)</u>

The notes form part of these financial statements

University Academy Keighley

Balance Sheet
31 August 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	12	250,133	304,736
CURRENT ASSETS			
Stocks	13	4,101	3,397
Debtors	14	223,833	456,330
Cash at bank		<u>2,805,933</u>	<u>2,209,325</u>
		3,033,867	2,669,052
CREDITORS			
Amounts falling due within one year	15	<u>(699,643)</u>	<u>(1,130,338)</u>
NET CURRENT ASSETS		<u>2,334,224</u>	<u>1,538,714</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,584,357	1,843,450
PENSION LIABILITY	19	<u>(3,012,000)</u>	<u>(2,608,000)</u>
NET ASSETS/(LIABILITIES)		<u>(427,643)</u>	<u>(764,550)</u>
FUNDS	18		
Unrestricted funds:			
Unrestricted general fund		1,645,811	1,454,121
Restricted funds:			
Restricted fixed asset fund		250,133	304,736
General Annual Grant		688,413	84,593
Restricted pension fund		<u>(3,012,000)</u>	<u>(2,608,000)</u>
		<u>(2,073,454)</u>	<u>(2,218,671)</u>
TOTAL FUNDS		<u>(427,643)</u>	<u>(764,550)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 1 December 2020 and were signed on its behalf by:

M G Bradshaw

M G Bradshaw - Trustee

The notes form part of these financial statements

University Academy Keighley
Cash Flow Statement
for the Year Ended 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>634,026</u>	<u>227,965</u>
Net cash provided by operating activities		<u>634,026</u>	<u>227,965</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(56,037)	(10,031)
Capital grants from DfE/EFA		14,243	52,892
Interest received		<u>4,376</u>	<u>5,454</u>
Net cash (used in)/provided by investing activities		<u>(37,418)</u>	<u>48,315</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		596,608	276,280
		<u>2,209,325</u>	<u>1,933,045</u>
Cash and cash equivalents at the end of the reporting period		<u>2,805,933</u>	<u>2,209,325</u>

The notes form part of these financial statements

University Academy Keighley

Notes to the Cash Flow Statement
for the Year Ended 31 August 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	482,907	(209,564)
Adjustments for:		
Depreciation charges	108,540	140,797
Capital grants from DfE/ESFA	(14,243)	(52,892)
Loss/(profit) on disposal of fixed assets	2,100	(3,376)
Interest received	(4,376)	(5,454)
Increase in stocks	(704)	(3,397)
Decrease/(increase) in debtors	232,497	(139,552)
(Decrease)/increase in creditors	(430,695)	282,403
Difference between pension charge and cash contributions	<u>258,000</u>	<u>219,000</u>
Net cash provided by operations	<u>634,026</u>	<u>227,965</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank	<u>2,209,325</u>	<u>596,608</u>	<u>2,805,933</u>
Total	<u>2,209,325</u>	<u>596,608</u>	<u>2,805,933</u>

The notes form part of these financial statements

University Academy Keighley

Notes to the Financial Statements for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The academy trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

The Offices Of The Vice-Chancellor The University
Richmond Road
Bradford
West Yorkshire
BD7 1DP

These financial statements were authorised for issue by the Board on 1 December 2020.

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

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

The financial statements are prepared in sterling which is the functional currency of the academy and have been rounded to the nearest pound.

University Academy Keighley meets the definition of a public entity under FRS 102.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 21.

Other income

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

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 cost of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on Raising Funds

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

Costs of charitable activities are 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.

Tangible fixed assets

Assets costing more than £1,000 or where the collective value exceeds £5,000 (i.e. bulk purchases of computers, projectors etc.) 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 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Asset Class	Depreciation method and rate
Land and Buildings	20% straight line
Fixture and Fittings	20% straight line
Motor Vehicles	20% straight line
Computer Equipment	20% straight line, 10% straight line, 33% straight line

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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 carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probably 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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at transaction price less any provision for impairment. 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 transaction price. 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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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 academy trust 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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

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

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2020. 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.

2. DONATIONS AND CAPITAL GRANTS

	2020	2019
	£	£
Grants	<u>14,243</u>	<u>52,892</u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Devolved Capital Funding	<u>14,243</u>	<u>52,892</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	4,917,714	4,917,714	5,409,045
Other DFE/ESFA grants	-	248,989	248,989	268,247
Pupil Premium	-	<u>231,198</u>	<u>231,198</u>	-
	-	5,397,901	5,397,901	5,677,292
Other government grant				
Local Authority Funding	-	102,458	102,458	88,649
Other grants	-	-	-	<u>30,078</u>
	-	102,458	102,458	118,727

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	13,051	13,051	-
	<u>-</u>	<u>5,513,410</u>	<u>5,513,410</u>	<u>5,796,019</u>

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

- The academy furloughed some of its staff under the government's CJRS. The funding received of £13,051 relates to staff costs in respect of staff which are included within note 9 below as appropriate.

4. OTHER TRADING ACTIVITIES

	2020 £	2019 £
Hire of facilities	85,711	131,765
Catering income	117,636	155,268
Other income	77,071	31,615
	<u>280,418</u>	<u>318,648</u>

5. INVESTMENT INCOME

	2020 £	2019 £
Deposit account interest	4,376	5,454

6. EXPENDITURE

	Non-pay expenditure			2020	2019
	Staff costs £	Premises £	Other costs £	Total £	Total £
Charitable activities					
Academy's educational operations					
Direct costs	2,747,119	-	311,348	3,058,467	3,092,889
Allocated support costs	836,226	24,980	1,409,867	2,271,073	3,289,688
	<u>3,583,345</u>	<u>24,980</u>	<u>1,721,215</u>	<u>5,329,540</u>	<u>6,382,577</u>

University Academy Keighley

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

6. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	16,805	3,475
Depreciation - owned assets	108,540	137,421
(Deficit)/surplus on disposal of fixed assets	<u>2,100</u>	<u>(3,376)</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Direct costs	-	3,058,467	3,058,467	3,092,889
Support costs	<u>93,104</u>	<u>2,177,969</u>	<u>2,271,073</u>	<u>3,289,688</u>
	<u>93,104</u>	<u>5,236,436</u>	<u>5,329,540</u>	<u>6,382,577</u>

	2020 Total £	2019 Total £
Analysis of support costs		
Support staff costs	836,226	1,525,156
Technology costs	171,647	176,735
Premises costs	20,129	30,116
Other support costs	1,221,415	1,545,577
Governance costs	<u>21,656</u>	<u>12,104</u>
Total support costs	<u>2,271,073</u>	<u>3,289,688</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or received other benefits from employment with the academy trust.

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their roles as Trustees. The value of Trustees remuneration and other benefits was as follows:

A Rafiq	(Teacher and Governor):
	Remuneration £25,000 - £30,000 (2019: £30,000 - £35,000)
	Employer's pension contributions £nil (2019: £nil)

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

8. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

During the period ended 31 August 2020 travel and subsistence expenses totalling £0 were reimbursed directly to 0 trustees (2019: £407 to 1 trustees).

Related party transactions involving the trustees are set out in note 20.

9. STAFF COSTS

	2020 £	2019 £
Wages and salaries	2,653,128	2,719,041
Social security costs	207,389	205,109
Operating costs of defined benefit pension schemes	<u>604,916</u>	<u>469,863</u>
	3,465,433	3,394,013
Supply teacher costs	114,165	591,167
Compensation payments	<u>3,747</u>	<u>214,368</u>
	<u>3,583,345</u>	<u>4,199,548</u>
Staff restructuring costs comprise:		
Redundancy payments	-	9,368
Severance payments	3,747	205,000
Other restructuring costs	<u>-</u>	<u>-</u>
	<u>3,747</u>	<u>214,368</u>

Included within staff restructuring costs above is £nil (2019: £nil) of non-statutory compensation payments.

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2020	2019
Teachers	33	24
Administration & Support	55	64
Management	<u>1</u>	<u>1</u>
	<u>89</u>	<u>89</u>

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

	2020	2019
£60,001 - £70,000	-	1
£70,001 - £80,000	-	2
£80,001 - £90,000	1	2
£90,001 - £100,000	<u>-</u>	<u>1</u>
	<u>1</u>	<u>6</u>

The key management personnel of the academy trust comprise the trustees and 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 £153,375 (2019: £187,596). Of this amount, 1 employee who's employee benefits total £119,728 were recharged from another trust.

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

10. TRUSTEES' AND OFFICERS' INSURANCE

The charitable company has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	-	52,892	52,892
Charitable activities				
Funding for the academy's educational operations	-	5,796,019	-	5,796,019
Other trading activities	318,648	-	-	318,648
Investment income	5,454	-	-	5,454
Total	324,102	5,796,019	52,892	6,173,013
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	126,981	6,118,175	137,421	6,382,577
Total	126,981	6,118,175	137,421	6,382,577
NET INCOME/(EXPENDITURE)	197,121	(322,156)	(84,529)	(209,564)
Transfers between funds	-	43,385	(43,385)	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	(1,300,000)	-	(1,300,000)
Net movement in funds	197,121	(1,578,771)	(127,914)	(1,509,564)
RECONCILIATION OF FUNDS				
Total funds brought forward	1,257,000	(944,636)	432,650	745,014
TOTAL FUNDS CARRIED FORWARD	<u>1,454,121</u>	<u>(2,523,407)</u>	<u>304,736</u>	<u>(764,550)</u>

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2019	15,691	674,434	11,400	798,828	1,500,353
Additions	-	11,500	-	44,537	56,037
Disposals	-	(406,473)	-	(5,642)	(412,115)
At 31 August 2020	<u>15,691</u>	<u>279,461</u>	<u>11,400</u>	<u>837,723</u>	<u>1,144,275</u>
DEPRECIATION					
At 1 September 2019	15,691	651,255	11,400	517,271	1,195,617
Charge for year	-	12,501	-	96,039	108,540
Eliminated on disposal	-	(406,473)	-	(3,542)	(410,015)
At 31 August 2020	<u>15,691</u>	<u>257,283</u>	<u>11,400</u>	<u>609,768</u>	<u>894,142</u>
NET BOOK VALUE					
At 31 August 2020	<u>-</u>	<u>22,178</u>	<u>-</u>	<u>227,955</u>	<u>250,133</u>
At 31 August 2019	<u>-</u>	<u>23,179</u>	<u>-</u>	<u>281,557</u>	<u>304,736</u>

13. STOCKS

	2020 £	2019 £
Stocks	<u>4,101</u>	<u>3,397</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	14,709	47,072
Other debtors	1,674	827
VAT	65,737	223,977
Prepayments and accrued income	<u>141,713</u>	<u>184,454</u>
	<u>223,833</u>	<u>456,330</u>

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	148,266	224,981
Social security and other taxes	50,270	52,271
Other creditors	2,400	2,959
Accruals and deferred income	498,707	850,127
	<u>699,643</u>	<u>1,130,338</u>

	2020	2019
	£	£
Deferred income		
Deferred income at 1 September 2019	-	-
Released from previous years	-	-
Resources deferred in the year	36,498	-
	<u>36,498</u>	<u>-</u>
Deferred income at 31 August 2020	<u>36,498</u>	<u>-</u>

At the balance sheet date the academy was holding funds received in advance for PFI totalling £25,936 and monies directly received on the debtors ledger for £10,561.60.

16. MEMBERS' LIABILITY

Each member of the academy trust undertakes to contribute to the assets of the 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 cease to be a member.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Restricted Fixed Asset Fund	2020 Total funds
	£	£	£	£
Fixed assets	-	-	250,133	250,133
Current assets	1,645,811	1,388,056	-	3,033,867
Current liabilities	-	(699,643)	-	(699,643)
Pension liability	-	(3,012,000)	-	(3,012,000)
	<u>1,645,811</u>	<u>(2,323,587)</u>	<u>250,133</u>	<u>(427,643)</u>

Comparative information in respect of the preceeding period is as follows:

	Unrestricted fund	Restricted funds	Restricted Fixed Asset Fund	2019 Total funds
	£	£	£	£
Fixed assets	-	-	304,736	304,736
Current assets	1,454,121	1,214,931	-	2,669,052
Current liabilities	-	(1,130,338)	-	(1,130,338)
Pension liability	-	(2,608,000)	-	(2,608,000)
	<u>1,454,121</u>	<u>(2,523,407)</u>	<u>304,736</u>	<u>(764,550)</u>

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

18. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Unrestricted funds				
Unrestricted general fund	1,454,121	191,690	-	1,645,811
Restricted funds				
Restricted fixed asset fund	304,736	(96,397)	41,794	250,133
General Annual Grant	84,593	645,614	(41,794)	688,413
Restricted pension fund	(2,608,000)	(404,000)	-	(3,012,000)
	(2,218,671)	145,217	-	(2,073,454)
TOTAL FUNDS	(764,550)	336,907	-	(427,643)

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted general fund	284,794	(93,104)	-	191,690
Restricted funds				
Restricted fixed asset fund	14,243	(110,640)	-	(96,397)
General Annual Grant	4,930,765	(4,285,151)	-	645,614
Restricted pension fund	-	(258,000)	(146,000)	(404,000)
Pupil Premium	231,198	(231,198)	-	-
Other DfE/ESFA Grants	248,989	(248,989)	-	-
Local Authority grants	102,458	(102,458)	-	-
	5,527,653	(5,236,436)	(146,000)	145,217
TOTAL FUNDS	5,812,447	(5,329,540)	(146,000)	336,907

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
Unrestricted funds				
Unrestricted general fund	1,257,000	197,121	-	1,454,121
Restricted funds				
Restricted fixed asset fund	432,650	(84,529)	(43,385)	304,736
General Annual Grant	144,364	(103,156)	43,385	84,593
Restricted pension fund	(1,089,000)	(1,519,000)	-	(2,608,000)
	(511,986)	(1,706,685)	-	(2,218,671)
TOTAL FUNDS	745,014	(1,509,564)	-	(764,550)

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted general fund	324,102	(126,981)	-	197,121
Restricted funds				
Restricted fixed asset fund	52,892	(137,421)	-	(84,529)
General Annual Grant	5,409,045	(5,512,201)	-	(103,156)
Restricted pension fund	-	(219,000)	(1,300,000)	(1,519,000)
Other DfE/ESFA Grants	268,247	(268,247)	-	-
Local Authority grants	118,727	(118,727)	-	-
	<u>5,848,911</u>	<u>(6,255,596)</u>	<u>(1,300,000)</u>	<u>(1,706,685)</u>
TOTAL FUNDS	<u>6,173,013</u>	<u>(6,382,577)</u>	<u>(1,300,000)</u>	<u>(1,509,564)</u>

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount of equal to 12% of GAG could be carried forward which up to 2% could be used for general recurrent purposes with any balance being available for premises/ capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2020.

19. PENSION AND SIMILAR OBLIGATIONS

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

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

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 2019. 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 0.08% administration levy)

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

19. PENSION AND SIMILAR OBLIGATIONS - continued

- 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 is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £320,645 (2019: £256,629).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £164,000 (2019: £164,000) of which employer's contributions totalled £118,000 (2019: £119,000) and employees' contributions totalled £46,000 (2019: £45,000). The agreed contribution rates for future years are 12.8% per cent for employers and 5.5%-6.8% per cent for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Present value of funded obligations	(7,056,000)	(6,635,000)
Fair value of plan assets	<u>4,044,000</u>	<u>4,027,000</u>
	(3,012,000)	(2,608,000)
Present value of unfunded obligations	-	-
Deficit	<u>(3,012,000)</u>	<u>(2,608,000)</u>
Net liability	<u>(3,012,000)</u>	<u>(2,608,000)</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	327,000	221,000
Net interest from net defined benefit asset/liability	49,000	141,000
Past service cost	-	88,000
	<u>376,000</u>	<u>450,000</u>
Actual return on plan assets	<u>15,000</u>	<u>7,000</u>

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

19. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	6,635,000	5,083,000
Current service cost	327,000	221,000
Past service cost	-	88,000
Contributions by scheme participants	46,000	45,000
Interest cost	127,000	141,000
Benefits paid	3,000	(138,000)
Oblig other remeasurement	(82,000)	1,195,000
	<u>7,056,000</u>	<u>6,635,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	4,027,000	3,994,000
Interest income	78,000	112,000
Contributions by employer	118,000	119,000
Contributions by scheme participants	46,000	45,000
Benefits paid	3,000	(138,000)
Assets other remeasurement	(228,000)	(105,000)
	<u>4,044,000</u>	<u>4,027,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Oblig other remeasurement	82,000	(1,195,000)
Assets other remeasurement	(228,000)	(105,000)
	<u>(146,000)</u>	<u>(1,300,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
Equities	77.80%	77.60%
Property	4.30%	4.40%
Government Bonds	9.70%	10.50%
Corporate bonds	5.00%	4.50%
Cash	1.70%	1.90%
Other	1.50%	1.10%
	<u>100.00%</u>	<u>100.00%</u>

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

19. PENSION AND SIMILAR OBLIGATIONS - continued

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2020	2019
Discount rate	1.70%	1.90%
CPI Inflation	2.30%	2.10%
Future pension increases	2.30%	2.10%
Pension accounts revaluation rate	2.30%	2.10%
Salary increases	3.55%	3.35%

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

Adjustment to discount rate	+0.1%	0.0%	-0.1%
	£	£	£
Present value of total obligation	169,000	-	176,000
Adjustment to rate of salary growth	+0.5%	0.0%	-0.5%
	£	£	£
Present value of total obligation	21,000	-	(21,000)
Adjustment to rate of pension growth	+1 year	None	-1 year
	£	£	£
Present value of total obligation	155,000	-	148,000

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

	31 August 2020	31 August 2019
Retiring today		
Males retiring today	21.80	22.20
Females retiring today	24.6	25.4
Retiring in 20 years		
Males retiring in 20 years	22.5	23.2
Females retiring in 20 years	25.7	27.2

20. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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. The following related party transactions took place in the financial period.

Bradford Council

During the year, the academy paid £6,812 (2019: £nil) to Bradford Council. The payments were in relating to clerking the finance committee meeting and paying trade union facilities subscriptions.

University of Bradford

During the year, the academy paid £nil (2019: £6,012) to the University of Bradford.

Shipley College

A Trustee at the academy is also a governor at Shipley College. During the year, the trust paid £250 (2019: £2,500) in respect of course fees.

University Academy Keighley

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

20. RELATED PARTY DISCLOSURES - continued

Carlton Trust

The trust has a service level agreement with Carlton Trust. As a result of the agreement, £231,928 has been accrued to pay over (2019: £244,614). Further to this, the academy has seconded staff in the year, incurring costs of £217,247 (2019: £40,648). There were also other costs recharged in the year of £8,409 (2019: £nil)

21. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £nil (2019: £2,980) and disbursed £nil (2019: £Nil) from the fund. An amount of £44,465 (£2019: £44,465) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

22. FINANCIAL COMMITMENTS UNDER PFI ARRANGEMENTS

At 31 August 2020 the academy was committed to making annual payments under PFI arrangements as follows:

Land & Buildings	2020	2019
	£000	£000
Amounts due within one year	1,159	1,159
Amounts due between one and five years	4,933	4,933
Amounts due after more than five years	<u>16,659</u>	<u>18,089</u>
	<u>22,751</u>	<u>24,181</u>

The building is subject to a PFI contract between the Academy and local authority which covers the facilities management costs including: caretaking, cleaning, maintenance & repairs, water & sewerage, grounds maintenance and related insurance. The charge also covers provision and renewal of fixtures and fittings. The same agreement also includes energy costs which are charged by the local authority to the Academy.