
MILTON KEYNES EDUCATION TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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MILTON KEYNES EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Chris Wigglesworth
Richard Smith
Jim Hudson, OBE

Trustees

Jim Hudson, OBE, Chair of Trustees (resigned 23 September 2021)
Bob Green, Vice Chair of Trustees (resigned 3 November 2021)
Richard Smith, Vice Chair of Trustees¹
Kevin Gowans, Trustee
Lisa Alexander, Trustee (resigned 22 September 2021)¹
Simon Haddy, Trustee¹
Jane Edwards, Trustee
Michelle Currie, Chief Executive
Justine Ives, Trustee
Ayser Asif, Trustee (appointed 23 October 2020)¹
Robert McDonald Duff, Chair of Trustees (appointed 25 November 2020)

¹ Personnel, Finance, Facilities and Audit Scrutiny committee

Company registered number

07663689

Company name

Milton Keynes Education Trust

Principal and registered office

Walton High Fyfield Barrow
Walnut Tree
Milton Keynes
Bucks
MK7 7WH

Chief executive officer

Michelle Currie

Senior leadership team

Michelle Currie, CEO and Executive Principal of Walton High
Sharon Alexander, Principal of Walton High
Jane Edwards, Headteacher of Heronsgate School
John Billing, Headteacher of New Chapter Primary School
Jane Mackie, Headteacher of Kents Hill School
Ann Purser, Pastoral Director
David Gibson, Chief Operating Officer

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Solicitors Stone King LLP
Wellington House
East Road
Cambridge
CB1 1BH

MILTON KEYNES EDUCATION TRUST
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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 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

Structure, governance and management

a. Constitution

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

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

The Trustees of Milton Keynes Education Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Milton Keynes Education Trust.

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.

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice, MKET has purchased insurance, through membership of the Risk Protection Arrangement, to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst undertaking Trust business. The insurance provides cover for claims involving financial loss of up to £1,000,000 in any one claim.

d. Method of recruitment and appointment or election of Trustees

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

e. Policies adopted for the induction and training of Trustees

Individual Trustees attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date. A series of briefings for the Board and the senior management team of the schools as a whole is also designed when necessary based on areas of potential interest and/or concern.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Organisational structure

Members (Minimum 3)

Members at the date of adoption of the Articles
Any person unanimously appointed by the Members

Trustees

Up to 10 Trustees appointed by the Members
The Chief Executive Officer if appointed by the Members

Local Board of Governors

2 parents - elected - 4 years

2 staff representatives

Headteacher

Up to 7 appointed by MKET

MKET Overview Committees

The Board of Trustees also has the following committees:

- Personnel, Finance, Facilities, and Audit Scrutiny Committee
- Quality of Provision and Outcomes Committee

Local governing bodies

All MKET schools have their own Local Governing Body (LGB) which is in effect a committee of the Board of Trustees and as such is accountable to the Trust.

The school is accountable to its LGB, which in turn is accountable to parents and the community. A LGB has elected parent and staff representatives and the Trust appoints additional governors. The Trust uses these posts to cover skills gaps in the LGB, hence these posts are often filled by people from the business or not-for-profit community.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

The value of school governance

LGBs make decisions which are in the best interests of the children and young people at the school. Keeping the decision making as close as possible to those that are affected by the decisions makes for sound and efficient leadership and governance. Fulfilling the role of a school governor is, therefore, both a serious undertaking and enormously rewarding. Not only do governors bring their own knowledge and skills to the role, but, in learning how schools are run they often develop their understanding of leadership. The majority of employers appreciate this and are supportive of their staff taking on the responsibility. In addition, contributing to the growth and development of a school and seeing tangible improvements in the attainment and wellbeing of the children and young people is a satisfying and important contribution to the local community.

The role of the local governing body (LGB)

The LGB is responsible for the conduct of its school and must promote high standards of educational achievement. It is the school's accountable body and as such within MKET's overall aims and policy framework it:

Sets the strategic direction of the school by:

- Setting the values, aims and objectives for the school
- Agreeing the policy framework for achieving those aims and objectives
- Recommending key performance indicators to the Board
- Recommending the school improvement strategy, which includes drafting the budget for approval and suggesting the staffing structure

Challenges and supports the school by monitoring, reviewing and evaluating:

- The implementation and effectiveness of the policy framework
- Progress towards targets
- The implementation and effectiveness of the school improvement strategy
- The budget and the staffing structure

Ensures accountability by:

- Recommending the Board's approval of the Self Evaluation Report
- Drafting responses for the Board's consideration to school improvement and Ofsted reports when necessary
- Holding the Headteacher to account for the performance of the school
- Ensuring parents and pupils are involved, consulted and informed as appropriate
- Making information available to the community

The day-to-day leadership and management of the school is the sole responsibility of the Headteacher supported by the school's Senior Leadership Team.

To fulfil their role, governors need to gain knowledge of how their school operates through training, by attending meetings and by getting to know their school community, for example through visits to the school during the school day.

Governors need to work together as a team under the leadership of the Chair of the LGB and are required to sign that they adhere to a code of conduct.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Meetings

LGBs are required to meet formally a minimum of three times a year, i.e. once a term. Meeting dates are usually set well in advance and usually last up to two hours. Governors need to be well prepared for these meetings and attendance is expected, with apologies only for good reasons.

In addition to full LGB meetings, there are two committees at each school in the Trust which also meet termly:

- Learning, Teaching and Student Welfare
- Personnel, Finance and Facilities

Other committees

Committees and/or working groups meet between governing body meetings. Governors are expected to play a full role in all aspects of governance by volunteering to fulfil specific roles such as being the Special Educational needs governor, Health and Safety governor or the link governor for a particular year or subject. Most governors arrange a couple of days or half day visits to the school focusing on key priorities so that they can see how the school is addressing issues identified for development or improvement. In addition, informal visits to special events such as drama productions, sports day and open days are encouraged.

Skills and training

Governors do not need specific skills but many of the tasks they are required to undertake can benefit from general business knowledge such as understanding management systems, budget planning and HR functions. The Schools may subscribe to the Governor Development Programme provided by Milton Keynes Council. Ad hoc and in house training is also provided as required.

Support for Governors

Each LGB has a clerk who both advises and services the governing body. MKET has an expenses policy which covers out of pocket costs, including those incurred in caring for dependents. Loss of earnings is not covered but employers are required to release employees for them to conduct their governor role. Release may, however, be unpaid.

g. Arrangements for setting pay and remuneration of key management personnel

The Chief Executive Officer's pay is determined by the Remuneration Committee and benchmarked against similar roles. Arrangements for setting pay for the Senior Leadership team are determined by the respective Teacher and Support Staff Pay Policies.

All pay for key management personnel is determined as an outcome of the performance management process which is used to make recommendations to the relevant Governor Pay Committee as to the level of pay increase as set out in the pay policy. Pay increases can only be actioned with Governor approval.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	16,475,681	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours - %

i. Representation on other bodies

MK Schools' Forum; DofE Award Regional Headteachers' Board - Chief Executive Officer

MK Secondary Behaviour Partnership; Stephenson Academy Board of Governors - Pastoral Director

MK Headteachers' Group; MK School Inclusion Partnership; MK School Place Planning Group - Walton High Principal

NAHT Executive Committee; MK School Inclusion Partnership - Heronsgate Headteacher

Objectives and activities

a. Objectives and activities

The educational aims and objectives of Milton Keynes Education Trust (MKET) are based on our commitment to securing social justice through high quality education that promotes inclusion and embraces diversity.

The Trust aims to **enhance** and **enrich** the lives of children and young people by **enabling** them to make the most of outstanding learning opportunities within and beyond the curriculum; instilling an appreciation that there are **no limits** to what they can achieve and developing the attributes needed to successfully shape and respond to the future.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

A clear secular moral framework will promote honesty, integrity, tolerance and respect as well as an appreciation of individual and collective responsibility.

In this way, we will bring out **the very best** in our children and young people.

We will realise our aims and secure sustainable school improvement through high quality transformational leadership, professional development and collaborative partnerships.

b. Objectives, strategies and activities

The Trust's principal objective is to provide high quality education and central support services, which enables enhances and enriches the lives of children and young people. Through the work of its schools and central support services, the Trust continued to implement these objectives throughout 2020/21.

The main objectives for the Trust's schools for the period 2018-22 are as follows:

- A. Increase the proportion of students who achieve or exceed the age related expectation in both English (Reading and Writing) and Maths
- B. Reduce the gap in progress between Disadvantaged and Other students
- C. Reduce in-school variation between different student groups and subjects

These overarching objectives informed each school's development plans and associated action plans. The Board of Trustees and Local Governing Bodies monitor the implementation of improvement strategies and evaluate their impact on a termly basis.

EVALUTION OF PROGRESS TOWARDS 2022 KEY PERFORMANCE INDICATORS

2021 outcomes

Key Performance Indicators

Due to the closure of schools from 23 March 2020 as a result of the COVID-19 pandemic, the Government cancelled all Key Stage 1 and Key Stage 2 assessments for a second year. As a result, the Trust's key performance indicators for these key stages, (KPI 1 – 4) were no longer applicable.

Although students in Key Stage 4 and Key Stage 5 did not sit any external exams in 2021, they were awarded a grade for the qualifications they were studying on the basis of a Centre Assessed Grade. However, the Government did not publish any national attainment or progress data for the second year running. As a result, KPI 5, 6, 10 and 11 were no longer applicable as the data needed to make an evaluation is not available.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

KPI No	Key Performance Indicator	Evaluation
1	Phonics screening outcomes at the end of Year 1 and Year 2 are broadly in line with the national average	n/a
2	Key Stage 1 outcomes in Reading, Writing, Maths and Science broadly in line with the national average	n/a
3	The proportion of pupils attaining the expected standard in Reading, Writing and Maths combined by the end of Key Stage 2 is broadly in line with the national average	n/a
4	At the end of Key Stage 2, the progress score for all schools is at least in the average range for Reading, Writing and Maths	n/a
5	At the end of Key Stage 4, the Attainment 8 score is at least broadly in line with the national average	n/a
6	At the end of Key Stage 4, the Progress 8 score is at least in the average range	n/a
7	For Y13 students, the average point score per entry for academic qualifications is equal to at least Grade C+	Achieved
8	For Y13 students, the average point score per entry for Applied General qualifications is at least equal to least Grade Merit +	Achieved
9	For Y13 students, the average point score per entry for Technical qualifications is at least equal to least Grade Merit +	Achieved
10	For Y13 students, the progress score for academic qualifications is at least in the average range	n/a
11	For Y13 students, the progress score for Applied General qualifications is at least in the average range	n/a
12	Whilst maintaining standards for all students, ensure there is no statistically significant gap between the achievement of different groups of children and young people, e.g. disadvantaged/others; boys/girls.	Progress made

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Trust Schools Achievements and Performance (continued)

b. Going concern

Whilst there are concerns about the future of education funding in general, the Trustees have confidence in the Trust 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 these financial statements and have concluded the Academy Trust has adequate resources to be able 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 annual report and financial statements.

Financial review

a. Reserves policy

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the schools and to fund future projects. Trustees measure reserves on the basis of the number of months reserves cover held based on average monthly expenditure during the year.

At the balance sheet date, the Trust had free reserves of £982,723 (2020: £1,093,946) The Trustees intend to utilise these reserves in the near future to continue to develop the aims of the Trust, insure against concerns surrounding the reduced funding, and for capital development programmes. The Trust monitors reserves over a three-year period to identify early warning signs in the reserves going forward. This allows Trustees to work with senior management to protect reserves and to adopt strategies to allow the Trust to meet its reserves policy.

The balance on the restricted general funds (excluding pension reserve) is £1,381,142 (2020: £528,119). Details of the nature of these funds are outlined in note 22.

b. Investment policy

The Trust's funds are held in Lloyds Bank accounts, current accounts no longer attract returns so the Trust uses short-term deposits to generate interest from available cash flow. As at 31st August 2021 the Trust had £1,013,924 in a 32 day notice account attracting a return of 0.03%.

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TRUSTEES' REPORT (CONTINUED)
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c. Principal risks and uncertainties

A risk register has been established to identify the principal risks and uncertainties across the Trust, and where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The principal financial risks and uncertainties facing the Academy Trust in 2020/21 related to the loss of other income funding through Covid closures and uncertain Government support. This income shortfall was mitigated with cost savings. The rate of per pupil funding continues to have some uncertainty without full movement to the national funding formula. Trustees review three year forecasts on a termly basis to understand the implications on the Trust's reserves, and, alongside senior management are implementing plans to manage cost pressures across the Trust.

There are plans to increase the number of Academies within the Trust which will provide opportunities for further economies of scale as the Trust grows.

The Trustees are aware of the deficit of £12,036,000 (2020: £9,826,000) which is being reported for the Local Government Pension Scheme as at 31 August 2021. Whilst Trustees understand this will ultimately be covered by the Government, the Trust has been subject to an increase in employer contributions which has put additional pressures on Trust funds.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. An actuarial valuation of the Fund was carried out during 2019 which resulted in an increase in contributions to 20% for the period from 1 April 2018 to 31 March 2020. This has risen to 22% in 2021/22 and will move to 23% in 2022/23. The expectation is that these increases will cover the impact of the McCloud judgement though the final implementation of changes and the impact is still to be confirmed.

The Trust currently participates in the Milton Keynes Academies pool with 26 other employers in order to share experience of risks they are exposed to in the Fund. Liabilities are calculated and allocated to each employer in proportion to their active payroll. Each employer within the pool pays a contribution rate based on the cost of benefits of the combined membership of the pool.

The Trustees are aware there is significant pressure on the General Annual Grant (GAG) restricted fund. Decisions have been made by the Trustees to use reserves for certain projects. Trustees are aware that a balanced/surplus GAG fund needs to be maintained and will ensure this by reviewing three year forecasts regularly and adopting appropriate strategies to ensure this is achieved going forward.

Fundraising

The Trust operates in accordance with the Charities (Protection and Social Investment) Act 2016.

The Trusts approach to fundraising is to support the independent work of parents and friends groups linked to our individual schools. The Trust does not work with any commercial participators / professional fundraisers. The Trust ensures any fundraising conforms to recognised standards and has received no fundraising complaints. The Trust will ensure protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate on its' behalf.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

Quantification and Reporting Methodology:-

We have followed the guidance for Streamlined Energy and Carbon Reporting (SECR) for academy trusts as updated at 4 August 2021.

Intensity measurement - The chosen intensity measurement ratio is total gross emissions in metric tonnes CO² .
Measures taken to improve energy efficiency:

In 2019/20 New Chapter installed new boilers and Walton High refurbished its ground source Post16 heating system.

The Trust has also introduced a Cycle to Work scheme through the green commute initiative.

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	
Energy consumption used to calculate emissions (kWh)	4,095,746
Scope 1 emissions in metric tonnes CO ₂ e Gas consumption. Owned transport – mini-buses.	604
Scope 2 emissions in metric tonnes CO ₂ e Purchased electricity	210
Scope 3 emissions in metric tonnes CO ₂ e Business travel in employee owned vehicles	-
Total gross emissions in metric tonnes CO₂e	814

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The Trust's Improvement Priorities for 2018-2022 are to:

- (a) Increase the proportion of students who achieve or exceed the age related expectation in both English (Reading and Writing) and Maths
- (b) Reduce the gap in progress between Disadvantaged and Other students
- (c) Reduce in-school variation between different student groups and subjects

The development plans for the Academies within the Trust will focus on these priorities. Robust self-evaluation of past performance informs future plans and the allocation of resources at school level.

MKET's development plan focuses on how the Trust supports schools to improve the outcomes for children and young people and central resources are deployed to support this work.

The main strategy for improving the quality of teaching and learning will be a continued focus on improving assessment for learning and the implementation of initiatives such as the Read Write Inc. literacy programme for 4-11 year olds and adopting a mastery approach to the teaching of mathematics. Promoting reflective practice by adopting a coaching model of professional development using Iris Connect will be the basis of professional development for teachers.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

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

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

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

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

Disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 8 December 2021 and signed on its behalf by:



.....
Robert Duff
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Milton Keynes Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 5 times during the year.

The Trust Board meets at least 4 times each year and in addition has a Personnel, Finance and Facilities committee made up of Board Trustees that meets at least 3 times a year which includes oversight of funds within its meetings.

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

Trustee	Meetings attended	Out of a possible
Jim Hudson, OBE, Chair of Trustees	4	5
Bob Green, Vice Chair of Trustees	4	4
Richard Smith, Vice Chair of Trustees	4	5
Kevin Gowans, Trustee	5	5
Lisa Alexander, Trustee	5	5
Simon Haddy, Trustee	3	5
Jane Edwards, Trustee	5	5
Michelle Currie, Chief Executive	5	5
Justine Ives, Trustee	5	5
Ayser Asif, Trustee	3	4
Robert McDonald Duff, Chair of Trustees	3	4

MKET is a small Trust of 4 schools whose Trustees meet as a Board 4 times a year in accordance with the Trusts Articles and in excess of the Governance Handbook recommended minimum of 3 times a year. Additional Extraordinary General meetings may also take place. The Board has Trustee representatives from all of the Trusts Academies who are Chairs of their Local Governing Bodies. These meet separately from the main Board, 3 times a year at each school, where they consider all local matters including financial and compliance in accordance with the Trusts scheme of delegation.

In addition, the Personnel, Finance, Facilities, and Audit Scrutiny Committees and the Learning, Teaching and Student Welfare Committees of the individual Trust schools met termly. The Trust reviews its governance arrangements on an on-going basis. As a result of this process an amendment to the Articles of Association was approved by Special Resolution on 23 September 2020. This amendment to the Articles was to mirror the latest Department for Education Model Articles and had the prior approval of the Secretary of State.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The purpose of the Personnel, Finance, Facilities, and Audit Scrutiny Committee is:

Finance

- To oversee the school budgets for all schools in the Trust. Establish and maintain an up to date three year financial plan for the Trust.
- To recommend to the Board of Directors approval of the consolidated annual budget plan for the forthcoming financial year in accordance with the schedule published by MKET's Finance Director.
- Put in place a process of cash flow forecasting and review such forecasts periodically to ensure that the Trust remains solvent at all times.
- To review the spending and income received in each Trust school.
- To receive termly consolidated management reports, to facilitate the monitoring of the Trust's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary. Such action will be reported to the Local Governing Body and MKET's Finance Director. In all cases liaison must be maintained with other appropriate committees.
- To make decisions or recommendations to the Board of Trustees to requests from Local Governing Bodies that will have an impact on the Trust's financial position.
- To make decisions on expenditure within the Trust's delegated powers.
- To review annually the MKET Financial Regulations and Scheme of Delegation.
- To ensure the Register of Pecuniary and Non-Pecuniary Interests is kept up to date and reviewed annually for Trustees and Governors.
- To ensure that funding from the ESFA and other sources is used only in accordance with any conditions attached.
- Ensure that the Trust schools operate within all relevant financial and legal regulations (including Company and Charity Law and the requirements of the Funding Agreement together with all Tax legislation).
- To ensure the Trust schools adhere to the policies and procedures as specified by the Department for Education and the Academies Financial Handbook.
- To ensure that the Trust schools comply with MKET's Scheme of Delegation and associated documents.
- To ensure that all financial controls are adhered to in order to protect against fraudulent or improper use of public money and assets.
- Ensure arrangements are in place for the proper custody of the Trust's assets.
- Undertake, with the Finance Director of MKET, an annual review of the Trust schools' financial management.

Facilities

- In conjunction with the Local Governing Bodies, to ensure that the buildings and grounds within the Trust are inspected annually and that a statement of priorities for maintenance and development is prepared.
- To advise Board of Trustees on priorities, including Health and Safety, for the maintenance and development of Trust premises.
- Ensure that the responsibilities of the Trust are discharged under the Health and Safety at Work Act 1974.

Personnel

- To review the staffing structure of the Trust in consultation with MKET Chief Executive Officer and the Local Governing Bodies.
- To ensure MKET's procedure for recruitment and appointment of staff are followed.
- To oversee the process leading to staff reductions and restructuring.
- To ensure that established procedure when advertising, selecting and appointing new members of staff are

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

followed by the Trust.

- To ensure that each Local Governing Body works within MKET's adopted personnel policies, such as discipline, capability, grievance and redundancy.
- To monitor action taken under the capability or disciplinary procedures.
- To ensure MKET's Policy for reviewing the Performance of Staff is implemented.
- To review reports on accidents, near misses and incidents of aggressive behaviour involving MKET central staff.

Audit

- To advise the Board of Directors on the adequacy and effectiveness of the Academy Trust's system of internal financial control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).
- To advise the Board of Directors on the appointment, re-appointment, dismissal and remuneration of the financial statements auditor and the Internal Audit Service.
- To advise the Board of Directors on the scope and objectives of the work of the financial statements auditor and the Internal Audit Service.
- To ensure effective co-ordination between the Internal Audit Service and financial statements auditor purposes.
- To consider and advise the Board of Directors on the audit strategy and annual programme of work for the Internal Audit Service.
- To advise the Board of Directors on internal audit reports and on control issues included in the financial statements auditor's management letters, and management's responses to these.
- To monitor, within an agreed time-scale, the implementation of agreed recommendations relating to Internal Audit Service reports and financial statements auditor's management letter.
- To consider and advise the Board of Directors on relevant reports by the National Audit Office, The ESFA and other funding bodies and, where appropriate, management's response to these.
- To establish, in conjunction with Academy Trust management, relevant performance measures and indicators, and to monitor the effectiveness of the Internal Audit Service and financial statements auditor through these measures and indicators.
- To receive and comment on the content of any audit report and to monitor the implementation of the agreed action plan.
- To produce an annual report for the Board of Directors and accounting officer which includes the Committee's advice on the effectiveness of the Academy Trust's risk management, control and governance processes. The report must incorporate any significant matters arising from the work of the Internal Audit Service and the financial statements auditor.
- To ensure that all allegations of fraud and irregularity are properly followed up.
- To receive reports on any additional services undertaken by the Internal Audit Service and the financial statements auditors.
- To exercise its role, the Committee is empowered to: investigate any activity within its terms of reference; seek any information it requires from the Internal Audit Service, the external auditor, Trustees, Committees and Academy Trust employees, plus relevant information from sub-contractors and other third parties; obtain external professional advice.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Richard Smith	2	3
Lisa Alexander	1	3
Robert Duff	2	2
Simon Haddy	3	3
Ayser Asif	3	3

Review of value for money

As accounting officer, the CEO has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by:

- Using approved purchasing and tendering frameworks to obtain value for money for the purchase of new ICT equipment for Walton High and New Chapter School through the provision of an operating lease for them. The Trust's primary schools have benefited from competitive prices and terms that they would not have been able to achieve alone including MAT group discounts for Educational Supplies.
- The Venue at Walton High is a theatre which is used by Walton High and other schools in the Trust. It is, however, a theatre which has the facilities which attracts amateur, professional and community theatre and music groups. This ensures that this publicly funded theatre is being used in a wider context and therefore achieving value for money in terms of taxpayer resources.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Milton Keynes Education Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy 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's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The academy'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.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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 employ TIAA as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included bank reconciliations, trip income, staff expenses, fixed assets, VAT, pupil files and compliance.

On a quarterly basis, the internal auditor reports to the board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor delivered their schedule of work as planned in April 2021. No material control issues were identified but recommendations were made including payroll input checking and adherence to three quotes for procurement.

Review of effectiveness

As accounting officer, the CEO 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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



.....
Robert Duff
Chair of Trustees
Date: 8 December 2021



.....
Michelle Currie
Accounting Officer
Date: 8 December 2021

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Milton Keynes Education Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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.



Michelle Currie

Accounting Officer

Date: 8 December 2021

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 8 December 2021 and signed on its behalf by:



.....
Robert Duff
Chair of Trustees

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MILTON
KEYNES EDUCATION TRUST**

Opinion

We have audited the financial statements of Milton Keynes Education Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 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'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, the Charities SORP 2019 and the 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 financial statements are 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.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MILTON
KEYNES EDUCATION TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MILTON
KEYNES EDUCATION TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

- the control environment and performance of the Academy Trust, including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We considered the results of our enquiries of management and internal audit about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the academy's documentation of their policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021 and relevant tax legislation.

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

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MILTON
KEYNES EDUCATION TRUST (CONTINUED)**

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Hillier Hopkins LLP

Alexander Bottom ACA (Senior Statutory Auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants

Statutory Auditor

Radius House

51 Clarendon Road

Watford

Hertfordshire

WD17 1HP

Date: *17th December 2021*

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 21 June 2018 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 Milton Keynes Education Trust during the year 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 Milton Keynes Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Milton Keynes Education Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Milton Keynes Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Milton Keynes Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Milton Keynes Education Trust's funding agreement with the Secretary of State for Education dated 24 January 2013 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 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.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.



Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 15th June 2021

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	8,649	-	63,985	72,634	78,128
Charitable activities	5	414,356	19,166,990	-	19,581,346	17,363,032
Other trading activities	6	170,636	-	-	170,636	184,519
Investments	7	790	-	-	790	6,602
Total income		594,431	19,166,990	63,985	19,825,406	17,632,281
Expenditure on:						
Raising funds	8	11,669	-	-	11,669	32,277
Charitable activities	9	693,985	19,389,356	1,191,569	21,274,910	19,518,659
Total expenditure		705,654	19,389,356	1,191,569	21,286,579	19,550,936
Net income/ (expenditure)		(111,223)	(222,366)	(1,127,584)	(1,461,173)	(1,918,655)
Transfers	22	-	(138,611)	138,611	-	-
Net movement in funds before other recognised gains/ (losses)		(111,223)	(360,977)	(988,973)	(1,461,173)	(1,918,655)
Other recognised gains/ (losses):						
Actuarial losses on defined benefit pension schemes	29	-	(996,000)	-	(996,000)	(2,362,000)
Net movement in funds		(111,223)	(1,356,977)	(988,973)	(2,457,173)	(4,280,655)
Reconciliation of funds:						
Total funds brought forward		1,093,946	(9,297,881)	36,551,327	28,347,392	32,628,047
Net movement in funds		(111,223)	(1,356,977)	(988,973)	(2,457,173)	(4,280,655)
Total funds carried forward		982,723	(10,654,858)	35,562,354	25,890,219	28,347,392

The Statement of Financial Activities includes all gains and losses recognised in the year.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07663689

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	35,562,354	36,551,327
		<u>35,562,354</u>	<u>36,551,327</u>
Current assets			
Debtors	18	668,712	654,645
Cash at bank and in hand		2,698,596	1,794,925
		<u>3,367,308</u>	<u>2,449,570</u>
Creditors: amounts falling due within one year	19	(1,003,443)	(823,822)
Net current assets		<u>2,363,865</u>	<u>1,625,748</u>
Total assets less current liabilities		<u>37,926,219</u>	<u>38,177,075</u>
Creditors: amounts falling due after more than one year	20	-	(3,683)
Net assets excluding pension liability		<u>37,926,219</u>	<u>38,173,392</u>
Defined benefit pension scheme liability	29	(12,036,000)	(9,826,000)
Total net assets		<u><u>25,890,219</u></u>	<u><u>28,347,392</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	22	35,562,354	36,551,327
Restricted income funds	22	1,381,142	528,119
		<u>36,943,496</u>	<u>37,079,446</u>
Restricted funds excluding pension asset	22	36,943,496	37,079,446
Pension reserve	22	(12,036,000)	(9,826,000)
Total restricted funds	22	<u>24,907,496</u>	<u>27,253,446</u>
Unrestricted income funds	22	<u>982,723</u>	<u>1,093,946</u>
Total funds		<u><u>25,890,219</u></u>	<u><u>28,347,392</u></u>

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07663689

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 29 to 61 were approved by the Trustees, and authorised for issue on 08 December 2021 and are signed on their behalf, by:



.....
Robert Duff
Chair of Trustees

The notes on pages 33 to 61 form part of these financial statements.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	24	1,045,175	<i>(184,758)</i>
Cash flows from investing activities	26	(137,821)	<i>(242,055)</i>
Cash flows from financing activities	25	(3,683)	<i>(3,683)</i>
Change in cash and cash equivalents in the year		903,671	<i>(430,496)</i>
Cash and cash equivalents at the beginning of the year		1,794,925	2,225,421
Cash and cash equivalents at the end of the year	27, 28	2,698,596	<i>1,794,925</i>

The notes on pages 33 to 61 form part of these financial statements

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

Milton Keynes Education Trust is a charitable company limited by guarantee and an exempt charity. The academy is incorporated in England and Wales. Its registered office is Walton High Fyfield Barrow, Walnut Tree, Milton Keynes, MK7 7WH.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

2.2 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 academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

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

• **Grants**

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

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

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

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.3 Income (continued)

- **Donations**

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

- **Other income**

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

2.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy 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's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.6 Taxation

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

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2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- 16 to 50 years
Furniture and equipment	- 5 to 15 years
Computer equipment	- 5 years
Motor vehicles	- 10 years
Assets under construction	- Not depreciated

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.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 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 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.

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2. Accounting policies (continued)

2.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

2.12 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.13 Pensions

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

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

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

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

2.14 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 Bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of 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 33.

2.15 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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.

4. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	8,649	-	8,649	16,037
Capital Grants	-	63,985	63,985	62,091
	<u>8,649</u>	<u>63,985</u>	<u>72,634</u>	<u>78,128</u>
<i>Total 2020</i>	<u>16,037</u>	<u>62,091</u>	<u>78,128</u>	

MILTON KEYNES EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Funding for the academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>As restated</i> Total funds 2020 £
DfE/ESFA grants				
General Annual Grant	-	17,143,518	17,143,518	15,225,503
Other DfE/ESFA grants				
Rates reclaim	-	130,291	130,291	131,138
Pupil Premium	-	840,070	840,070	743,560
Universal Infant Free School Meals (UiFSM)	-	41,663	41,663	70,944
Other DfE and ESFA revenue	-	60,185	60,185	111,641
	-	-	18,215,727	16,282,786
Other Government grants				
SEN funding	-	164,937	164,937	151,034
Other Government Funding	-	94,526	94,526	230,637
	-	259,463	259,463	381,671
Other income from the academy's educational operations	414,356	250,464	664,820	566,091
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	235,280	235,280	-
Other Covid Funding	-	206,056	206,056	132,484
	-	441,336	441,336	132,484
Total 2021	414,356	19,166,990	19,581,346	17,363,032
<i>Total 2020 as restated</i>	384,435	16,978,597	17,363,032	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals, Rates reclaim 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.

The academy received £235,280 of funding for catch-up premium and costs incurred in respect of this funding totalled £67,357. The remaining balance of £167,923 will be carried forward into 2021/22.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
School shop income	77,056	77,056	59,742
Hire of facilities	93,580	93,580	124,777
	<u>170,636</u>	<u>170,636</u>	<u>184,519</u>
<i>Total 2020</i>	<u>184,519</u>	<u>184,519</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Interest from short term deposits	790	790	6,602
	<u>6,602</u>	<u>6,602</u>	
<i>Total 2020</i>	<u>6,602</u>	<u>6,602</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	11,669	11,669	32,277
Educational operations:					
Direct costs	13,107,075	-	639,517	13,746,592	12,568,687
Allocated support costs	3,368,606	1,142,448	3,017,264	7,528,318	6,949,972
	<u>16,475,681</u>	<u>1,142,448</u>	<u>3,668,450</u>	<u>21,286,579</u>	<u>19,550,936</u>
<i>Total 2020</i>	<u><u>14,890,498</u></u>	<u><u>2,715,067</u></u>	<u><u>1,945,371</u></u>	<u><u>19,550,936</u></u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational operations	693,985	20,580,925	21,274,910	19,518,659
	<u>693,985</u>	<u>20,580,925</u>	<u>21,274,910</u>	
<i>Total 2020</i>	<u><u>629,405</u></u>	<u><u>18,889,254</u></u>	<u><u>19,518,659</u></u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational operations	13,746,592	7,528,318	21,274,910	19,518,659
<i>Total 2020</i>	<u>12,568,687</u>	<u>6,949,972</u>	<u>19,518,659</u>	

Analysis of direct costs

	Educational operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	13,047,340	13,047,340	11,787,320
Other staff costs	59,735	59,735	33,901
Educational supplies	173,107	173,107	259,079
Examination fees	183,518	183,518	153,739
Consultancy	74,861	74,861	78,429
Technology costs	189,167	189,167	232,243
Other costs	18,864	18,864	23,976
	<u>13,746,592</u>	<u>13,746,592</u>	<u>12,568,687</u>
<i>Total 2020</i>	<u>12,568,687</u>	<u>12,568,687</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension finance costs	153,000	153,000	117,000
Staff costs	3,368,606	3,368,606	2,952,277
Depreciation	1,191,569	1,191,569	1,183,448
Other staff costs	37,383	37,383	40,482
Educational supplies	-	-	4,620
Consultancy	61,953	61,953	84,330
Maintenance of premises and equipment	262,487	262,487	288,069
Recruitment	31,937	31,937	41,564
Cleaning and caretaking	553,476	553,476	493,972
Rent & rates	130,138	130,138	130,981
Energy	196,347	196,347	195,985
Insurance	70,855	70,855	66,376
Security & transport	79,757	79,757	73,569
Technology costs	274,144	274,144	263,799
Catering	650,621	650,621	577,055
Bank interest and charges	-	-	32
Other costs	252,709	252,709	218,938
Governance costs	35,895	35,895	41,795
Sundry equipment	177,441	177,441	175,680
	7,528,318	7,528,318	6,949,972
	7,528,318	7,528,318	6,949,972
<i>Total 2020</i>	6,949,972	6,949,972	
	6,949,972	6,949,972	

11. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Cash losses	13,738	13,738	Supplier fraud

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Net expenditure

Net expenditure for the year includes:

	2021 £	2020 £
Operating lease rentals	303,649	310,868
Depreciation of tangible fixed assets	1,191,569	1,183,448
Fees paid to auditors for:		
- audit	17,850	17,500
- other services	3,685	3,625
	<u>3,685</u>	<u>3,625</u>

13. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	11,663,855	10,820,494
Social security costs	1,110,045	972,297
Pension costs	3,550,648	2,946,806
	<u>16,324,548</u>	<u>14,739,597</u>
Agency staff costs	59,735	33,901
Staff restructuring costs	91,398	-
Pension costs	-	117,000
	<u>16,475,681</u>	<u>14,890,498</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	75,398	-
Other restructuring costs	16,000	-
	<u>16,000</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual termination payments totalling £16,000 (2020: £nil).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Staff (continued)

c. Staff numbers

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

	2021	2020
	No.	No.
Teachers	212	207
Administration and support	176	209
Management	7	7
	395	423

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	7	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	1	1
In the band £120,001 - £130,000	1	1

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £785,210 (2020 £677,945).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Central services

The academy has provided the following central services to its academies during the year:

- Human Resources
- Financial Services
- Legal Services
- Educational Support Services
- Others as arising

The academy charges for these services on the following basis:

The Trust charges for these services on a flat 5% of GAG income.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Walton High	692,628	595,056
New Chapter Primary School	81,983	77,288
Heronsgate School	95,952	93,696
Kents Hill School	28,617	31,108
Total	899,180	797,148

15. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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. The value of Trustees' remuneration and other benefits was as follows:

	2021 £	2020 £
Michelle Currie, Chief Executive	125,000 - 130,000	120,000 - 125,000
	Pension contributions paid	25,000 - 30,000
Jane Edwards	80,000 - 85,000	75,000 - 80,000
	Pension contributions paid	15,000 - 20,000

During the year, retirement benefits were accruing to 2 Trustees (2020 - 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Trustees' and Officers' insurance

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

17. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	43,792,333	1,052,687	526,875	59,718	45,431,613
Additions	66,338	115,439	20,819	-	202,596
At 31 August 2021	<u>43,858,671</u>	<u>1,168,126</u>	<u>547,694</u>	<u>59,718</u>	<u>45,634,209</u>
Depreciation					
At 1 September 2020	8,013,913	395,288	426,332	44,753	8,880,286
Charge for the year	969,604	142,956	68,714	10,295	1,191,569
At 31 August 2021	<u>8,983,517</u>	<u>538,244</u>	<u>495,046</u>	<u>55,048</u>	<u>10,071,855</u>
Net book value					
At 31 August 2021	<u><u>34,875,154</u></u>	<u><u>629,882</u></u>	<u><u>52,648</u></u>	<u><u>4,670</u></u>	<u><u>35,562,354</u></u>
At 31 August 2020	<u><u>35,778,420</u></u>	<u><u>657,399</u></u>	<u><u>100,543</u></u>	<u><u>14,965</u></u>	<u><u>36,551,327</u></u>

Included in freehold property is land of £8,945,235 not depreciated.

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18. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	12,121	8,531
Other debtors	100,395	99,849
Prepayments and accrued income	556,196	546,265
	668,712	654,645
	668,712	654,645

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	3,683	3,684
Trade creditors	478,189	375,611
Other taxation and social security	281,153	246,910
Other creditors	12,743	11,921
Accruals and deferred income	227,675	185,696
	1,003,443	823,822
	1,003,443	823,822
	2021 £	2020 £
Deferred income at 1 September 2020	122,256	146,117
Resources deferred during the year	131,434	122,256
Amounts released from previous periods	(122,256)	(146,117)
	131,434	122,256
	131,434	122,256

At the balance sheet date, the Academy Trust was holding funds received in advance for various grants relating to activities in the next financial year.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Creditors: Amounts falling due after more than one year

	2021	<i>2020</i>
	£	£
Other loans	-	3,683
	<u> </u>	<u> </u>

The Salix loan is interest free and is repayable by half-yearly instalments. The final instalment is due in March 2022.

21. Financial instruments

	2021	<i>2020</i>
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,698,596	1,794,925
	<u> </u>	<u> </u>

Financial assets measured at fair value through income and expenditure comprise cash at bank.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	1,093,946	594,431	(705,654)	-	-	982,723
Restricted general funds						
General Annual Grant (GAG)	528,119	17,139,163	(16,315,452)	(138,611)	-	1,213,219
Other DfE / ESFA grants	-	236,494	(236,494)	-	-	-
Pupil premium	-	840,070	(840,070)	-	-	-
Local authority grants	-	259,463	(259,463)	-	-	-
Catch up premium	-	235,280	(67,357)	-	-	167,923
Other covid funding	-	206,056	(206,056)	-	-	-
Other income	-	250,464	(250,464)	-	-	-
Pension reserve	(9,826,000)	-	(1,214,000)	-	(996,000)	(12,036,000)
	<u>(9,297,881)</u>	<u>19,166,990</u>	<u>(19,389,356)</u>	<u>(138,611)</u>	<u>(996,000)</u>	<u>(10,654,858)</u>
Restricted fixed asset funds						
Fixed assets	36,551,327	-	(1,191,569)	202,596	-	35,562,354
DfE / ESFA capital grants	-	63,985	-	(63,985)	-	-
	<u>36,551,327</u>	<u>63,985</u>	<u>(1,191,569)</u>	<u>138,611</u>	<u>-</u>	<u>35,562,354</u>
Total Restricted funds	<u>27,253,446</u>	<u>19,230,975</u>	<u>(20,580,925)</u>	<u>-</u>	<u>(996,000)</u>	<u>24,907,496</u>
Total funds	<u><u>28,347,392</u></u>	<u><u>19,825,406</u></u>	<u><u>(21,286,579)</u></u>	<u><u>-</u></u>	<u><u>(996,000)</u></u>	<u><u>25,890,219</u></u>

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22. Statement of funds (continued)

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

The General Annual Grant (GAG) Fund represents the core funding for the educational activities of the school that has been provided to the Academies via the Education & Skills Funding Agency by the Department for Education. The GAG Fund has been set up because the GAG must be used for the normal running costs of the Academy.

The Pension Reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The fixed assets fund has been set up to recognise the tangible assets gifted to and purchased by the Trust following initial conversion. Depreciation charged on those inherited assets is allocated to the fund.

The DfE/ESFA capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the Trust. Transfers are made to the restricted fixed asset fund for expenditure incurred that is in respect of tangible fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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FOR THE YEAR ENDED 31 AUGUST 2021

22. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
Unrestricted funds	1,149,618	591,593	(647,265)	-	-	1,093,946
Restricted general funds						
General Annual Grant (GAG)	655,967	15,225,503	(15,118,129)	(235,222)	-	528,119
Other DfE / ESFA grants	-	986,276	(986,276)	-	-	-
Local authority grants	-	381,671	(381,671)	-	-	-
Other grants	-	189,074	(189,074)	-	-	-
Other funding	-	181,656	(181,656)	-	-	-
Pension reserve	(6,615,000)	-	(849,000)	-	(2,362,000)	(9,826,000)
	<u>(5,959,033)</u>	<u>16,964,180</u>	<u>(17,705,806)</u>	<u>(235,222)</u>	<u>(2,362,000)</u>	<u>(9,297,881)</u>
Restricted fixed asset funds						
Fixed assets	37,424,075	-	(1,183,448)	310,700	-	36,551,327
DfE / ESFA capital grants	13,387	62,091	-	(75,478)	-	-
	<u>37,437,462</u>	<u>62,091</u>	<u>(1,183,448)</u>	<u>235,222</u>	<u>-</u>	<u>36,551,327</u>
Total Restricted funds	<u>31,478,429</u>	<u>17,026,271</u>	<u>(18,889,254)</u>	<u>-</u>	<u>(2,362,000)</u>	<u>27,253,446</u>
Total funds	<u><u>32,628,047</u></u>	<u><u>17,617,864</u></u>	<u><u>(19,536,519)</u></u>	<u><u>-</u></u>	<u><u>(2,362,000)</u></u>	<u><u>28,347,392</u></u>

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FOR THE YEAR ENDED 31 AUGUST 2021

22. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
Walton High	1,510,638	669,934
New Chapter Primary School	418,340	373,654
Heronsgate School	341,708	290,064
Kents Hill School	(74,490)	97,807
Central Services	167,669	190,606
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,363,865	1,622,065
Restricted fixed asset fund	35,562,354	36,551,327
Pension reserve	(12,036,000)	(9,826,000)
	<hr/>	<hr/>
Total	25,890,219	28,347,392
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Walton High	9,582,779	2,307,578	474,098	2,117,347	14,481,802	12,748,099
New Chapter Primary School	1,221,550	286,073	21,864	251,481	1,780,968	1,611,100
Heronsgate School	1,440,439	283,098	43,514	331,245	2,098,296	1,962,957
Kents Hill School	634,693	177,129	10,600	139,838	962,260	965,449
Central Services	227,614	467,728	89,441	(13,099)	771,684	1,065,466
Academy	13,107,075	3,521,606	639,517	2,826,812	20,095,010	18,353,071

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	35,562,354	35,562,354
Current assets	982,723	2,384,585	-	3,367,308
Creditors due within one year	-	(1,003,443)	-	(1,003,443)
Provisions for liabilities and charges	-	(12,036,000)	-	(12,036,000)
Total	982,723	(10,654,858)	35,562,354	25,890,219

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23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	36,551,327	36,551,327
Current assets	1,093,946	1,355,624	-	2,449,570
Creditors due within one year	-	(823,822)	-	(823,822)
Creditors due in more than one year	-	(3,683)	-	(3,683)
Provisions for liabilities and charges	-	(9,826,000)	-	(9,826,000)
Total	<u>1,093,946</u>	<u>(9,297,881)</u>	<u>36,551,327</u>	<u>28,347,392</u>

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,461,173)	(1,918,655)
Adjustments for:		
Depreciation	1,191,569	1,183,448
Capital grants from DfE and other capital income	(63,985)	(62,091)
Interest receivable	(790)	(6,554)
Defined benefit pension scheme settlements	37,000	8,000
Defined benefit pension scheme cost less contributions payable	1,024,000	724,000
Defined benefit pension scheme finance cost	153,000	117,000
Increase in debtors	(14,067)	(66,906)
Increase/(decrease) in creditors	179,621	(163,000)
Net cash provided by/(used in) operating activities	<u>1,045,175</u>	<u>(184,758)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(3,683)	(3,683)
Net cash used in financing activities	(3,683)	(3,683)

26. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	790	6,554
Purchase of tangible fixed assets	(202,596)	(310,700)
Capital grants from DfE Group	63,985	62,091
Net cash used in investing activities	(137,821)	(242,055)

27. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	2,698,596	1,794,925
Total cash and cash equivalents	2,698,596	1,794,925

28. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	1,794,925	903,671	-	2,698,596
Debt due within 1 year	(3,684)	3,684	(3,683)	(3,683)
Debt due after 1 year	(3,683)	-	3,683	-
	1,787,558	907,355	-	2,694,913

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. Pension commitments

The academy'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 Buckinghamshire County Council. Both are multi-employer defined benefit schemes.

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

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 full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,748,832 (2020 - £1,574,314).

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £919,000 (2020 - £844,000), of which employer's contributions totalled £719,000 (2020 - £645,000) and employees' contributions totalled £ 200,000 (2020 - £199,000). The agreed contribution rates for future years are 20.0 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	25.0	25.1
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	26.4	26.6

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. Pension commitments (continued)

Sensitivity analysis

	2021	<i>2020</i>
	£000	<i>£000</i>
Discount rate +0.1%	(595)	<i>(473)</i>
Discount rate -0.1%	611	<i>486</i>
Mortality assumption - 1 year increase	998	<i>727</i>
Mortality assumption - 1 year decrease	(957)	<i>(700)</i>

Share of scheme assets

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

	2021	<i>2020</i>
	£	<i>£</i>
Equities	6,174,000	<i>4,803,000</i>
Gilts	1,179,000	<i>922,000</i>
Corporate bonds	1,652,000	<i>1,373,000</i>
Property	676,000	<i>548,000</i>
Cash and other liquid assets	176,000	<i>230,000</i>
Alternative assets	1,510,000	<i>884,000</i>
Total market value of assets	11,367,000	<i>8,760,000</i>

The actual return on scheme assets was £1,739,000 (2020 - £285,000).

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

	2021	<i>2020</i>
	£	<i>£</i>
Current service cost	(1,647,000)	<i>(1,369,000)</i>
Past service cost	(88,000)	<i>-</i>
Interest income	148,000	<i>169,000</i>
Interest cost	(301,000)	<i>(286,000)</i>
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(37,000)	<i>-</i>
Administrative expenses	(8,000)	<i>(8,000)</i>
Total amount recognised in the Statement of Financial Activities	(1,933,000)	<i>(1,494,000)</i>

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29. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	18,586,000	<i>15,426,000</i>
Current service cost	1,647,000	<i>1,369,000</i>
Interest cost	301,000	<i>286,000</i>
Employee contributions	200,000	<i>199,000</i>
Actuarial losses	2,587,000	<i>1,451,000</i>
Benefits paid	(100,000)	<i>(145,000)</i>
Past service costs	88,000	<i>-</i>
Effects of non-routine settlements	94,000	<i>-</i>
At 31 August	23,403,000	<i>18,586,000</i>

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

	2021 £	2020 £
At 1 September	8,760,000	<i>8,811,000</i>
Interest income	148,000	<i>169,000</i>
Actuarial gains/(losses)	1,591,000	<i>(911,000)</i>
Employer contributions	719,000	<i>645,000</i>
Employee contributions	200,000	<i>199,000</i>
Benefits paid	(100,000)	<i>(145,000)</i>
Effects of non-routine settlements	57,000	<i>-</i>
Administrative expenses	(8,000)	<i>(8,000)</i>
At 31 August	11,367,000	<i>8,760,000</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

30. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	157,841	143,501
Later than 1 year and not later than 5 years	187,850	188,509
	<u>345,691</u>	<u>332,010</u>

31. Members' liability

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

32. Related party transactions

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

The following related party transactions took place in the period of account:

D Edwards, a close family member of J Edwards, a trustee, is employed by the academy trust as a Technician. D Edwards' appointment was made in open competition and J Edwards was not involved in the decision-making process regarding appointment. D Edwards is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a trustee.

33. 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 £28,659 (2020: £25,989) and disbursed £19,896 (2020: £25,989) from the fund. An amount of £8,763 (2020: £nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.