

# University Academy Keighley

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

# University Academy Keighley

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# University Academy Keighley

## Reference and Administrative Details

<b>Members</b>	J Marshall Prof M G Bradshaw P Hunter
<b>Trustees (Directors)</b>	Prof M G Bradshaw, Chair G Khan, Vice Chair N Kazmi N Koser (resigned 26 January 2021) A Rafiq S Malik (resigned 6 July 2021) G McFarlane G Logan G Hussain P Hunter
<b>Accounting Officer</b>	A Kneeshaw
<b>Senior Management Team</b>	A Kneeshaw, Executive Principal J Skurr, Head of School G Myers, Interim Finance Director
<b>Company Registration Number</b>	07134810
<b>Auditors</b>	Forrester Boyd Chartered Accountants 66-68 Oswald Road Scunthorpe North Lincolnshire DN15 7PG
<b>Bankers</b>	Lloyds Bank PLC Hustlergate Bradford West Yorkshire BD1 1NT
<b>Solicitors</b>	Schofield Sweeney LLP Church Bank House, Church Bank Bradford West Yorkshire BD1 4DY

# University Academy Keighley

## Trustees' Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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 has just under 700 on roll. The Autumn Census 2021 shows 665 pupils.

### **Structure, governance and management**

#### *Constitution*

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of University Academy Keighley are also the directors of the charitable company for the purposes of company 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*

Trustees' indemnity insurance is covered by the insurance policies taken out by the Academy Trust.

#### *Principle 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*

The membership of the main board of trustees is in accordance with the structure contained within its Memorandum and Articles of Association. Trustees are appointed based on the levels of skill, knowledge and experience they can offer the trust in required areas of expertise. In addition, trustees should also demonstrate congruence with the ethos and culture by which the trust operates. No trustees are paid for their services although they may claim reasonable expenses incurred within the scope of their duties.

To date all members and trustees have been recruited through the professional networks and contacts of other members/trustees. There are no elections or voting systems for the appointment of trustees or members.

## University Academy Keighley

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### *Policies and procedures adopted for the induction and training of Trustees*

When appointed, new trustees are provided with an induction which outlines the structure, expectations of their role and familiarisation with the current context and recent history 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.

#### *Organisational structure*

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

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 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, school visits and oversight of strategic planning.

Operational responsibilities are delegated from trustees to the school senior leaders. 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. The Head of School in turn delegates some responsibilities to other senior leaders at the school.

UAK has been working under a formal service level agreement with Carlton Academy Trust (CAT) since September 2018 in advance of them formally joining the trust. This conversion was due to take place in September 2021 but has been slightly delayed at time of writing. Ignoring the legal considerations, UAK has been operating as a de-facto member of CAT throughout 2020-21.

#### *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.

## University Academy Keighley

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### *Trade union facility time*

##### Relevant union officials

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

##### Percentage of time spent on facility time

Percentage of time	Number of employees
1%-50%	1

##### Percentage of pay bill spent on facility time

	2021
Provide the total cost of facility time	3,731
Provide the total pay bill	2,984,652

##### Paid trade union activities

	2021
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: ( total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours ) x 100	-

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union Facility Time Publication Requirements Regulations 2017 for calculation details.

#### *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.

##### ShIPLEY College:

A Trustee is also a governor at ShIPLEY College. During the year the Trust paid £Nil (2020: £250) 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 previous 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 £262,066 (2020: £231,928) (4% of Gross Income) for the SLA and staffing charges of £213,498 (2020: £217,247) and for miscellaneous costs £4,689 (2020: £8,456).

##### Other Significant Agreements

##### Bradford MDC (Clerking Only):

During the later stages of 2016/17, the academy changed clerking providers from North Yorkshire County Council to Bradford MDC. The charge to the academy during the year ended 31st August 2021 was £Nil (2020: £3,000).

## University Academy Keighley

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Objectives and activities

##### *Objects and aims*

The Trust aims to provide outstanding education and education outcomes to all students irrespective of race, culture, gender, disability or any other defining characteristic. This includes academic/exam outcomes, as well as relating to the broader social, moral and cultural development of students.

##### *Objectives, strategies and activities*

The main strategic objectives for 2020-21 were as follows:

- 1) School Improvement: Continue the recent rapid improvement at the school on its journey to being rated an Outstanding school. This would primarily be judged by academic outcomes (achievement and progress), but also through other variables such as behaviour and attendance data, and information gained through quality assurance procedures.
- 2) Smooth transition to Carlton Academy Trust: This would be achieved through formal staff and parent consultation processes; completion of formal due diligence; full alignment of the school to CAT systems and procedures; preparation of signage and other marketing communications; legal completion of the transfer.
- 3) Investment for Outstanding: This mainly comprised additional recruitment of teaching staff to reduce class sizes, as well as adding key leadership roles to further advance standards. Other investments included improvements to the facilities and buildings comprising inspirational wall art, development of a conditioning/fitness suite and a climbing wall.

##### *Public benefit*

As a publicly funded organisation, all activities undertaken are exclusively for public benefit. In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

## University Academy Keighley

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Strategic Report

##### Achievements and performance

##### *Key non-financial performance indicators*

Academic results for the last four years are outlined below:

##### Year 11 2021 TAG/Results - Three Year Trend Dashboard

Achievement Measures	2018	2019	2020	2021	3 Yr Trend
% Students with at least 1 qualification	99.2	100	99.1	96.8	-2.4
% Standard Basics (4+ in English & Maths)	42.1	42.7	50	65.3	23.2
% Good Basics (5+ in English & Maths)	25.4	25.9	30.2	47.6	22.2

Achievement in English & Maths	2018	2019	2020	2021	3 Yr Trend
% Standard Pass in English	60.3	62.2	63.2	78.2	17.9
% Good Pass in English	46.8	47.6	44.3	60.5	13.7
% Standard Pass in Maths	46.8	46.2	56.6	66.9	20.1
% Good Pass in Maths	29.4	28.7	34	50	20.6

Progress 8	2018	2019	2020	2021	3 Yr Trend
Overall Progress 8	-0.03	-0.18	0.21	0.67	0.70
English Progress 8	-0.04	0	0.08	1.02	1.06
Maths Progress 8	0.04	-0.24	0.19	0.97	0.93
Ebacc Progress 8	-0.34	-0.61	-0.03	0.28	0.62
Open Progress	0.23	0.15	0.56	0.6	0.37

Attainment 8	2018	2019	2020	2021	3 Yr Trend
Average Total Attainment 8	37.04	36.45	40.25	42.72	5.68
Average Attainment 8 Grade	3.66	3.64	4.02	4.27	0.61

	2018	2019	2020	2021	3 Yr Trend
APS KS2	4.23	4.31	4.28	4.13	-0.1
Cohort Size	126	144	106	124	-2



## University Academy Keighley

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Strategic Report

Like 2019-20, there were no formal externally-assessed GCSE examinations this year, with awards based on teacher-assessed grades (TAG). The TAG process was rigorously overseen and as such trustees can have confidence that individual and overall results are reliable. In that context, an overall Progress 8 score of 0.67 are synonymous with a strong 'Good' rated school and as such represents strong progress towards achieving an 'Outstanding' rating. Formal external recognition of the schools' considerable improvement was shown when the Head of School was voted 'Leader of the Year' in the Bradford Teaching Awards.

There has also been a remarkable turn-around in the financial fortunes of the school, where significant in-year deficits in recent times have been transformed into a near £1.1m surplus in 2020-21. To have achieved this when standards are rapidly improving, and in the context of the additional financial challenges of covid, are testament to the outstanding financial management at the trust.

#### *Going concern*

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

#### **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 2021 the academy recorded a surplus of £1,085,309 (before actuarial movement and depreciation); total income was £6,582,812 and the total expenditure £5,833,705. The operating expense, excluding depreciation and non-cash pension movements, was £5,429,861.

At 31st August 2021 the total assets less current liabilities was £3,662,464 (2020: £2,584,357), and the net book value of tangible fixed assets was £242,931 (2020: £250,133).

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 decreased from £3.012m in 2020 to £3.004m in 2021. There is still a real risk that contribution rates will increase in the future.

## University Academy Keighley

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Strategic Report

##### *Reserves policy*

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 2021, the academy trust held the following reserves:

Restricted General Fund - £1,566,460  
Restricted Fixed Asset Fund - £242,931  
Unrestricted Fund - £1,853,073  
Pension Reserve - (£3,004,000)

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 £364 k per month (including secondment charges and the Carlton Bolling SLA) and monthly PFI charges are £112 k.

##### *Investment policy*

The Trust may only invest in low-risk investments that pose no risk to the original capital invested. In practical terms this limits the scope of investments to bank or building society savings accounts, with reserves invested in this way throughout 2020-21.

##### *Principal risks and uncertainties*

As the school is imminently to be converted to Carlton Academy Trust and UAK formally dissolved, there are few risks and uncertainties. The only one would be if the conversion process was not completed, leaving UAK in limbo without access to its' most senior leaders who are all employed by CAT. However, the prospect of this happening is extremely remote.

##### **Fundraising**

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

##### *Plans for future periods*

The schools' main aims for 2021-22 are as follows:

- Continue recent rapid school improvement and become an 'Outstanding' school.
- Maintain the strong financial performance of the school.
- Complete the conversion to Carlton Academy Trust.

## University Academy Keighley

### Trustees' Report for the Year Ended 31 August 2021 (continued)

#### Funds held as Custodian Trustee on behalf of others

The trust holds no funds as custodian on behalf of others.

#### Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 7 December 2021 and signed on its behalf by:



.....  
Prof M G Bradshaw  
Trustee

# University Academy Keighley

## Governance Statement

### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that University Academy Keighley 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 Government Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to A Kneeshaw, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees has formally met 7 times during the year. The agenda includes reporting back from the Risk and Audit committee, discussion of standards across all other key areas (academic, safeguarding, attendance, behaviour, etc), and any other major opportunities or issues that face the trust at that time.

All scheduled meetings have been held, despite the challenges of Covid, through enabling a combination of live and remote attendance at meetings. As a result, there has been strong attendance and consequential oversight of major issues. The quality of reports and presentations at meetings has been of a consistently high standard, enabling trustees to have an objective, accurate assessment of trust performance and make informed decisions based on these. This is demonstrated through the strong standards of academic performance and financial performance of the trust.

The knowledge of trustees is developed through being directed to relevant DfE documentation such as the Governance Handbook, Academy Trust Handbook and The Essential Trustee, as well as access to resources provided through Gold membership of the National Governor's Association (NGA). Resources currently being utilised by the NGA include the Skills Matrix, which is completed annually to assess the relative strengths of trustees.

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

Trustee	Meetings attended	Out of a possible
Prof M G Bradshaw, Chair	7	7
N Kazmi	3	7
G Khan, Vice Chair	6	7
N Koser (resigned 26 January 2021)	0	7
S Malik (resigned 6 July 2021)	0	7
G McFarlane	6	7
A Rafiq	5	7
G Logan	5	7
G Hussain	2	7
P Hunter	3	7

Nazia Koser and Shahin Malik resigned as trustees during the year but were not replaced due to the impending conversion to Carlton Academy Trust.

### Governance reviews

A review was not undertaken as it was not deemed practical and useful due to the proximity of conversion to Carlton Academy Trust.

## University Academy Keighley

### Governance Statement (continued)

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to The Risk and Audit committee allows greater oversight and scrutiny of trust financial management and financial performance, major procurement, trust risk management and audit procedures. To oversee financial performance, the board has access to monthly financial reports, budget statements and annual accounts.

It meets at least once every term, with findings reported as a standing item at full trustees' meetings. Membership is made up of three trustees plus the Executive Headteacher, Head of School and Finance Director.

Major areas of discussion during 2020-21 were:

- Year 7 Pupil numbers had increased by 16% on the previous year so there followed a discussion regarding pupil numbers and the impact upon school finances in terms of additional funding and staffing requirements;
- New Lead teachers to be appointed in Maths, Science and Open subjects. Additional teachers required to cover the anticipated increased capacity;
- Monitor the reduction in Lettings and Catering Income during the COVID period;
- Prepare a Business Plan for the conversion of the gym and the purchase of a Rock Climbing Wall;
- Purchase of 2 Mini Buses.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Prof M G Bradshaw,	3	4
G Khan,	4	4
N Koser (resigned 26 January 2021)	0	2
P Hunter	4	4

#### Review of value for money

As accounting officer, the trustee has responsibility for ensuring that the academy 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. Other examples are as follows:

- Development of a Trust Contracts Register which allows the school to easily identify when contracts are due to end, thereby enabling pro-active and effective tendering processes to realise financial gains;
- Increased use of CAT central services as provided through the service level agreement, which has enabled significant school-level savings;
- The improvement in academic outcomes and growing reputation of the school within the community, has enabled it to attract increasing numbers of students. This has brought significant extra income to the school, far outstripping expenditure relative to these extra student numbers, and thus realising greater economies of scale.

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in University Academy Keighley for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

## University Academy Keighley

### Governance Statement (continued)

#### The risk and control framework

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

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

The Board of Trustees has decided to buy in internal audit services.

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

- November 2020 - a visit by H. Teasdale to look at invoices and associated bank details. All recommendations were acted upon in a prompt manner and now form part of trust financial practice;
- February 2021 - an audit by D. Roberts to look at Health and Safety procedure and practice. All recommendations were acted upon promptly within the Academy. Once again, any suggestions now form part of trust health and safety practice;
- July 2021 - trustees completed a "Readiness for Transfer" audit, assessing preparations for conversion to Carlton Academy Trust.

#### Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive leaders within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on its behalf by:



.....  
Prof M G Bradshaw  
Trustee

## University Academy Keighley

### Statement of Regularity, Propriety and Compliance

As Accounting Officer of University Academy Keighley I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



A Kneeshaw  
Accounting officer

7 December 2021

## University Academy Keighley

### Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board on 7 December 2021 and signed on its behalf by:



.....  
Prof M G Bradshaw  
Trustee



## University Academy Keighley

### Independent Auditor's Report on the Financial Statements to the Members of University Academy Keighley

#### Opinion

We have audited the financial statements of University Academy Keighley (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the year ended 31 August 2021, Balance Sheet for the year ended 31 August 2021, Statement of Cash Flows for the year ended 31 August 2021, and Notes to the Financial Statements for the year ended 31 August 2021, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021, issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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

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

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

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

#### Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

## University Academy Keighley

### Independent Auditor's Report on the Financial Statements to the Members of University Academy Keighley (continued)

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

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

- the information given in the Trustees' Report (incorporating the Strategic Report and 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.

#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' 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 Directors' 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 [set out on page 14], the Trustees (who are also directors of the Academy Trust for the purpose 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held;
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability;
- Testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen;
- Identification of key laws and regulations central to the academies operations and review of compliance with such laws including a review of the Academy Trust Handbook 2020 and correspondence with solicitors to identify any on-going litigation;
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

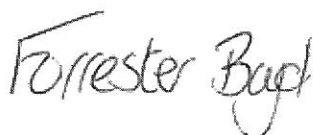
## University Academy Keighley

### Independent Auditor's Report on the Financial Statements to the Members of University Academy Keighley (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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



.....  
Kevin Hopper BFP FCA (Senior Statutory Auditor)  
For and on behalf of Forrester Boyd, Statutory Auditor

Chartered Accountants  
66-68 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PG

7 December 2021

## University Academy Keighley

### 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 21 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by University Academy Keighley during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to University Academy Keighley and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may 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 dated 1 September 2010 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment as well as 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.

## University Academy Keighley

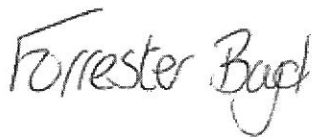
### Independent Reporting Accountant's Assurance Report on Regularity to University Academy Keighley and the Education and Skills Funding Agency (continued)

#### Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1: There was an instance where formal tendering procedures were not followed for a contract above £75,000.

Matter 2: Approval from the ESFA, in relation to the Accounting Officer not being a direct employee of the Trust, ran out on the 1 September 2021 and further approval was not requested from the ESFA after the delay of the Academy Trust transferring into a Multi Academy Trust.



.....  
Kevin Hopper BFP FCA  
For and on behalf of Forrester Boyd, Chartered Accountants

Chartered Accountants  
66-68 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PG

7 December 2021

## University Academy Keighley

### Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £	2019/20 Total £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	31,161	31,161	14,243
Other trading activities	5	290,389	-	-	290,389	280,418
Investments	6	993	-	-	993	4,376
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	4	<u>1,640</u>	<u>6,258,629</u>	<u>-</u>	<u>6,260,269</u>	<u>5,513,410</u>
<b>Total</b>		293,022	6,258,629	31,161	6,582,812	5,812,447
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	8	<u>85,760</u>	<u>5,655,947</u>	<u>91,998</u>	<u>5,833,705</u>	<u>5,329,540</u>
Net income/(expenditure)		207,262	602,682	(60,837)	749,107	482,907
Transfers between funds		-	(53,636)	53,636	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	24	<u>-</u>	<u>337,000</u>	<u>-</u>	<u>337,000</u>	<u>(146,000)</u>
Net movement in funds/(deficit)		207,262	886,046	(7,201)	1,086,107	336,907
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2020		<u>1,645,811</u>	<u>(2,323,587)</u>	<u>250,133</u>	<u>(427,643)</u>	<u>(764,550)</u>
Total funds/(deficit) carried forward at 31 August 2021		<u><u>1,853,073</u></u>	<u><u>(1,437,541)</u></u>	<u><u>242,932</u></u>	<u><u>658,464</u></u>	<u><u>(427,643)</u></u>

Comparative figures are stated on page 21.

## University Academy Keighley

### Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	14,243	14,243
Other trading activities	5	280,418	-	-	280,418
Investments	6	4,376	-	-	4,376
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	-	5,513,410	-	5,513,410
<b>Total</b>		284,794	5,513,410	14,243	5,812,447
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	8	93,104	5,125,796	110,640	5,329,540
Net income/(expenditure)		191,690	387,614	(96,397)	482,907
Transfers between funds		-	(41,794)	41,794	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	24	-	(146,000)	-	(146,000)
Net movement in funds/(deficit)		191,690	199,820	(54,603)	336,907
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2019		1,454,121	(2,523,407)	304,736	(764,550)
Total funds/(deficit) carried forward at 31 August 2020		1,645,811	(2,323,587)	250,133	(427,643)

**University Academy Keighley**  
**(Registration number: 07134810)**  
**Balance Sheet as at 31 August 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	242,931	250,133
<b>Current assets</b>			
Stocks	13	2,635	4,101
Debtors	14	400,579	223,833
Cash at bank and in hand		<u>3,458,515</u>	<u>2,805,933</u>
		3,861,729	3,033,867
Creditors: Amounts falling due within one year	15	<u>(442,196)</u>	<u>(699,643)</u>
Net current assets		<u>3,419,533</u>	<u>2,334,224</u>
Total assets less current liabilities		<u>3,662,464</u>	<u>2,584,357</u>
Net assets excluding pension liability		3,662,464	2,584,357
Pension scheme liability	24	<u>(3,004,000)</u>	<u>(3,012,000)</u>
Net assets/(liabilities) including pension liability		<u><u>658,464</u></u>	<u><u>(427,643)</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		1,566,460	688,413
Restricted fixed asset fund		242,931	250,133
Restricted pension fund		<u>(3,004,000)</u>	<u>(3,012,000)</u>
		(1,194,609)	(2,073,454)
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>1,853,073</u>	<u>1,645,811</u>
Total funds		<u><u>658,464</u></u>	<u><u>(427,643)</u></u>

The financial statements on pages 20 to 41 were approved by the Trustees, and authorised for issue on 7 December 2021 and signed on their behalf by:



.....  
 Prof M G Bradshaw  
 Trustee



## University Academy Keighley

### Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	688,070	634,026
Cash flows from investing activities	20	<u>(35,488)</u>	<u>(37,418)</u>
Change in cash and cash equivalents in the year		652,582	596,608
Cash and cash equivalents at 1 September		<u>2,805,933</u>	<u>2,209,325</u>
Cash and cash equivalents at 31 August	21	<u><u>3,458,515</u></u>	<u><u>2,805,933</u></u>

# University Academy Keighley

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 1 Accounting policies

The academy trust is a public benefit entity set up as 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 of Bradford  
Richmond Road  
Bradford  
West Yorkshire  
BD7 1DP

These financial statements were authorised for issue by the Board on 7 December 2021.

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.

#### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

The financial statements cover the individual entity, University Academy Keighley.

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

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 1 Accounting policies (continued)

##### *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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

##### *Sponsorship income*

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

##### *Donations*

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

##### *Other income*

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

##### *Donated fixed assets*

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

##### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

##### *Expenditure on raising funds*

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

##### *Charitable activities*

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

# University Academy Keighley

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 1 Accounting policies (continued)

#### Tangible fixed assets

Assets costing more than £1,000 or where 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 the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold land and buildings	20% straight line
Furniture and equipment	20% straight line
Motor vehicles	20% straight line
Computer equipment	20% straight line, 10% straight line, 33% straight line

#### Liabilities

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

#### Private Finance Initiative commitments

The University Academy Keighley building was built under a private finance initiative (“PFI”) agreement by City of Bradford Metropolitan District Council.

When the school converted to an academy the agreement was legally amended to take account of the change in circumstances. For the length of the agreement City of Bradford Metropolitan District Council undertake to fund the payments under the PFI agreement. The proportion of the cost that relates to the operation and maintenance of the building is charged to University Academy Keighley by City of Bradford Metropolitan District Council on a monthly basis, and is re-calculated annually. The proportion of the cost that relates to the capital and finance costs payments under the agreement is charged to University Academy Keighley by City of Bradford Metropolitan District Council, however University Academy Keighley receive equivalent funding each year from the Education and Skills Funding Agency (ESFA) to cover the capital and finance costs payments in their entirety.

The income received from the ESFA for the PFI contribution is included in the Statement of Financial Activities under ‘Funding for the academy trust’s education operations’. The expenditure incurred is included in the Statement of Financial Activities under ‘Academy trust educational operations’.

The private finance liability remains with City of Bradford Metropolitan District Council and, therefore, the governors have decided to treat the payments to City of Bradford Metropolitan District Council as if they were made under an operating lease agreement.

# University Academy Keighley

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 1 Accounting policies (continued)

#### Leased assets

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

#### Stock

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 charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

#### Pension 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 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 based on of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

#### Fund accounting

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

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

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

#### Critical accounting estimates and areas of judgement

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

# University Academy Keighley

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 1 Accounting policies (continued)

#### *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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### **Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the 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 26.

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has exceeded these limits during the year ended 31 August 2021.

### 3 Donations and capital grants

	<b>Restricted fixed asset funds £</b>	<b>2020/21 Total £</b>	<b>2019/20 Total £</b>
Capital grants	14,007	14,007	14,243
Donated fixed assets	17,154	17,154	-
	<u>31,161</u>	<u>31,161</u>	<u>14,243</u>

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	-	5,587,100	5,587,100	4,951,231
Other DfE/ESFA grants	-	71,440	71,440	58,083
Pupil Premium	-	234,280	234,280	231,198
Teacher Pay and Pension Grants	-	161,794	161,794	157,389
	-	6,054,614	6,054,614	5,397,901
<b>Other government grants</b>				
Local Authority Funding	-	153,215	153,215	102,458
<b>Exceptional government funding</b>				
Coronavirus Job Retention Scheme grant	1,640	-	1,640	13,051
<b>Covid-19 additional funding (DfE/ESFA)</b>				
Covid 19 Catch up Premium	-	50,800	50,800	-
<b>Total grants</b>	<b>1,640</b>	<b>6,258,629</b>	<b>6,260,269</b>	<b>5,513,410</b>

The academy received £50,800 (2020: £Nil) of funding for Covid 19 catch up premium and costs incurred in respect of this funding totalled £35,112 (2020: £Nil).

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Teacher Pay and Pension Grants and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

#### 5 Other trading activities

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Hire of facilities	142,841	142,841	85,711
Catering income	113,720	113,720	117,636
Income from other charitable activities	33,828	33,828	77,071
	290,389	290,389	280,418

#### 6 Investment income

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	993	993	4,376

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 7 Expenditure

	Non Pay Expenditure			2020/21	2019/20
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Academy's educational operations</b>					
Direct costs	3,124,533	-	139,579	3,264,112	3,061,733
Allocated support costs	<u>723,788</u>	<u>1,445,286</u>	<u>400,519</u>	<u>2,569,593</u>	<u>2,267,807</u>
	<u>3,848,321</u>	<u>1,445,286</u>	<u>540,098</u>	<u>5,833,705</u>	<u>5,329,540</u>

Net income/(expenditure) for the year includes:

	2020/21 £	2019/20 £
Operating lease rentals	11,746	31,943
Depreciation	74,844	108,540
Fees payable to auditor - audit	9,750	9,750
- other audit services	1,250	1,250
(Gain)/loss on disposal of fixed assets	<u>-</u>	<u>(2,100)</u>

#### 8 Charitable activities

	2020/21 £	2019/20 £
Direct costs - educational operations	3,264,112	3,061,733
Support costs - educational operations	<u>2,569,593</u>	<u>2,267,807</u>
	<u>5,833,705</u>	<u>5,329,540</u>

	Educational operations £	2020/21 Total £	2019/20 Total £
<b>Analysis of support costs</b>			
Support staff costs	723,788	723,788	718,314
Depreciation	74,844	74,844	108,540
Technology costs	127,035	127,035	171,647
Premises costs	1,370,442	1,370,442	1,043,820
Other support costs	252,734	252,734	208,681
Governance costs	<u>20,750</u>	<u>20,750</u>	<u>16,805</u>
Total support costs	<u>2,569,593</u>	<u>2,569,593</u>	<u>2,267,807</u>



## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 9 Staff

##### Staff costs

	2020/21 £	2019/20 £
<b>Staff costs during the year were:</b>		
Wages and salaries	2,815,476	2,653,128
Social security costs	220,720	207,389
Operating costs of defined benefit pension schemes	728,531	604,916
	3,764,727	3,465,433
Supply staff costs	59,358	114,165
Staff restructuring costs	24,236	3,747
	3,848,321	3,583,345
	<b>2021</b> £	<b>2020</b> £
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	4,093	-
Severance payments	20,143	3,747
	24,236	3,747

##### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020: £Nil).

##### Staff numbers

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

	2020/21 No	2019/20 No
Teachers	40	33
Administration and support	53	55
Management	1	1
	94	89

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2021 No	2020 No
£60,001 - £70,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	1	-

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 9 Staff (continued)

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £197,602 (2020: £185,650).

##### 10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

A Rafiq (Staff Trustee):

Remuneration: £25,000 - £30,000 (2020 - £25,000 - £30,000)

Employer's pension contributions: £0 - £5,000 (2020 - £Nil)

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020 - £Nil) were reimbursed or paid directly to 0 trustees (2020 - 0).

Other related party transactions involving the trustees are set out in note 25.

##### 11 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligence acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £137 (2020: £118).

##### 12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2020	15,691	279,461	837,722	11,400	1,144,274
Additions	-	11,500	56,142	-	67,642
At 31 August 2021	<u>15,691</u>	<u>290,961</u>	<u>893,864</u>	<u>11,400</u>	<u>1,211,916</u>
<b>Depreciation</b>					
At 1 September 2020	15,691	257,282	609,768	11,400	894,141
Charge for the year	-	8,282	66,562	-	74,844
At 31 August 2021	<u>15,691</u>	<u>265,564</u>	<u>676,330</u>	<u>11,400</u>	<u>968,985</u>
<b>Net book value</b>					
At 31 August 2021	<u>-</u>	<u>25,397</u>	<u>217,534</u>	<u>-</u>	<u>242,931</u>
At 31 August 2020	<u>-</u>	<u>22,179</u>	<u>227,954</u>	<u>-</u>	<u>250,133</u>

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 13 Stock

	2021 £	2020 £
Stock	<u>2,635</u>	<u>4,101</u>

#### 14 Debtors

	2021 £	2020 £
Trade debtors	128,415	14,709
VAT recoverable	115,677	65,737
Other debtors	633	1,674
Prepayments and accrued income	<u>155,854</u>	<u>141,713</u>
	<u>400,579</u>	<u>223,833</u>

#### 15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	224,040	148,266
Other taxation and social security	55,704	50,270
Other creditors	2,400	2,400
Accruals	<u>160,052</u>	<u>498,707</u>
	<u>442,196</u>	<u>699,643</u>

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 16 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General annual Grant	688,413	5,587,100	(4,671,106)	(53,635)	1,550,772
Other DfE/ESFA grants	-	233,234	(233,234)	-	-
Local Authority Funding	-	153,215	(153,215)	-	-
Pupil Premium	-	234,280	(234,280)	-	-
Covid 19 Catch up Premium	-	50,800	(35,112)	-	15,688
	<u>688,413</u>	<u>6,258,629</u>	<u>(5,326,947)</u>	<u>(53,635)</u>	<u>1,566,460</u>
<b>Restricted fixed asset funds</b>					
Restricted FA Fund	250,133	31,161	(91,998)	53,635	242,931
<b>Restricted pension funds</b>					
Pension reserve	<u>(3,012,000)</u>	-	<u>(329,000)</u>	<u>337,000</u>	<u>(3,004,000)</u>
Total restricted funds	(2,073,454)	6,289,790	(5,747,945)	337,000	(1,194,609)
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>1,645,811</u>	<u>293,022</u>	<u>(85,760)</u>	-	<u>1,853,073</u>
Total funds	<u><u>(427,643)</u></u>	<u><u>6,582,812</u></u>	<u><u>(5,833,705)</u></u>	<u><u>337,000</u></u>	<u><u>658,464</u></u>

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 16 Funds (continued)

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

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General annual Grant	84,593	4,930,765	(4,285,151)	(41,794)	688,413
Other DfE/ESFA grants	-	248,989	(248,989)	-	-
Local Authority Funding	-	102,458	(102,458)	-	-
Pupil Premium	-	231,198	(231,198)	-	-
	<u>84,593</u>	<u>5,513,410</u>	<u>(4,867,796)</u>	<u>(41,794)</u>	<u>688,413</u>
<b>Restricted fixed asset funds</b>					
Restricted FA Fund	304,736	14,243	(110,640)	41,794	250,133
<b>Restricted pension funds</b>					
Pension reserve	<u>(2,608,000)</u>	-	<u>(258,000)</u>	<u>(146,000)</u>	<u>(3,012,000)</u>
Total restricted funds	<u>(2,218,671)</u>	<u>5,527,653</u>	<u>(5,236,436)</u>	<u>(146,000)</u>	<u>(2,073,454)</u>
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>1,454,121</u>	<u>284,794</u>	<u>(93,104)</u>	-	<u>1,645,811</u>
Total funds	<u><u>(764,550)</u></u>	<u><u>5,812,447</u></u>	<u><u>(5,329,540)</u></u>	<u><u>(146,000)</u></u>	<u><u>(427,643)</u></u>

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

Restricted general funds have been spent with the terms of the Master Funding Agreement.

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of University Academy Keighley.

The restricted pension fund is in deficit to the value of £3,004,000 as at 31 August 2021 however, this deficit had been inherited upon conversion to Academy status and is underwritten by the DfE.

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	242,931	242,931
Current assets	1,853,073	2,008,656	-	3,861,729
Current liabilities	-	(442,196)	-	(442,196)
Pension scheme liability	-	(3,004,000)	-	(3,004,000)
Total net assets	<u><u>1,853,073</u></u>	<u><u>(1,437,540)</u></u>	<u><u>242,931</u></u>	<u><u>658,464</u></u>

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 17 Analysis of net assets between funds (continued)

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	250,133	250,133
Current assets	1,645,811	1,388,056	-	3,033,867
Current liabilities	-	(699,643)	-	(699,643)
Pension scheme liability	-	(3,012,000)	-	(3,012,000)
Total net assets	<u>1,645,811</u>	<u>(2,323,587)</u>	<u>250,133</u>	<u>(427,643)</u>

#### 18 Long-term commitments, including operating leases

##### *Operating leases*

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

	2021 £	2020 £
Amounts due within one year	40,375	11,746
Amounts due between one and five years	118,476	883
	<u>158,851</u>	<u>12,629</u>

##### *Private Finance Initiative commitments*

At 31 August 2021 the academy trust was committed to making annual payments under PFI arrangements as follows:

	2021 £	2020 £
Amounts due within one year	1,363,246	1,317,146
Amounts due between one and five years	5,947,115	5,746,005
Amounts due after five years	14,655,666	16,220,023
	<u>21,966,027</u>	<u>23,283,174</u>

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2020/21	2019/20
	£	£
Net income	749,107	482,907
Depreciation	74,844	108,540
Capital grants from DfE and other capital income	(31,161)	(14,243)
Interest receivable	(993)	(4,376)
Defined benefit pension scheme obligation inherited	278,000	209,000
Defined benefit pension scheme finance cost	51,000	49,000
Decrease/(increase) in stocks	1,466	(704)
(Increase)/decrease in debtors	(176,746)	232,497
Decrease in creditors	(257,447)	(430,695)
Loss on disposal of tangible fixed assets	-	2,100
Net cash provided by Operating Activities	688,070	634,026

#### 20 Cash flows from investing activities

	2020/21	2019/20
	£	£
Dividends, interest and rents from investments	993	4,376
Purchase of tangible fixed assets	(67,642)	(56,037)
Capital funding received from sponsors and others	31,161	14,243
Net cash used in investing activities	(35,488)	(37,418)

#### 21 Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand and at bank	3,458,515	2,805,933
Total cash and cash equivalents	3,458,515	2,805,933

#### 22 Analysis of changes in net debt

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash	2,805,933	652,582	3,458,515
Total	2,805,933	652,582	3,458,515

#### 23 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.

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 24 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 to the period ended 31 March 2019.

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

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £326,088 (2020: £273,120).

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

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



## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 24 Pension and similar obligations (continued)

##### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £188,000 (2020 - £164,000), of which employer's contributions totalled £135,000 (2020 - £118,000) and employees' contributions totalled £53,000 (2020 - £46,000). The agreed contribution rates for future years are 15.8 per cent for employers and 5.5 to 9.9 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

##### Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.60
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	2.60	2.30
RPI increases	2.60	2.30

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

	2021	2020
<b>Retiring today</b>		
Males retiring today	21.90	21.80
Females retiring today	24.70	24.60
<b>Retiring in 20 years</b>		
Males retiring in 20 years	22.60	22.50
Females retiring in 20 years	25.80	25.70

##### Sensitivity analysis

	2021	2020
	£	£
0.1% decrease in real discount rate	203,000.00	176,000.00
Mortality assumption – 1 year increase	308,000.00	254,000.00
0.1% increase in salary increase rate	24,000.00	21,000.00

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 24 Pension and similar obligations (continued)

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

	2021	2020
	£	£
Equities	4,099,000	3,146,000
Corporate bonds	225,000	202,000
Government bonds	409,000	392,000
Property	194,000	174,000
Cash and other liquid assets	112,000	69,000
Other	72,000	61,000
	<u>5,111,000</u>	<u>4,044,000</u>

The actual return on scheme assets was £985,000 (2020 - (£150,000)).

#### Amounts recognised in the statement of financial activities

	2020/21	2019/20
	£	£
Current service cost	413,000	327,000
Interest income	(69,000)	(78,000)
Interest cost	120,000	127,000
	<u>464,000</u>	<u>376,000</u>

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

	2020/21	2019/20
	£	£
At start of period	7,056,000	6,635,000
Current service cost	413,000	327,000
Interest cost	120,000	127,000
Employee contributions	53,000	46,000
Actuarial (gain)/loss	579,000	(82,000)
Benefits paid	(106,000)	3,000
	<u>8,115,000</u>	<u>7,056,000</u>

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

	2020/21	2019/20
	£	£
At start of period	4,044,000	4,027,000
Interest income	69,000	78,000
Actuarial gain/(loss)	916,000	(228,000)
Employer contributions	135,000	118,000
Employee contributions	53,000	46,000
Benefits paid	(106,000)	3,000
	<u>5,111,000</u>	<u>4,044,000</u>

## University Academy Keighley

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 25 Related party transactions

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

##### Expenditure related party transactions

During the year the academy made the following related party transactions:

##### ShIPLEY College

(A Trustee at the trust is also a governor at Shipley College)

During the year, the trust paid £nil (2020: £250) in respect of course fees.

In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Shipley College was £Nil (2020 - £Nil).

##### Carlton Bolling

(The trust has a Service Level Agreement with Carlton Bolling)

During the year, the charges to cover the Service Level Agreement were £262,066 (2020: £231,928). Further to this, the academy has seconded staff in the year, incurring costs of £213,498 (2020: £217,247). There were also other costs recharged in the year of £4,689 (2020: £8,456).

In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Carlton Bolling was £71,714 (2020 - £231,927).

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying 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.

#### 26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £Nil and disbursed £44,465 from the fund. An amount of £Nil is included in trade creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2020 are £Nil received, £Nil disbursed and £44,465 included in trade creditors.