

Company registration number 08299166 (England and Wales)

**KILTON THORPE SPECIALIST ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023**

KILTON THORPE SPECIALIST ACADEMY

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KILTON THORPE SPECIALIST ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Chair
I Bowman
C Rhodes
M Hadland
B McCabe
K Thompson

Trustees

I Bowman (Resigned 23 March 2023)
M Hadland (Chair of Trustees)
G Hopkins (Resigned 17 February 2023)
M Robinson
B Richardson
S Walker
N J Kirby (Resigned 20 November 2023)
S Kirk
A Linford-Cheall (Resigned 18 September 2023)
S L Gunn (Head teacher and Accounting Officer) (Appointed 1 September 2022)
M J Bennett (Staff Trustee)
C A Hughes (Resigned 6 December 2022)
L Stevenson (Appointed 6 August 2023)
D Inkpen (Staff Trustee) (Appointed 23 March 2023)
J Hill (Appointed 24 November 2023)

Senior management team

- Head Teacher
S Gunn (appointed 1 September 2022)
- Deputy Head Teacher
A Gardner (appointed 1 September 2022)
- Assistant Head Teacher
E Thompson (appointed 1 September 2022)
- Assistant Head Teacher
C Corcoran (appointed 1 September 2022)

Company secretary

R P Anderson

Company registration number

08299166 (England and Wales)

Registered office

Marshall Drive
Brotton
Saltburn-By-The-Sea
TS12 2UW
United Kingdom

Independent auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB
United Kingdom

KILTON THORPE SPECIALIST ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
St James House
137 Albert Road
Middlesbrough
TS1 2PD
United Kingdom

Solicitors

Jacksons Law Firm
17 Falcon Court
Stockton on Tees
TS18 3TU

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a special academy in Brotton, in the North East of England. It currently has an ESFA registered capacity of 170 and currently has 173 on roll. During the financial year reported there were between 168 - 171 on roll and the registered capacity was 170.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Kilton Thorpe Specialist Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Kilton Thorpe Specialist Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page [1].

Members' liability

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

Trustees' indemnities

Every governor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour of or which they are acquitted or in connection with any application in which relief is granted by them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy trust.

The academy is part of the Risk Protection Arrangement (RPA), provided by the government which protects trustees from claims arising against negligent acts, errors or omissions occurring whilst on trust business.

Method of recruitment and appointment or election of trustees

The Academy Trust is governed by the Governing Body who are directors of the company limited by guarantee. Currently there are five members, one of which is also a Trustee. The Members can appoint up to two Governors and the Members may appoint the Staff Governors through such a process as they may determine provided that the number of governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors. The Headteacher is treated as being an Ex-Officio Governor. Parent Governors are elected by parents of the pupils at the Academy. A parent governor must be a parent of the pupil at the Academy at the time when he or she is elected. If in appointing a Parent Governor, it is not possible to identify someone who is a parent of a current registered pupil at the Academy then a Parent Governor can be appointed in this capacity if they are a parent of a child who is of compulsory school age.

The Governors may appoint up to three Co-opted Governors. A Co-opted Governor can be brought in by the Governors in order to complement the Governing Body, for instance by bringing in additional business management skills and experience to the Academy Trust.

Policies and procedures adopted for the induction and training of trustees

The Governing body have a Service Level Agreement with the Local Authority Governing body section, who advise the group and minute meetings. Included in this SLA is a training package for all Trustees. A report is given at each Governing Body meeting on training undertaken.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Organisational structure

The Headteacher is the accounting officer of the trust. The Academy has a Senior Leadership Team which consists of the Headteacher, Deputy Headteacher and two Assistant Headteachers. The trust employs a Finance leader and also a HR Manager. Decisions regarding areas identified on the school development plan or on the day to day running of the academy will be approved at SLT level. The Governing Body is made up of sub committees of governors, each of the groups has an identified remit. The sub groups may also include a member of the SLT to act in an advisory capacity. Depending upon the remit of the group, decisions made at SLT meetings can be taken to sub-committee or full Governors for consideration/approval. If there is a large financial implication this will be taken to the finance, staffing, audit and risk sub-committee. Financial decisions are set out in the Academy finance handbook and dependent upon the level of finance required will be approved at budget holder level, by the Headteacher and/or Finance Leader, finance and human resources sub-committee or at full governing body level. The budget must be approved by the full governing body.

Arrangements for setting pay and remuneration of key management personnel

Each year as part of their remit the Pay Review Committee members meet to determine the school group and also ensure that the range is still appropriate for members of the SLT. The academy follows the guidelines as set out in the STPCD document. If the individual member of the SLT has met their targets for the previous year the members of the committee will decide if the individual member of the SLT if eligible should move up a point through their individual range.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	2.90

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	3,570,825
Percentage of the 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	-
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Related parties and other connected charities and organisations

The Academy continues to be a member of the North East special school hub of Challenge Partners. (National school support network). This enables the leadership team to work closely with colleges from other special schools in the North East with a particular focus on quality assurance and educational standards.

Kilton Thorpe School Friends Association is run by a group of staff, parents and friends of the pupils who attend the academy, they are a registered charity. The group's main objective is to advance the education of the pupils of the school by developing more extended relationships between staff, parents and other stake holders, engaging in activities which support the school and provide or assist in providing extra resources not normally provided by the academy funding. The group fundraise and apply for charitable grants to support this.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

Objects and aims

Our mission at the Academy is that we support our pupils lifelong learning, and happiness, through quality education, respect and equality for all.

Our vision is to strive for lifelong success and happiness for every individual. Through high quality teaching, tailored support and a rich and varied curriculum that goes beyond the academic, we provide our pupils with the best possible educational experience. Every pupil is valued greatly and their achievements are recognised and celebrated.

This includes young people with SEND from across the Redcar and Cleveland Borough, as well as surrounding boroughs. Pupils are admitted throughout the year on an individual basis, via consultation the local authority in accordance with section 39 of the Children's Act 2014.

Our values focus on each pupil being a unique child where we celebrate and nurture their individuality, so they make progress in their preferred way. That positive relationships are at the heart of everything we do. We recognise the importance of enabling environments, where learning environments are regularly adapted and to ensure pupils have access to the highest quality provision. And finally learning and development where we ensure pupils are equipped with the independence, knowledge, skills and resilience they need for the future, through an individualised, ambitious curriculum which goes beyond the academic. Where pupils are challenged at an appropriate level and given a wide range of experiences to develop their knowledge and interests, which prepares them for life.

Our 3 year strategic plan was developed with the stakeholders of the Academy. Our intention is to set out and communicate our ethos, values, aims and long-term direction of the school so our stakeholders are clear on where we are going and what we are aiming to achieve.

- Quality of Education

Continue to strive for improvement, ensuring all learners have an exceptional education from the start of their KTS journey through to when they leave.

- Behaviour and Attitudes

Provide high quality emotional and behavioural support for pupils, whilst maintaining high behavioural expectations; delivering high quality CPD to staff so they can be instrumental in ensuring these aims are met.

- Personal Development

Include pupil voice in developing a broad curriculum that is rich in opportunities for all, ensuring pupil's personal development is considered at every level. Support families throughout each pupil's journey through KTS.

- Leadership and Management

Develop leadership at all levels to maintain and improve standards further. Ensure staff at all levels are able to contribute to the strategic aims of the school with all contributions being valued.

- Development of Premises

Provide learning environments for pupils from 3 through to 19 years is best suited to their complex and varied needs ensuring all pupils with SEN receive the educational experience they deserve.

We are continuing to develop the capital resources to ensure that there are appropriate environments both within the current buildings and externally around the grounds, including further development of specialist areas.

The Trustees feel that they can build upon an already sound establishment to firmly establish and sustain a centre of excellence in the region in promoting the education and welfare of children and young adults with SEN.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Objectives, strategies and activities

Continuing the drive on improving in each area;

Quality of Education - To continue to improve the outstanding education for all students through ongoing curriculum and provision review.

- Links and working with other schools and settings
- Curriculum cluster group planning
- Curriculum review and development
- Continuation of development/embedding Maths curriculum
- Moderation
- Continuous professional development offer - Value and develop all staff to ensure they are supporting the whole school community effectively
- Subject development
- Intent, implementation and impact
- Development of nursery provision - Continue to establish a nursery provision and support pupils and their families affectively from transition in, to full-time school.
- Engagement model - to continue to embed the Engagement Model approach for appropriate pupils, reviewing and reflecting on our approach
- Autism support - Ensuring all pupils with autism are supported effectively
- Classroom provision - Develop and enhance learning environments
- Preparing for Adulthood - Continue to embed and improve the PfA offer across the whole school, from EYFS to leavers

Behaviours and Attitude

- Pupil mental health - Continue to support pupil's mental health
- Behaviour training - staff & parents/carers – Provide high quality training for staff and families

Personal Development

- Cultural capital - Develop pupils' cultural capital by offering enrichment opportunities across the whole curriculum
- Parental engagement – Develop links with families, offering training and support
- Learning environments outdoors - Develop and enhance learning environments
- Transitions new starts and moving on- Continue to support and enhance transition for new students and those moving on
- Continue to support and enhance transition for new students and those moving on
- Strengthen Student Voice
- Sports Premium and physical development - all pupils have opportunities to experience and participate in a wide range of physical activities and sports, matched to their level of ability.

Leadership and Management

- Extended Leadership Team - Develop leadership at all levels
- Subject leads - Develop leadership at all levels
- Leadership ECF - Support the Early Careers Framework as necessary
- Explore the possibility of joining a MAT, based on best interests of the whole school community
- Leadership - Update existing buildings and explore possibility of new building work to ensure pupils needs can be adequately met. Ensure the strategic plan regarding buildings for KTS reflects the future needs of the pupils and the learning environments enable all of the children to thrive
- Leadership - Pupil lunches are improved with healthier and higher quality meals available, as well as a wider choice available
- Leadership - Take part in current research to develop good practice and contribute to national developments. Improve learning and behaviour in pupils following the Engagement and Pre-formal Pathways

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Public benefit

We can confirm that KTS Academy Trust trustees have complied with their duty to have due regard to the guidance on public benefit as published by the charity commission. It should be noted that the primary purpose of the services provided by KTS Academy are to directly support its children young adults and families and supporting its main aim as promoted within its mission statement.

Strategic report

Achievements and performance

As agreed by the Trustees in the annual development plan

These include: -

Continue to strive for improvement, ensuring all learners have an exceptional education.

Ofsted carried out their inspection on the 17th and 18th May 2022. The overall effectiveness was outstanding in all areas;

- Quality of Education
- Behaviour and attitudes
- Personal development
- Leadership and Management
- Early years
- Sixth form.

The extended leadership are working well together and are developing within their roles and responsibilities. They have all completed training together on different leadership styles. The staff appointed in TLR roles are continue to work towards leadership qualifications with their roles now having a specific focus such as curriculum, preparing for adulthood and behaviour/wellbeing.

The Academy now operates the 2 buildings at St Margaret's Way (approx. a mile away) the KTS+ and High Hills buildings, for approximately 38 students following the formal curriculum and 16 more complex pupils following the developmental curriculum under a 15 years lease from the Local Authority.

Key performance indicators

The Academy continues to perform well both educationally and financially.

We continue to operate a healthy balance sheet and have been able to invest money in additional staffing and resources over the last year. Our staffing structure and staff areas of responsibility are very efficient and offer good value for money when outcomes for pupils are taken into consideration.

	22/23	21/22	20/21	19/20	18/19
Pupils' attendance for the year	90.50%	88.60%	79.82%	75.00%	91.50%
Direct staff costs as a percentage of total costs	74.60%	75.90%	77.60%	76.40%	72.70%
Support staff costs as a percentage of total costs	10.00%	9.50%	9.80%	10.40%	9.80%

Pupils on pupil premium continue to achieve the same and sometimes better than other pupils. Progress was made against their assessments on the development curriculum and within the formal curriculum and is reviewed alongside the class teacher on a termly basis.

Going concern

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

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

The principal sources of funding are the Education and Skills Funding Agency (ESFA), the Local Authority (Redcar and Cleveland Council) and two neighbouring authorities (Middlesbrough and North Yorkshire) for Top-Up funding.

Total income for the year 12 months period was £4,355,272 of which £1,800,248, 41.3% (2022: 43.5%) came from ESFA, £2,476,008, 56.9% (2022: 55.8%) came from Local Authority and £79,015, 1.8% (2022: 0.7%) came from other sources.

The main expense remains teaching and teaching support staff salaries which make up 74.6% (2022: 75.9%) of our total expenditure, and 78.8% (2022: 78.1%) of our total income. Given the nature of our pupils and their individual needs when benchmarked against other special schools we are happy that our resources are being directed in the correct areas to provide our pupils the best outcome.

Two additional classrooms were added onto our main site as part of our strategic plan to bring all pupils to one site and to accommodate a Nursery provision. Reserves of £461,000 were used to fund this addition to our site.

Capital funding of £370,000 was received from RCBC to enable an extension to be built on the main site to accommodate a nursery provision. At the year end the project was well underway with £283,000 expenditure incurred. The project is expected to be complete on budget.

The net income for the year (before actuarial gains on the LGPS and charging depreciation) was £469,734 and after charging depreciation was £263,195. Included in this figure are. The reserves balance as at 31 August 2023 was £1,210,831.

The effects of the in-year movement on the LGPS liability has resulted in a profit of £1,059,000 and at 31 August 2023 the pension reserve was in a surplus of £728,000. We requested our actuaries consider the impact of the minimum funding requirement on the asset ceiling and as a result we have restricted the asset to £nil based upon an asset restriction calculation.

Reserves policy

The Academy has a reserves policy which is reviewed annually by the Trustees. The policy explains the requirement of the Academy to carry forward a prudent level of resources designed to meet long-term cyclical needs of renewal or any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the ESFA. The trustees also take in to account how much of the reserves should be held in investment. For the 2022/23 year a minimum reserve balance equating to 2 month's equivalence of expenditure was agreed, this would equate to approximately £650,000. When reserves are above the amount stated the Trustees consider using some of the additional reserve for investment in academy resources including capital development for the future benefit of the Academy pupils taking in to account the changing population and their needs but ultimately try to save these reserves for investment in the premises. The end of year accounts for 2022/23 are showing reserves of £1,210,831.

A significant amount of reserves held have been earmarked to be used within the 2023/24 and 2024/25 academic years with an investment in the main site premises planned along with other planned spending which will significantly reduce the value of reserves held to the levels as required in the policy.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Investment policy

The Headteacher and Governing body have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the Finance Leader. The Finance Leader liaises with the Headteacher and the Finance Committee in relation to strategy, status and market conditions. The chair of Finance liaises with the Governing Body for approval of any changes to strategy and to provide an update on investments. The Academy policy is clearly geared towards avoiding risk than to maximising return. The Academy has a guiding principle for ethical investments. The Academy will not take out any long-term investments until a reliable cash flow pattern has been established and agreed by the finance committee. Deposits will be made only with institutions approved by the Governing Body in the context of advice from a financial expert. The Governing Body has delegated authority to the Finance Leader to place deposits in the Academy's name, at approved institution, subject to the agreed limits. No deposits are to be placed by the Finance Leader without prior authorisation by the Headteacher or other bank signatory subject to their relevant limits. Approval of investments are dependent upon the amount of investment, with both the Headteacher and Finance Leader able to approve initial investments, the finance committee approving the second tier and the full Governing Body approving the maximum investment. At the year-end £254,000 was deposited in a deposit account.

Principal risks and uncertainties

The Academy has a risk register which has 7 categories; strategic and reputational, physical, infrastructure, governance, staffing, pupils and financial. Each identified risk is given consideration for likelihood and impact. The controls in place for all risks are identified with actions required and improvements. All risks identified are low (Green). We use RAG system. The Academy has also completed the Finance and Management Governance Self-assessment which has been approved by the ESFA with all actions addressed.

The Academy continues to have an excellent reputation within the LA and beyond both with parents and professionals. The school numbers have steadily grown year on year and there continues to be a demand for more places than we can offer. We currently take children from 4 Local Authorities. The school has an agreed capacity with the ESFA for 170 with currently 173 pupils on roll. This number has increased year on year however we have reached our capacity and we would be unable to increase this number unless a substantial investment is made in capital development.

Additional premises space was added during the year to accommodate some of our pupils without which would have been detriment to their and our staff's wellbeing. However, additional space brings additional site costs and risks which will stretch our resources especially given the global energy crisis, these risks will need to be monitored and managed.

The uncertainty of funding especially the High Needs funding continues to be a risk to the academy, with the Local Authority trying to balance its High Needs Block Funding, which is in significant deficit and with public spending cuts predicted uncertainty.

Recruitment of staff in all roles but particularly teaching assistance has been identified as a significant future risk as we are currently seeing a shortage of applicants to fill vacant posts. This is a national problem is expected to get worse over the coming academic year. To enable the Academy to maintain its outstanding provision for the pupils staffing levels need to be maintained with high quality, well trained staff.

Fundraising

Kilton Thorpe School Friends Association, a registered charity and is run by a group of staff, parents and friends of the pupils who attend the academy is our main channel for fundraising. The group's main objective is to advance the education of the pupils of the school by developing more extended relationships between staff, parents and other stake holders, engaging in activities which support the school and provide or assist in providing extra resources not normally provided by the academy funding. The group fundraise and apply for charitable grants to support this.

The academy currently does not work with any other commercial participators/professional fundraisers and donations to all events related to the academy are on a completely voluntary basis. There have been no complaints with regards to any of the academy's fund-raising activities.

The academy complies with the fundraising policies of charities when raising money for them e.g. Children in Need.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

Some initial refurbishments of the KTS+ building at St Margaret's Way have taken place with the replacement of some doors, bathrooms and making the site secure. In the development of the 3 year strategic plan the extended leadership team and trustees have identified that the two sites on St Margaret's Way will require a considerable amount of capital funding to refurbish the environments to even a basic standard. There are concerns that the buildings are not currently able to meet the needs of the pupils effectively and will not be able to meet the needs of the more complex cohort of pupils moving through the Academy. There are concerns about the additional maintenance costs of four buildings as they continue to age. The logistics of operating a school with pupils with complex needs across two site remains a day to day issue.

A meeting has been arranged with the Assistant Director of Education and Skills and their representative for capital developments for education to look at options for expanding on the main site. Talks have also taken place with the estate's manager from NET Trust regarding acquisition of additional land on the main site.

The hydro therapy pool on the main site is also in need of cosmetic refurbishment and elements of the pump room require replacing, as some elements are obsolete should they stop working. Staff and families have begun fundraising and companies who are able to provide grants have been contacted, they just require a total cost to be able to support. Unfortunately, it has been a challenge to get companies who are able/willing to cost the project.

Funds held as custodian trustee on behalf of others

The Academy has no funds for which it is acting as custodian trustee.

Auditor

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15/12/23 and signed on its behalf by:



M Hadland

Chair of Trustees

KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that KTS Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk 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 Headteacher, 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 KTS Academy 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 KTS Academy board of trustees conducted three meetings during the year. Effective oversight is maintained through delegation to sub-committees who meet frequently throughout the year.

Conflicts of interest

No-one involved in spending public money may benefit personally from the decisions they make. To avoid misunderstandings, the Academy governors and staff with significant financial or spending powers are required to declare their financial interests in entities from whom the Academy could purchase goods or services. A register of interests is maintained to ensure that all decision-making bodies are aware of any potential conflicts of interest when awarding contracts or making other financial decisions. All members of the Board, Senior Leadership Team and all other staff complete a register of interest form on appointment and this exercise is repeated annually as a minimum. The existence of the register does not affect the duty of governors and staff to declare interests whenever they are relevant to matters being discussed by the board, a committee or any other working group within the Academy. Where an interest has been declared, the individual(s) concerned will not attend that part of any committee or other meeting.

Meetings

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

Trustees	Meetings attended	Out of possible
I Bowman (Resigned 23 March 2023)	0	2
M Hadland (Chair of Trustees)	3	3
G Hopkins (Resigned 17 February 2023)	0	1
M Robinson	3	3
B Richardson	3	3
S Walker	2	3
N J Kirby (Resigned 20 November 2023)	1	3
S Kirk	1	3
A Linford-Cheall (Resigned 18 September 2023)	1	3
S L Gunn (Head teacher and Accounting Officer) (Appointed 1 September 2022)	3	3
M J Bennett (Staff Trustee)	3	3
C A Hughes (Resigned 6 December 2022)	0	1
L Stevenson (Appointed 6 August 2023)	1	1
D Inkpen (Staff Trustee) (Appointed 23 March 2023)	2	2
J Hill (Appointed 24 November 2023)	1	1

KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Key changes in the composition of the board of trustees during the year were 2 new co-opted Governors were appointed with educational experience to bring further knowledge and challenge to the board. 1 new staff governor was appointed to replace a staff governor who left the Academy. Unfortunately, I Bowman, who had previously been the Chair of Governors, had to resigned due to ill health.

Governance Reviews

The attendance at meetings is very good and there is a good cross section of skill sets and experience across the trustees.

A review of the board was undertaken during the prior year when I Bowmen resigned as Chair of Governors. A previous skill set audit identified areas of the board that required further development/strengthening. The action plan had been implemented when a review was carried out prior to additional appointments being made to the replace exiting board members in the previous year.

The Finance, Staffing, Audit and Risk Committee is a sub-committee of the main board of trustees. Its purpose is

- Consider the annual budget and recommend to Full Governing Body for final approval.
- Approve the financial statements for filing in accordance with Companies Act and Charity Commission requirements
- Responsible to the Board for ensuring compliance with the Funding Agreement and all relevant financial regulations relating to the Academy are observed
- Oversee capital investment programmes
- Regular monitoring of actual expenditure and income against budget;
- Ensure income and expenditure variances between budgeted and actual results are understood or addressed.
- Authorising the purchases of goods and services of value in excess of £30,000 but less than £50,000;
- Directing the trusts programme of internal scrutiny and reporting to the board on the adequacy of the trusts financial and other controls and management of risk;
- Review staffing needs of the Academy
- Authorising the disposal of fixed assets with a value of greater than £10,000;
- Establish, monitor and review employment policies on behalf of the Governing Body;
- Set and monitor remuneration levels for members of staff except for the Head Teacher, Deputy Head Teacher, Assistant Head Teachers and Academy Finance Leader.
- Remuneration levels for those members of staff will be set by the GB having considered the recommendations of this Committee.
- Contribute to the appraisal of the Head Teacher, Deputy Head Teacher, Assistant Head Teachers and Academy Finance Leader.
- Review and agree staff training programmes

Day to day management of the budget to be delegated to the Head Teacher, or the deputy in his absence.

Attendance during the year at the Finance, Staffing, Audit and Risk committee meetings was as follows:

Trustees	Meetings attended	Out of possible
I Bowman (Resigned 23 March 2023)	0	1
M Robinson	3	6
B Richardson	5	5
S Walker	6	6
N J Kirby (Resigned 20 November 2023)	3	6
S L Gunn (Head teacher and Accounting Officer) (Appointed 1 September 2022)	6	6

KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Premises, health and safety committee

- Draw up and review medium- and long-term plans relating to the repair, maintenance and development of premises and recommend action to the governing body
- Keep the H&S and emergency procedures and policies under review, ensuring that necessary checks and assessments are carried out and prioritised for action
- Seek professional external advice as and when appropriate to ensure KTS complies with all current H&S requirements

Curriculum and standards committee

- Review, monitor and evaluate the curriculum offer
- Monitor and review behaviour and attendance data, and review policy statements relating to discipline, behaviour and related matters and recommend changes to the governing body.
- Monitor the effectiveness of leadership and management
- Monitor and evaluate the progress and standards of achievement by pupils
- Set priorities for improvement and monitor the impact of improvement plans
- Consider the recommendations from external reviews of the school, agree actions and review the implementation of the plan.

Pay review committee:

- Undertake an annual review of all teaching staff salaries, and provide each staff member with a written statement confirming his/her salary from 1 September each year
- Report all decisions on pay to the governing body

Changes to committees

In the Full Governing Body Meeting on Thursday 5th October 2023, the Governing Body decided to restructure and have the following committees:

Resources Committee (formed by combining the previous Health, Safety and Premises with Finance, Audit, Staffing and Risk)

Raising Standards (monitoring and reviewing things such as: curriculum, teaching and learning, school development priorities)

Pay Review and Performance Management will remain as they were previously.

Review of value for money

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

The accounting officer considers how the trust'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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Area of value for money	Actions taken	Improvements made
Buildings and maintenance	Refurbishment and reorganisation	Enables more targeted delivery of curriculum, focussed groupings, better use of resources. Better learning environments.
Leadership / staffing	Leadership reviewed	Great capacity within the leadership team, better delegation of roles and responsibilities. Development of middle leadership through TLR roles
Curriculum	Curriculum developed and improved.	Curriculum is used throughout school – allows for better progression, sequencing and ambition in learning. Development of subject leads
Systems	Assessment	Implementation of Bsquared to track and monitor assessment, to allow for evaluation and development of learning plans – In house training and support provided.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in KTS Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 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 trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the finance and human resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management risks.

KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The board of trustees has considered the need for a specific internal audit function and has decided:

- Not to appoint an internal auditor. The trustees have appointed Sarah Langstaff, Chief Finance Officer – Tees Valley Collaborative Trust.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of Income
- Testing of control accounts and reconciliations
- Testing of monthly management information
- Testing of assets
- Testing of website compliance
- Testing of Health and Safety compliance

On a termly basis the reviewer reports to the board of trustees, through the finance, staffing, audit and risk committee on the operations of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During 2022/23 there were a low number of findings and the overall opinion based on the work carried out during the internal scrutiny programme is a medium/high level of confidence in the overall effectiveness of internal controls.

Review of effectiveness

As accounting officer, the Headteacher 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 reviewer;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance audit and staffing committee. A plan to ensure continuous improvement of the systems in place.

Approved by order of the board of trustees on 15/12/23 and signed on its behalf by:



M Hadland
Chair of Trustees

S L Gunn
Head teacher and Accounting Officer



KILTON THORPE SPECIALIST ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of Kilton Thorpe Specialist Academy, I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust's board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Non-financial issues

- The academy has been granted a new lease for KTS+ and High Hills greater than 15 years after many years of negotiation. This required ESFA approval but the forms were not submitted. This has now been rectified and the academy is waiting for a formal response from the ESFA. This is a technical breach of the Handbook but the academy's understanding is that it will be treated as an administrative error.

S L Gunn

Accounting Officer

Sarah Gunn

15/12/23

KILTON THORPE SPECIALIST ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of Kilton Thorpe Specialist Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 15/12/23 and signed on its behalf by:



M Hadland
Chair of Trustees

KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILTON THORPE SPECIALIST ACADEMY

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Kilton Thorpe Specialist Academy for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Emphasis of matter - LGPS disclosure

We draw your attention to note 2 to the financial statements which describes how the LGPS balance has been accounted for. Our opinion is not modified in respect of this matter.

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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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.

KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILTON THORPE SPECIALIST ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILTON THORPE SPECIALIST ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILTON THORPE SPECIALIST ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Use of our report

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



Ian Whitfield BA FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

Statutory Auditor

19 December 2023
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Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KILTON THORPE SPECIALIST ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 22 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kilton Thorpe Specialist Academy during the period 1 September 2022 to 31 August 2023 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 Kilton Thorpe Specialist Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Kilton Thorpe Specialist Academy 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 Kilton Thorpe Specialist Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kilton Thorpe Specialist Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kilton Thorpe Specialist Academy's funding agreement with the Secretary of State for Education dated 7 December 2012 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KILTON THORPE SPECIALIST ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As referred to in the Accounting Officer's Statement of Regularity, Propriety and Compliance, the trust entered into a new lease during the year that had not been reported to the ESFA within the required timescale. This has now been rectified and the trust is waiting for a formal response from the ESFA. This technical breach of the requirements of the Academies Financial Handbook did not result in any financial loss to the trust.



Reporting Accountant

Azets Audit Services

Dated: 19 December 2023

KILTON THORPE SPECIALIST ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and capital grants	3	4,791	-	443,617	448,408	16,836
Charitable activities:						
- Funding for educational operations	4	19,000	4,279,858	-	4,298,858	4,177,458
Other trading activities	5	11,487	-	-	11,487	9,138
Investments	6	4,448	-	-	4,448	260
Total		39,726	4,279,858	443,617	4,763,201	4,203,692
Expenditure on:						
Raising funds	7	2,775	4,864	-	7,639	8,842
Charitable activities:						
- Educational operations	8	-	4,277,510	214,857	4,492,367	4,812,117
Total	7	2,775	4,282,374	214,857	4,500,006	4,820,959
Net income/(expenditure)		36,951	(2,516)	228,760	263,195	(617,267)
Transfers between funds	17	17,439	(549,362)	531,923	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	1,181,000	-	1,181,000	3,641,000
Asset not recognised	19	-	(728,000)	-	(728,000)	-
Net movement in funds		54,390	(98,878)	760,683	716,195	3,023,733
Reconciliation of funds						
Total funds brought forward		362,635	892,684	6,532,630	7,787,949	4,764,216
Total funds carried forward		417,025	793,806	7,293,313	8,504,144	7,787,949

KILTON THORPE SPECIALIST ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £
Income and endowments from:					
Donations and capital grants	3	1,647	2,583	12,606	16,836
Charitable activities:					
- Funding for educational operations	4	19,240	4,158,218	-	4,177,458
Other trading activities	5	9,138	-	-	9,138
Investments	6	260	-	-	260
Total		<u>30,285</u>	<u>4,160,801</u>	<u>12,606</u>	<u>4,203,692</u>
Expenditure on:					
Raising funds	7	5,515	3,327	-	8,842
Charitable activities:					
- Educational operations	8	19,240	4,610,937	181,940	4,812,117
Total	7	<u>24,755</u>	<u>4,614,264</u>	<u>181,940</u>	<u>4,820,959</u>
Net income/(expenditure)		5,530	(453,463)	(169,334)	(617,267)
Transfers between funds	17	-	(100,725)	100,725	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	3,641,000	-	3,641,000
Net movement in funds		5,530	3,086,812	(68,609)	3,023,733
Reconciliation of funds					
Total funds brought forward		<u>357,105</u>	<u>(2,194,128)</u>	<u>6,601,239</u>	<u>4,764,216</u>
Total funds carried forward		<u>362,635</u>	<u>892,684</u>	<u>6,532,630</u>	<u>7,787,949</u>

KILTON THORPE SPECIALIST ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	12		3,414		7,599
Tangible assets	13		7,202,648		6,525,031
			<u>7,206,062</u>		<u>6,532,630</u>
Current assets					
Debtors	14	435,720		135,478	
Cash at bank and in hand		1,215,828		1,765,394	
		<u>1,651,548</u>		<u>1,900,872</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(353,466)		(314,553)	
Net current assets			<u>1,298,082</u>		<u>1,586,319</u>
Net assets excluding pension liability			<u>8,504,144</u>		<u>8,118,949</u>
Defined benefit pension scheme liability	19		-		(331,000)
Total net assets			<u><u>8,504,144</u></u>		<u><u>7,787,949</u></u>
Funds of the Academy Trust:					
Restricted funds	17				
- Fixed asset funds			7,293,313		6,532,630
- Restricted income funds			793,806		1,223,684
- Pension reserve			-		(331,000)
Total restricted funds			<u>8,087,119</u>		<u>7,425,314</u>
Unrestricted income funds	17		<u>417,025</u>		<u>362,635</u>
Total funds			<u><u>8,504,144</u></u>		<u><u>7,787,949</u></u>

The accounts set out on pages 24 to 48 were approved by the board of trustees and authorised for issue on 15/12/23 and are signed on its behalf by:


 M Hadland
 Chair of Trustees

Company registration number 08299166 (England and Wales)

KILTON THORPE SPECIALIST ACADEMY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20		(109,342)		334,771
Cash flows from investing activities					
Dividends, interest and rents from investments		4,448		260	
Capital grants from DfE Group		37,927		12,606	
Capital funding received from sponsors and others		405,690		-	
Purchase of intangible fixed assets		-		(7,934)	
Purchase of tangible fixed assets		(888,289)		(105,397)	
Net cash used in investing activities			<u>(440,224)</u>		<u>(100,465)</u>
Net (decrease)/increase in cash and cash equivalents in the reporting period			(549,566)		234,306
Cash and cash equivalents at beginning of the year			1,765,394		1,531,088
Cash and cash equivalents at end of the year			<u>1,215,828</u>		<u>1,765,394</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software - 3 years

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

Leasehold land	125 years straight line
Leasehold buildings	2% straight line
Leasehold improvements	2% straight line
Assets under construction	not depreciated until brought into use
Computer equipment	33% straight line
Fixtures, fittings & equipment	10, 20 & 25% straight line
Motor vehicles	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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.

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.10 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA 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 funds received and paid and any balances held are disclosed in note 25.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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. The UK corporate bond yields at 31 August 2023 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the Academy Trust and the valuation has been based on the following estimates:

- There is a minimum funding requirement in relation to LGPS
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period
- The present values in the above calculations are calculated using an annuity representing participation into perpetuity.

There is no known intention to exit the LGPS and therefore the economic benefit of a refund would be highly unlikely and on that basis recognition of an asset is considered inappropriate. We have however considered the economic benefit available to the Academy Trust as a future contribution reduction and whether it is appropriate to recognise the net asset in full. Under FRS 102, a net asset restriction may apply as the prevailing view is that a minimum funding requirement for future service exists in the LGPS. We requested our actuaries consider the impact of the minimum funding requirement on the asset ceiling and as a result we have restricted the asset to £nil based upon an asset restriction calculation. We consider this to be appropriate and a more accurate reflection of the pension positions as at 31 August 2023.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	407,927	407,927	12,606
Other donations	4,791	35,690	40,481	4,230
	<u>4,791</u>	<u>443,617</u>	<u>448,408</u>	<u>16,836</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the Academy Trust's educational operations

Educational operations	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	1,700,000	1,700,000	1,700,000
Other DfE/ESFA grants:				
- UIFSM	-	9,387	9,387	6,928
- Pupil premium	-	74,172	74,172	74,468
- PE and sports premium	-	16,690	16,690	16,680
- Others	-	1,857	1,857	3,900
	-	1,802,106	1,802,106	1,801,976
Other government grants				
Local authority grants	-	2,422,578	2,422,578	2,337,353
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	55,174	55,174	18,889
Other incoming resources	2,775	-	2,775	-
Total funding for educational operations	2,775	4,279,858	4,282,633	4,158,218
Catering income	16,225	-	16,225	19,240
Total funding	19,000	4,279,858	4,298,858	4,177,458

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Lettings income	1,598	-	1,598	165
Catering income	8,247	-	8,247	7,601
Music tuition (can modify)	225	-	225	-
Other income	1,417	-	1,417	1,372
	11,487	-	11,487	9,138

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6	Investment income	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £	
	Short term deposits	4,448	-	4,448	260	
7	Expenditure	Staff costs £	Non-pay expenditure Premises Other £ £		Total 2023 £	Total 2022 £
	Expenditure on raising funds					
	- Direct costs	2,775	-	4,864	7,639	8,842
	Academy's educational operations					
	- Direct costs	3,203,992	-	225,481	3,429,473	3,309,482
	- Allocated support costs	494,928	447,135	120,831	1,062,894	1,502,635
		<u>3,701,695</u>	<u>447,135</u>	<u>351,176</u>	<u>4,500,006</u>	<u>4,820,959</u>
	Net income/(expenditure) for the year includes:			2023 £	2022 £	
	Operating lease rentals			3,531	3,591	
	Depreciation of tangible fixed assets			202,354	177,754	
	Loss on disposal of fixed assets			8,318	1	
	Amortisation of intangible fixed assets			4,185	4,185	
	Fees payable to auditor for:					
	- Audit			8,750	6,250	
	- Other services			3,350	3,100	
	Net interest on defined benefit pension liability			16,000	61,000	
8	Charitable activities			2023 £	2022 £	
	All from restricted funds:					
	Direct costs					
	Educational operations			3,429,473	3,309,482	
	Support costs					
	Educational operations			1,062,894	1,502,635	
				<u>4,492,367</u>	<u>4,812,117</u>	
	Analysis of support costs			2023 £	2022 £	
	Support staff costs			494,928	935,627	
	Depreciation and amortisation			214,857	181,940	
	Premises costs			232,278	233,025	

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities		(Continued)
Legal costs	15,102	14,965
Other support costs	88,884	123,269
Governance costs	16,845	13,809
	<u>1,062,894</u>	<u>1,502,635</u>

9 Staff

Staff costs

Staff costs during the year were:

	2023	2022
	£	£
Wages and salaries	2,878,496	2,804,361
Social security costs	178,170	173,989
Pension costs	645,029	1,077,276
	<u>3,701,695</u>	<u>4,055,626</u>
Staff costs - employees	3,701,695	4,055,626
Staff restructuring costs	-	10,981
	<u>3,701,695</u>	<u>4,066,607</u>
Staff development and other staff costs	45,593	22,944
	<u>3,747,288</u>	<u>4,089,551</u>
Total staff expenditure	<u>3,747,288</u>	<u>4,089,551</u>
Staff restructuring costs comprise:		
Severance payments	-	10,981

Staff numbers

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

	2023	2022
	Number	Number
Teachers	114	120
Administration and support	26	26
Management	4	4
	<u>144</u>	<u>150</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

(Continued)

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £347,439 (2022: £354,205).

10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

S Gunn - Appointed 01/09/2022 (Headteacher)
Remuneration £80,001 - £85,000 (2022: £nil)
Employer's pension contributions £15,001 - £20,000 (2022: £nil)

M Bennet
Remuneration £45,001 - £50,000 (2022: £5,001 - £10,000)
Employer's pension contributions £10,001 - £15,000 (2022: £1 - £5,000)

C Hughes
Remuneration £1 - £5,000 (2022: £1 - £5,000)
Employer's pension contributions £1 - £5,000 (2022: £1 - £5,000)

D Inkpen - Appointed 23/03/2023
Remuneration £15,001 - £20,000 (2022: £nil)
Employer's pension contributions £1 - £5,000 (2022: £nil)

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees' and officers' insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust 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.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2022 and at 31 August 2023	12,554
Amortisation	
At 1 September 2022	4,955
Charge for year	4,185
At 31 August 2023	9,140
Carrying amount	
At 31 August 2023	3,414
At 31 August 2022	7,599

KILTON THORPE SPECIALIST ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets	Leasehold land	Leasehold improvements	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 September 2022	6,375,000	1,260,590	-	136,954	303,419	73,031	8,148,994
Additions	-	508,005	282,749	-	97,535	-	888,289
Disposals	-	-	-	-	(23,773)	-	(23,773)
At 31 August 2023	6,375,000	1,768,595	282,749	136,954	377,181	73,031	9,013,510
Depreciation							
At 1 September 2022	1,151,195	118,853	-	121,878	159,894	72,143	1,623,963
On disposals	-	-	-	-	(15,455)	-	(15,455)
Charge for the year	122,124	27,782	-	8,476	43,347	625	202,354
At 31 August 2023	1,273,319	146,635	-	130,354	187,786	72,768	1,810,862
Net book value							
At 31 August 2023	5,101,681	1,621,960	282,749	6,600	189,395	263	7,202,648
At 31 August 2022	5,223,805	1,141,737	-	15,076	143,525	888	6,525,031

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets

(Continued)

Land and buildings were valued on the basis of depreciated replacement cost as at 31 March 2013 by Mouchel on behalf of the ESFA. This value was capitalised on the date of conversion.

14 Debtors

	2023	2022
	£	£
VAT recoverable	65,609	57,238
Other debtors	136	315
Prepayments and accrued income	369,975	77,925
	<u>435,720</u>	<u>135,478</u>

15 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	29,872	80,298
Other taxation and social security	43,336	44,973
Other creditors	83,068	58,477
Accruals and deferred income	197,190	130,805
	<u>353,466</u>	<u>314,553</u>

16 Deferred income

	2023	2022
	£	£
Deferred income is included within:		
Creditors due within one year	5,749	7,009
	<u>5,749</u>	<u>7,009</u>
Deferred income at 1 September 2022	7,009	17,677
Released from previous years	(7,009)	(17,677)
Resources deferred in the year	5,749	7,009
	<u>5,749</u>	<u>7,009</u>
Deferred income at 31 August 2023	<u>5,749</u>	<u>7,009</u>

At the year end the Academy Trust was holding an apprentice grant & Universal Infants Free School Meals funding for the 2023-24 academic year received in advance.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	1,200,767	1,700,000	(1,577,626)	(531,923)	791,218
UIFSM	-	9,387	(9,387)	-	-
Pupil premium	-	74,172	(74,172)	-	-
Other DfE/ESFA COVID-19 funding	17,439	55,174	(55,174)	(17,439)	-
Other DfE/ESFA grants	-	1,857	(1,857)	-	-
Other government grants	2,890	2,422,578	(2,425,468)	-	-
PE & Sports Premium	-	16,690	(16,690)	-	-
Other restricted funds	2,588	-	-	-	2,588
Pension reserve	(331,000)	-	(122,000)	453,000	-
	<u>892,684</u>	<u>4,279,858</u>	<u>(4,282,374)</u>	<u>(96,362)</u>	<u>793,806</u>
Restricted fixed asset funds					
Inherited on conversion	5,379,018	-	-	-	5,379,018
DfE group capital grants	171,391	407,927	(214,857)	-	364,461
Capital expenditure from GAG	959,276	-	-	533,538	1,492,814
Private sector capital sponsorship	22,945	35,690	-	(1,615)	57,020
	<u>6,532,630</u>	<u>443,617</u>	<u>(214,857)</u>	<u>531,923</u>	<u>7,293,313</u>
Total restricted funds	<u>7,425,314</u>	<u>4,723,475</u>	<u>(4,497,231)</u>	<u>435,561</u>	<u>8,087,119</u>
Unrestricted funds					
General funds	<u>362,635</u>	<u>39,726</u>	<u>(2,775)</u>	<u>17,439</u>	<u>417,025</u>
Total funds	<u>7,787,949</u>	<u>4,763,201</u>	<u>(4,500,006)</u>	<u>453,000</u>	<u>8,504,144</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other DfE/ESFA grants includes mental health & apprenticeship grant.

Other government grants includes funding for pupils with special educational needs and Covid related funding.

Other restricted income includes monies received other than from the local authority or the DfE/ESFA.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/EFA capital grants consist of the devolved capital grant received, which has been fully spent during the year.

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds may be used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

The academy's restricted general and unrestricted funds total £1,210,831 at 31 August 2023.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	1,089,163	1,700,000	(1,487,671)	(100,725)	1,200,767
UIFSM	-	6,928	(6,928)	-	-
Pupil premium	16,140	74,468	(90,608)	-	-
Other DfE/ESFA COVID-19 funding	26,370	18,889	(27,820)	-	17,439
Other DfE/ESFA grants	-	3,900	(3,900)	-	-
Other government grants	-	2,337,353	(2,334,463)	-	2,890
PE & Sports Premium	18,006	16,680	(34,686)	-	-
Other restricted funds	4,193	2,583	(4,188)	-	2,588
Pension reserve	(3,348,000)	-	(624,000)	3,641,000	(331,000)
	<u>(2,194,128)</u>	<u>4,160,801</u>	<u>(4,614,264)</u>	<u>3,540,275</u>	<u>892,684</u>
Restricted fixed asset funds					
Inherited on conversion	5,501,142	-	(122,124)	-	5,379,018
DfE group capital grants	168,260	12,606	(9,475)	-	171,391
Capital expenditure from GAG	906,152	-	(47,601)	100,725	959,276
Private sector capital sponsorship	25,685	-	(2,740)	-	22,945
	<u>6,601,239</u>	<u>12,606</u>	<u>(181,940)</u>	<u>100,725</u>	<u>6,532,630</u>
Total restricted funds	<u>4,407,111</u>	<u>4,173,407</u>	<u>(4,796,204)</u>	<u>3,641,000</u>	<u>7,425,314</u>
Unrestricted funds					
General funds	<u>357,105</u>	<u>30,285</u>	<u>(24,755)</u>	<u>-</u>	<u>362,635</u>
Total funds	<u>4,764,216</u>	<u>4,203,692</u>	<u>(4,820,959)</u>	<u>3,641,000</u>	<u>7,787,949</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Intangible fixed assets	-	-	3,414	3,414
Tangible fixed assets	-	-	7,202,648	7,202,648
Current assets	417,025	1,147,272	87,251	1,651,548
Current liabilities	-	(353,466)	-	(353,466)
Total net assets	417,025	793,806	7,293,313	8,504,144

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Intangible fixed assets	-	-	7,599	7,599
Tangible fixed assets	-	-	6,525,031	6,525,031
Current assets	362,635	1,538,237	-	1,900,872
Current liabilities	-	(314,553)	-	(314,553)
Pension scheme liability	-	(331,000)	-	(331,000)
Total net assets	362,635	892,684	6,532,630	7,787,949

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

There was £30,037 outstanding contributions at the end of the financial year (2022: £29,375).

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. 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.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019.

The key elements of the valuation and subsequent consultation are:

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £485,793 (2022: £457,592).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.50% for employers and 5.5 to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £	2022 £
Employer's contributions	279,000	257,000
Employees' contributions	91,000	83,000
Total contributions	<u>370,000</u>	<u>340,000</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations (Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.95	4.05
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	2.95	3.05

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

	2023 Years	2022 Years
Retiring today		
- Males	20.5	21.7
- Females	23.5	23.5
Retiring in 20 years		
- Males	21.3	22.9
- Females	25.0	25.3

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023 £	2022 £
Discount rate + 0.1%	3,806,000	4,586,000
Discount rate - 0.1%	4,016,000	4,824,000
Mortality assumption + 1 year	3,755,000	4,517,000
Mortality assumption - 1 year	4,067,000	4,893,000
CPI rate + 0.1%	4,011,000	4,816,000
CPI rate - 0.1%	3,811,000	4,594,000

The Academy Trust's share of the assets in the scheme

	2023 Fair value £	2022 Fair value £
Equities	3,386,470	2,974,320
Asset not recognised	(728,000)	-
Cash	185,560	612,360
Property	1,066,970	787,320
Total market value of assets	3,911,000	4,374,000

The actual return on scheme assets was £(24,000) (2022: £244,000).

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2023 £	2022 £
Current service cost	385,000	820,000
Interest income	(192,000)	(68,000)
Interest cost	208,000	129,000
Total operating charge	401,000	881,000
Changes in the present value of defined benefit obligations	2023 £	2022 £
At 1 September 2022	4,705,000	7,185,000
Current service cost	385,000	820,000
Interest cost	208,000	129,000
Employee contributions	91,000	83,000
Actuarial gain	(1,397,000)	(3,465,000)
Benefits paid	(81,000)	(47,000)
At 31 August 2023	3,911,000	4,705,000
Changes in the fair value of the Academy Trust's share of scheme assets	2023 £	2022 £
At 1 September 2022	4,374,000	3,837,000
Interest income	192,000	68,000
Actuarial loss/(gain)	(216,000)	176,000
Employer contributions	279,000	257,000
Employee contributions	91,000	83,000
Benefits paid	(81,000)	(47,000)
Asset not recognised	(728,000)	-
At 31 August 2023	3,911,000	4,374,000

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Notes	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		263,195	(617,267)
Adjusted for:			
Capital grants from DfE and other capital income		(443,617)	(12,606)
Investment income receivable	6	(4,448)	(260)
Defined benefit pension costs less contributions payable	19	106,000	563,000
Defined benefit pension scheme finance cost	19	16,000	61,000
Depreciation of tangible fixed assets		202,354	177,754
Amortisation of intangible fixed assets	12	4,185	4,185
Loss on disposal of fixed assets		8,318	1
(Increase) in debtors		(300,242)	(2,385)
Increase in creditors		38,913	161,349
Net cash (used in)/provided by operating activities		(109,342)	334,771

21 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	1,765,394	(549,566)	1,215,828

22 Long-term commitments

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	5,926	2,487
Amounts due in two and five years	13,785	-
	<u>19,711</u>	<u>2,487</u>

23 Capital commitments

	2023 £	2022 £
Expenditure contracted for but not provided in the accounts	<u>93,392</u>	<u>-</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

24 Related party transactions

Owing to the nature of the Academy Trust's operations 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 Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

C Gunn (daughter of the Head Teacher, S Gunn) was employed by the academy trust as teaching assistant or in cover role. Their appointment was made in open competition S Gunn was not involved in the decision-making process regarding the appointment. C Gunn is paid within the normal pay scale for their role and they receive no special treatment as a result of their relationship with trustees.

25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the trust brought forward £2,405 (2022: £nil) from previous years, received £7,453 (2022: £4,988) and disbursed £4,069 (2022: £2,583) from the fund. An amount of £5,790 (2022: £2,405) is included in other creditors relating to undistributed funds that is repayable to ESFA.

The academy obtained £1,200 (2022: £nil) of 16-19 vulnerable bursary funds to distribute to students as an agent for ESFA during the accounting period ending 31 August 2023. In the accounting period ending 31 August 2023 the trust disbursed £842 (2022: £nil) from this fund. An amount of £358 (2022: £nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.