
KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Governance statement	12 - 16
Statement of regularity, propriety and compliance	17
Statement of trustees' responsibilities	18
Independent auditors' report on the financial statements	19 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities incorporating income and expenditure account	25 - 26
Balance sheet	27 - 28
Statement of cash flows	29
Notes to the financial statements	30 - 58

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Ayling J Hill A Gaywood S Dignasse
Trustees	R Abo-Henriksen, Chair J Brindle, Chair of Finance, Audit & Risk Committee K Byatt P Cozens, Chief Executive and Accounting Officer R Gregory, Vice Chair Bishop R Morris (resigned 21 July 2023) A Wildman A Kemp (appointed 14 October 2022, resigned 10 December 2023)
Company registered number	10831275
Company name	Keys Co-operative Academy Trust
Principal and registered office	Mid Essex Co-Operative Academy The Street Heybridge Essex CM9 4NB
Chief executive officer	P Cozens
Senior management team	P Cozens, Chief Executive Officer and Accounting Officer K Panrucker, Chief Operating and Financial Officer (to 12 March 2023) S Shaw, Chief Operating and Financial Officer (from 13 March 2023) R Skyers, Headteacher - HCA J Cookson, Headteacher - NEECA J Chadwick, Headteacher - ECA
Independent auditors	Griffin Chapman Chartered Accountants 4&5 The Cedars Old Ipswich Road Colchester Essex CO7 7QR
Bankers	Lloyds Bank PLC 77/81 High Street Chelmsford Essex CM1 1DU

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 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 academy trust operates three Special/Alternative Provision academies in Essex. Its academies had combined pupil places of 451 in the year, however due to the very nature of the Alternative Provisions, the number on roll across the trust fluctuates significantly throughout the year and therefore the number of pupils on roll at census dates is not entirely representative of average pupil numbers throughout the year,

Keys Co-operative Academy Trust (KCAT)		
Mid Essex Co-operative Academy (HCA)	AP Academy	135 Pupil Places
North East Essex Co-operative Academy (NEECA)	AP Academy	170 Pupil Places
Endeavour Co-operative Academy (ECA)	Special Academy	146 Pupil Places

ECA includes 16-19 year olds.

Structure, governance and management

a. Constitution

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

The Trustees of Keys Co-operative Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The charitable company operates as Keys Co-operative Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The Trust is insured by Zurich through Essex County Council's Schools Insurance Scheme. The insurance includes Trustees' liability Insurance, which extends to Trustees of a MAT. The limit of indemnity is £5,000,000.

d. Method of recruitment and appointment or election of Trustees

The management of the academy trust is the responsibility of the Trustees who are elected and co-opted under the terms of the memorandum and articles of association.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

Keys Co-operative Academy Trust subscribes to a number of services to support the induction and training of new Trustees. This includes membership of the National Governance Association which gives a wealth of resources and information to members. The membership to the NGA extends to the learning link, which is an online learning platform offering training modules.

New Trustees and Governors are offered a one to one meeting with the CEO/Chair of Trustees and Headteacher as a way of an informal induction to the Trust.

f. Organisational structure



The Members take ultimate responsibility for the Trust achieving its charitable objectives and have ultimate control. Members have the ability to appoint Trustees and have the right to amend the Trust's Articles of Association and the Board of Trustees.

As a charity and company limited by guarantee, Keys Co-operative Academy Trust is governed by a board of trustees (the Board) who have responsibility and decision making authority for all the work of the Trust, including the establishing and running of the academies maintained by the Trust. The Board of Trustees deliver the core governance functions and ensure that Trust business is conducted in compliance with company and charity law.

As the Trust has an annual income less than £50m, there is not yet a requirement for a dedicated Audit and Risk Committee, and internal scrutiny is combined with finance, under the terms of reference for the Finance, Audit and Risk Committee (FARC).

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

The Trust Board are responsible for determining the pay range and starting salary of the Chief Executive Officer (CEO) and Chief Operating and Financial Officer (COFO).

The CEO's Performance Management Review Panel is responsible for making pay progression recommendations for the CEO. The CEO is responsible for making pay progression recommendations for the COFO and such recommendations are ratified by the Trust Board

The CEO is responsible for determining the pay range and starting salary of Headteachers within agreed headteacher groupings for the school, which are approved by the Trust board. The CEO is responsible for making pay progression recommendations for Headteachers, the COFO and any other senior Trust staff. Such recommendations will be ratified by the Trust Board.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	0.40

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	9,620	
Total pay bill	7,938,494	
Percentage of total pay bill spent on facility time	0.12	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100.00	%
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KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

a. Objects and aims

The Academy Trust's objects are specifically restricted to the following:

to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

b. Objectives, strategies and activities

As an educational charity formed by a co-operative of specialist schools with a common legal and moral purpose, our schools work together co-operatively to provide an appropriate, broad and balanced curriculum suitable to the varying needs of our young people and achieving our vision of enabling young people, regardless of their barriers, to achieve their full potential, enjoy positive life chances and make a positive contribution to their community.

During the 2022 -23 academic year, the Trust focussed on 5 main strategic priorities;

- PRIORITY 1 - To ensure that effective systems are in place to hold schools to account for the quality of their leadership and management.
- PRIORITY 2 - That the Quality of education meets the ofsted criteria of good to outstanding in all schools and all schools focus on raising standards for all pupils
- PRIORITY 3 - Enable all learners to be good citizens in their communities.
- PRIORITY 4 - Undertake appropriate strategic planning to ensure the long term future of the Trust.
- PRIORITY 5 - Ensure financial sustainability for all schools in the Trust

c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic Report

a. Achievements and performance

Priority 1

- Both alternative provision (AP) schools had an Ofsted inspection with Heybridge being judged as requiring improvement. The implementation of the new curriculum at the school was not fully in line with national expectations and the use of on line learning did not engage pupils sufficiently.
A new Head was appointed in the summer term to implement an improvement programme addressing the Ofsted targets.
- Both Endeavour and NEECA maintained their good judgements (NB Endeavour was inspected in 2023).
- The Endeavour KS5 cohort had an extremely successful first year and there are now two KS5 groups.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

(continued)

Priority 2

- The Endeavour focus on reading and literacy has proved very successful and staff training focussed on preparing the curriculum in line with national expectations. HCA and NEECA focused on curriculum training, literacy and reading which needs further development next year.
- Evidence from exam outcomes and NEET figures from all three schools indicates that results are comparable to those achieved pre COVID. However, reintegration figures for both APs are not as strong as pre COVID data
- Pupil and parental feedback at all three schools continues to be extremely positive

Priority 3

- Cooperative values are a key element of the RHSE curriculum in all schools and the values are reinforced in all school policies.
- Safeguarding and wellbeing have been a crucial focus again this year and safeguarding was judged to be effective in both Ofsted inspections. (It was also found to be effective in the 2023 Endeavour inspection.) Ongoing training in TPP provides further support to developing a values based culture across the Trust
- All schools have case studies to demonstrate the development of citizenship among pupils and staff and all schools use the Jack Petchey scheme to acknowledge, reward and promote good citizenship

Priority 4

- Primary provision for HCA was delivered at Chipping Hill, Witham and this has proved effective with the primary provision being praised by Ofsted. Plans for new provision for secondary provision are still under discussion
- Two new Headteachers were appointed this year at HCA and NEECA. This has provided an opportunity to review and refresh both leadership teams. There is a continued focus on tailored CPD, career development and talent-spotting at all three schools
- Expansion plans beyond our current cohort of schools has been limited as schools are reluctant to consider major structural and organisational changes. However, we have developed a traded service in IT with Glenwood School and we are working closely with a Primary Trust in Braintree.
- We continue to work in partnership with SEAX, a special school Trust in Essex. The Head of primary provides outreach support to primary schools, a service paid for by the local authority which has reduced permanent exclusion in local primaries. We are seeking to consolidate this work by offering further outreach support and providing designated and commissioned social, emotional and mental health places for primary pupils. This is under discussion with the local authority.

Priority 5

- Financial recovery plans ensured that each school ended the year with a surplus balance, despite in-year deficit budgets being set.
The Chief Operating and Financial Officer has worked closely with Headteachers, to ensure that the staffing establishment at each school is appropriate and in line with the Trust's key performance targets.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

(continued)

c. Key performance indicators

Ofsted

Two schools had an Ofsted inspection in 2022. The last judgement at each school are as follows:

Heybridge Co-operative Academy	April 2022	Requires Improvement
North East Essex Co-operative Academy	May 2022 (section 5)	GOOD
The Endeavour Co-operative Academy (Inspected as The Endeavour School)	Dec 2015	GOOD (Inspected in 2023 and judged to be good)

Staffing %'s

Throughout the 2022/23 financial year, trustees have been monitoring the % of expenditure on staffing costs at each of the schools against a target (KPT) of 85%.

The trust's KPT has been met overall, however two of the schools are over this target and one, significantly under. Trustees will continue to monitor this through the next financial year and use this information in both internal and external benchmarking exercises.

The KPIs below, show the position from a Trust point of view.

Staffing costs % of revenue income	2020/21	2021/22	2022/23
ALL KCAT			
All staff	80.3	77.2	74.4
Teaching/leadership staff	58.4	54.6	50.8

Staffing groups as % of staffing costs	2020/21	2021/22	2022/23
ALL KCAT			
Teachers	50.2	50.4	50.5
Leadership	20.4	20.3	17.9
Classroom and other support	29.4	29.3	31.6

Financial review

Most of the Academy's income is obtained from the Education Skills Funding Agency (ESFA) and the Local Authority in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA and LA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), capital grants are shown in the Statement of Financial Activities as restricted income in the restricted fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

These funding streams include:

- Per-place (FTE) funding
- Local Authority top-up funding
- Business rates grant
- Teachers pay grant

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

- Teachers' pension employer contribution grant
- Universal infant free school meals
- PE and sport premium
- Pupil Premium
- Recovery Premium
- National Tutoring Programme
- Other grants

As two of the schools in the Trust are alternative provision pupil referral units, there is also a significant stream of income from referring schools, who transfer funding when a referral is made. This financial year has seen the LA take responsibility for reclaiming AWPU and charges from schools directly. To compensate for this the LA has increased its top up rates. Therefore, this year we have seen a reduction in income from referring schools.

The position at the end of the financial year is quite different to the anticipated outturn trustees assumed when setting the budget for the 2022/23 financial year, due to a number of significant factors, mostly relating to the variable income received at the alternative provision academies in the Trust.

When the 2022/23 budget was set, Trustees agreed to a planned in-year deficit budget to be supported by brought forward revenue reserves. This was due to an uncertain prediction of referral income and funding reclaims from schools. Having had an unusual year in 2020/21 and 2021/22, where referral income was very low due to the impact of the COVID-19 pandemic and considering the year on year steady decline in referrals from schools prior to the pandemic, trustees made prudent assumptions that expected income from referring schools would continue to decline in the 2022/23 financial year.

Contrary to this assumption of fewer referrals and lower levels of funding, overall revenue income at the trust was around £500,000 more than we budgeted for, with the majority of this being the variable and unpredictable income from school referrals, which was significantly higher than anticipated. For the 2022/23 financial year, we agreed a new AP funding rate with the Local Authority (LA), which gives our schools a higher level of static top-up funding and replaces the variable income received by schools. This made a significant difference to our 2022/23 financial performance.

In addition to the increased income, the salaried staffing across the trust was less than we budgeted for, and although some of this was covered by brought in supply, overall there was a reduction of about £300,000 in staffing, compared to the budget - excluding the impact of the LGPS pension fund accounting.

These 2 major factors; the increased income and decreased staffing costs, resulted in a significant variance to the original budget

The result for the year is a surplus of £7,084,961 when including fixed asset and pension movements. Within this figure is the £5.9m of fixed asset donation, in relation to the new school at Walnut Tree Way - as seen in Note 3. Excluding these movements, the Academy has made a surplus of £467,151. This is reflected in the deficit on unrestricted funds of £76,588 (2022: surplus £568,487) set against the surplus on restricted income funds of £543,739 (2022: deficit £45,643). All expenditure has supported the objectives of the Academy. The restricted and unrestricted income fund reserves held at 31 August 2023 were £5,094,881 (2022: £4,627,730). These figures excluded the restricted fixed asset fund and the pension reserve. The restricted fixed asset reserve fund is £16,450,399 (2022: £10,431,589), of which £16,396,008 can only be realised by disposing of tangible fixed assets.

In accordance with FRS102, the Academy received an actuarial assessment of the pension scheme. The asset balance of £124,000 (2022: deficit of £599,000) as at 31 August 2023, is detailed within the supporting notes to the accounts. There has been a substantial reduction in the liability and this improvement in the balance sheet position is primarily a result of the significant change in the discount rate linked to high quality corporate bond yields, and the future rate of inflation, which is the key financial assumption required for determining the defined benefit obligation. The actuarial gain arising on the scheme is £781,000 which is shown in the Statement of

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Financial Activities. Further details of the scheme are shown in note 26. The £124,000 asset has been derecognised in these accounts and instead represents an additional movement in comprehensive income (see note for further details).

a. Reserves policy

Academies in the Trust are expected to hold contingency reserves from their annual GAG funding or other income to alleviate financial risks and guarantee the continued activities of the Trust. The Trust will aim to accumulate a minimum cash in bank balance equivalent to two month's payroll for all Academies and central services staff within the Trust. This currently amounts to approximately £1.2m.

The Trust holds significantly higher levels of reserves than the required contingency of which a large proportion of this was accumulated at predecessor schools prior to the formation of the Trust. With 2 significant Capital Projects (New school buildings planned at Endeavour and refurbishment at North East Essex Co-operative Academy) the Trust plans to utilise these reserves to contribute to enhancing the proposed buildings, fixtures and fittings. There are also plans to retain our existing sites at the AP academies and utilise our own reserves to refurbish these buildings to enhance and broaden our curriculum offer, offer additional specialist provisions and increase pupil hours on-site.

Trustees have agreed to some expenditure of our revenue reserves. The Trust will be developing its capacity to improve through its trust development plan, which will incorporate further school improvement work into the trust's central services. Trustees have also agreed to a capital project to completely refurbish one of our existing school buildings.

The Trustees are also considering a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments. This is known as the Schools Development Fund. This had not formally been agreed by 31 August 2023, but there is a planned intention to use some of the trust reserves in this manner, in the future.

The Trustees of Keys Co-operative Academy Trust (KCAT) will also plan for its Academies to budget for creating a reserve for future capital expenditure, for disclosure at the next year end.

The expected amount of capital reserves to be budgeted for will vary between academies and will be approved by Trustees annually when the annual budget is agreed. Trustees take into consideration the amount of available revenue contingency within the budget balanced with the need for capital expenditure when deciding upon this figure.

b. Investment policy

Trustees maximise income as far as possible and have an investment policy to manage, control and track their financial exposure and ensure value for money. A high interest or deposit account is maintained, in addition to the normal current account and surplus balances are, as far as possible, transferred to the higher interest deposit account.

The Board of Trustees follow the Charity Commission's guidance (CC14 Charities and investment matters: a guide for trustees) and will seek ESFA prior approval for investments which are novel and/or contentious.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

c. Principal risks and uncertainties

The Trustees maintain a register of business risk.

During the year, trustees revised its risk register, including how risk are scored. The purpose of this was to make the risk register more strategic focused, to highlight risk mitigation and track progress of action plans. One of the most significant identified risks to the trust is the failure to prevent cyber attack. While the trust has a number of controls in place to prevent this - training and CPD to all staff, back up arrangements, appropriately qualified and skilled IT team, ICT policies and procedures in place and communicated to all staff - the work on the risk register identified the need to externally test the trust's cyber security. This is currently being arranged and will take place during 2023/24.

Towards the end of the academic year, RAAC in schools became a national issue and was incorporated as a possible cause to one of the trust's strategic risks - the trust is unable to operate from its premises. This led to the development of action plans which included the survey of all our premises. The surveys revealed no evidence of RAAC in any of the trust's buildings.

Fundraising

Of the three schools in the trust, fundraising only takes place at Endeavour Co-operative Academy by The Anchorage PTA, an external body, of which the Trust benefits from donations made and grants passed through to the school. The trust itself does not carry out significant fundraising activities.

Anchorage donations have continued to recover from Covid times when fundraising activities ceased. Grant giving organisations have continued to operate more inline with pre-Covid times and have been accepting funding applications again. There was, however, still a priority of funding charities that were struggling as a result of the pandemic.

Plans for future periods

- Following unforeseen changes in Headteachers at both AP schools the Board is maintaining a focus on succession planning at all levels of the Trust
- The Board has agreed to using capital funds of £3.0 m to refurbish the Mile End campus
- The Board has submitted an 'Expression of Interest' to establish a Free School AP in Clacton
- The Board has established a 'Trust Improvement Board' to oversee the implementation of the Rapid Improvement Plan at HCA. They have appointed an experienced Ofsted inspector to support the Headteacher
- Following advice for Trusts outlined in the White Paper, 2022, the Board continues to strengthen partnerships with other Trusts and to seek opportunities to expand
- The Trust has strengthened governance by attracting new Trustees and continues to strengthen governance at school level by recruiting new, school governors and by providing training and support to Local Governing Bodies
- Following a pilot scheme in regular and systematic data collection last academic year, KPIs for each school will be established this academic year, using benchmarking to similar schools

Funds held as custodian on behalf of others

Keys Co-operative Academy Trust undertakes the role of treasurer for the SEND & AP CEO's National Network and has collected subscriptions on behalf of the network. Details of this can be seen in Note 30 to the accounts.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

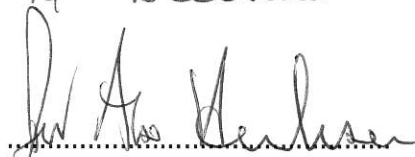
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on
14th December 2023 and signed on its behalf by:



R. Abo-Henriksen
Chair of Trustees

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Keys Co-operative 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 Board of Trustees has formally met 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
R Abo-Henriksen, Chair	6	7
J Brindle, Chair of Finance, Audit & Risk Committee	5	7
K Byatt	3	7
P Cozens, Chief Executive and Accounting Officer	7	7
R Gregory	4	7
Bishop R Morris	6	7
A Wildman	6	7
A Kemp	3	5

In October 2022, the Trustees welcomed a new trustee to the Board of Trustees. In July 2023, Bishop Roger Morris stepped down as a trustee due to other commitments and it is hoped he will become a Member, thereby maintaining his links with the Trust.

The Board has established a self review process to assess its own effectiveness.

During 2022/23, while there has been a turnover of trustees, the number of Trustees has remained the same. The Board has acknowledged it faces significant challenges in trustee recruitment. Trustees have sought to recruit further trustees to strengthen the Board, driven by an understanding of skills gaps identified as part of the annual skills audit.

The Board receives data from various sources, including the Trust's management information system, HR system as well as the finance and budgeting system. This data consists of non-financial information as well as financial information, including benchmarking and key Performance Indicators. The Trust's confidence in the quality of the data will be enhanced during 2023/24 when a new Health & Safety/Compliance software is introduced alongside a new financial forecasting system.

As reported in last year's Annual Report, the Trustees commissioned the National Governance Association

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

(NGA) to conduct an external Review of Governance, as recommended in the Academy Trust Handbook for 2021/22. This review concluded in June 2022. This year, trustees have focussed on implementing the actions recommended by the review, which have included:

- Construction of annual cycle of meeting agendas to maximise the effectiveness of the new six meeting cycle.
- Focused meeting agenda on reporting against key performance indicators and progress with the trust development plan.
- Development of a new strategic plan for the Trust.
- New risk register which is reviewed at every meeting of the Finance, Audit & risk Committee.
- Development of plans to address the significant reserves being held by the Trust.

Trustees continue to evaluate their skills and experience through the Schools' resource management self-assessment and the Good estate management in schools Self Assessment.

The Finance, Audit and Risk Committee (FARC) is a sub committee of the main Board of Trustees. Its purpose is to consider, recommend and, in some cases approve, finance, premises, Health and Safety, asset management, personnel and audit matters (in strict accordance with its terms of reference).

During the year, the FARC has looked at revising the trust's risk register including how risks are scored. The purpose was to make the register more strategic and focused around risk mitigation and actions. The FARC has formally met 6 times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Abo-Henriksen	6	6
J Brindle, Chair of Finance, Audit & Risk Committee	6	6
K Byatt	4	6
P Cozens	6	6
R Gregory	3	6
A Wildman	5	6

Whilst Philomena Cozens attends the Finance, Audit and Risk Committee, as an employee, she does not play a part in the audit responsibilities of that committee and acts as advisor only in that regard.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Making applications for condition improvement funding to improve efficiency and ensure the trust's estate is safe, well-maintained and complies with regulations.
- The use of DfE frameworks under the buying for schools service to gain best value for money.
- Ensuring competitive quotations are sought for achieving best pricing for larger purchases
- The use of framework agreements for purchasing.

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 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'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 Audit and Risk Committee (FARC) of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from SBM Services.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

This option has been chosen because SBM Services Ltd, is a specialist company which can provide the accounting, auditing and business management services that the Trust needs for internal audit.

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

- Purchasing
- Staff expenses

Planned checks include:

- Cyber security
- Payroll

The audits were undertaken through discussion with key staff at the trust, a review of key documentation and procedures and sample testing of key controls.

All internal audits were considered low risk, and although there were some areas for improvement identified, these were all relatively small or relating to attaining higher or best practice standards.

On a termly basis, the internal audit service reports to the Board of Trustees through the Finance, Audit and Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor/reviewer has delivered their schedule of work as planned, below, with the next visit due in November 2023.

There were no significant control issues arising as a result of the internal auditor's/reviewer's work. The findings, recommendations and assurance ratings are set out in the detailed audit reports provided to the trust and remedial actions are monitored through the Audit Action Plan, regularly discussed at the FARC.

Review of effectiveness

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

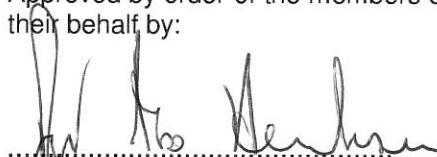
- the work of the internal audit service;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

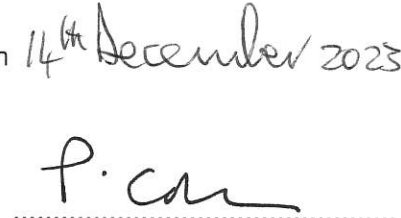
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 14th December 2023 and signed on their behalf by:


.....
R Abo-Henriksen
Chair of Trustees


.....
Philomena Cozens
Accounting Officer

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Keys Co-operative Academy Trust I have considered my responsibility to notify the Academy 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 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, as far as funding permits.

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

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



.....
P Cozens
Accounting Officer

Date: 14/12/2023

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

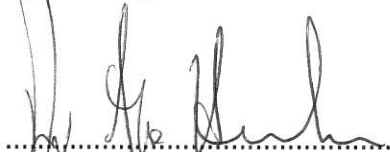
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



R Abo-Henriksen

Chair of Trustees

Date:

14 December 2023

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KEYS
CO-OPERATIVE ACADEMY TRUST**

Opinion

We have audited the financial statements of Keys Co-operative Academy Trust (the 'academy') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KEYS
CO-OPERATIVE ACADEMY TRUST (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KEYS
CO-OPERATIVE ACADEMY TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

The engagement partner ensured the engagement team had the necessary skills and knowledge to identify non-compliance with applicable laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and for those that are most significant, we enquired into how management ensures compliance is maintained.

We identified that the principal risks of non-compliance with laws and regulations related to the DfE/ESFA regulatory industry that the Academy operates in. This affects the ability to continue trading as an Academy Trust. Other relevant laws and regulations of note include health and safety.

Enquiry and review of the entity's transactions was undertaken to highlight any instances of penalties, fines or legal activity which could suggest non-compliance with laws and regulations. There was no contradictory evidence found.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including the Companies Act 2006, Accounts Directions and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the override of delegated authorities and the misappropriation of grant funding.

In response, we incorporated testing of procurement and expenditure and any other entries at risk of falling outside of delegated authorities.

Scrutiny of unusual transactions and analytical procedures were used to help identify risk factors in monies received and expended during the year.

It is also stated, as a reminder, that the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Trust.

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

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KEYS
CO-OPERATIVE ACADEMY TRUST (CONTINUED)**

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Daniel Aldworth FCCA FMAAT (Senior statutory auditor)

for and on behalf of:

Griffin Chapman

Chartered Accountants

Statutory Auditor

4&5 The Cedars

Old Ipswich Road

Colchester

Essex

CO7 7QR

Date: 15 December 2023

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KEYS CO-OPERATIVE ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 April 2021 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 Keys Co-operative Academy Trust during the year 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 Keys Co-operative Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Keys Co-operative Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Keys Co-operative Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Keys Co-operative Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Keys Co-operative Academy Trust's funding agreement with the Secretary of State for Education dated 24 August 2017 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 year 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's income and expenditure.

The work undertaken comprised:

- a) Analytical review as part of the consideration of whether general activities of the academy trust are within the academy trusts framework of authorities
- b) Confirmation that items have been appropriately authorised in accordance with the academy trust's delegated authorities. Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- c) Performing of sample testing of expenditure & procurement and review against specific terms of grant funding within the funding agreement.
- d) Review and testing of the systems surrounding the management of related party transactions.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KEYS CO-OPERATIVE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

e) Consideration of governance activities in line with ESFA expectations.
The extent of work performed was based upon our professional judgement, informed by the assessment of the risk of material irregularity, impropriety and non-compliance.

Conclusion

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



Mr Daniel Aldworth (Reporting Accountant)

Griffin Chapman

Chartered Accountants

4&5 The Cedars
Old Ipswich Road
Colchester
Essex
CO7 7QR

Date: 15 December 2023

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	-	5,751	6,104,125	6,109,876	47,123
Funding for the academy's educational operations	5	36,437	43,578	-	80,015	176,198
Investments	6	42,892	-	-	42,892	2,088
Charitable activities:						
Academy educational operations		(5,500)	9,907,684	-	9,902,184	8,664,409
Total income		73,829	9,957,013	6,104,125	16,134,967	8,889,818
Expenditure on:						
Academy trust educational operations	8	30,729	9,415,962	260,315	9,707,006	9,070,946
Total expenditure		30,729	9,415,962	260,315	9,707,006	9,070,946
Net income/(expenditure)		43,100	541,051	5,843,810	6,427,961	(181,128)
Transfers between funds	19	(119,688)	(55,312)	175,000	-	-
Net movement in funds before other recognised gains/(losses)		(76,588)	485,739	6,018,810	6,427,961	(181,128)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	26	-	781,000	-	781,000	4,058,000
Pension surplus not recognised	26	-	(124,000)	-	(124,000)	-
Net movement in funds	19	(76,588)	1,142,739	6,018,810	7,084,961	3,876,872

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Reconciliation of funds:	19					
Total funds brought forward		4,490,982	(462,252)	10,431,589	14,460,319	<i>10,583,447</i>
Net movement in funds		(76,588)	1,142,739	6,018,810	7,084,961	<i>3,876,872</i>
Total funds carried forward		<u>4,414,394</u>	<u>680,487</u>	<u>16,450,399</u>	<u>21,545,280</u>	<u><i>14,460,319</i></u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 58 form part of these financial statements.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10831275

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	16,396,008	10,431,589
		<u>16,396,008</u>	<u>10,431,589</u>
Current assets			
Stocks	16	114	205
Debtors	17	536,631	709,481
Cash at bank and in hand		5,121,833	4,452,722
		<u>5,658,578</u>	<u>5,162,408</u>
Creditors: amounts falling due within one year	18	(509,306)	(534,678)
Net current assets		<u>5,149,272</u>	<u>4,627,730</u>
Total assets less current liabilities		<u>21,545,280</u>	<u>15,059,319</u>
Net assets excluding pension asset / liability		<u>21,545,280</u>	<u>15,059,319</u>
Defined benefit pension scheme asset / liability	26	-	(599,000)
Total net assets		<u><u>21,545,280</u></u>	<u><u>14,460,319</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	16,450,399	10,431,589
Restricted income funds	19	680,487	136,748
Restricted funds excluding pension asset	19	<u>17,130,886</u>	<u>10,568,337</u>
Pension reserve	19	-	(599,000)
Total restricted funds	19	<u>17,130,886</u>	<u>9,969,337</u>
Unrestricted income funds	19	<u>4,414,394</u>	<u>4,490,982</u>
Total funds		<u><u>21,545,280</u></u>	<u><u>14,460,319</u></u>

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10831275

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 25 to 58 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:

14th December 2023



R Abo-Henriksen
Chair of Trustees



P Cozens
Accounting Officer

The notes on pages 30 to 58 form part of these financial statements.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	21	746,827	651,486
Cash flows from investing activities	22	(77,717)	(90,880)
Change in cash and cash equivalents in the year	24	669,110	560,606
Cash and cash equivalents at the beginning of the year	24	4,452,722	3,892,116
Cash and cash equivalents at the end of the year	23, 24	<u>5,121,832</u>	<u>4,452,722</u>

The notes on pages 30 to 58 form part of these financial statements

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

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), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

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

Keys Co-operative Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

- **Grants**

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

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

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income (continued)

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

- **Donations**

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

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

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- Buildings 2% straight line - land is depreciated over the life of the lease
Furniture and equipment	- 25% reducing balance
Computer equipment	- 3 years straight line
Motor vehicles	- 20% reducing balance
Leasehold improvements	- 10% straight line

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.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.10 Cash at bank and in hand

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

1.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

1.14 Pensions

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

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

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

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.14 Pensions (continued)

and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 Redundancy costs

Redundancy costs and termination payments are charged to the income statement in the year in which an irrevocable commitment is made to incur the costs.

1.16 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension asset/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 asset/liability at 31 August 2023. Any differences between the figures derived from the roll forward

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Critical accounting estimates and areas of judgment (continued)

approach and a full actuarial valuation would impact on the carrying amount of the pension asset/liability. This year the present value reflects a short-term allowance for inflation to the impact of the current high inflation rates.

3. Income from donations and capital grants

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	5,751	5,894,353	5,900,104	<i>21,530</i>
Capital Grants	-	209,772	209,772	<i>25,593</i>
Total 2023	<u>5,751</u>	<u>6,104,125</u>	<u>6,109,876</u>	<u><i>47,123</i></u>
<i>Total 2022</i>	<u><i>21,530</i></u>	<u><i>25,593</i></u>	<u><i>47,123</i></u>	

During the year, the local authority completed the build of the new school site at Walnut Tree Way. This is shown as a donated asset, and along with the contribution from Trust reserves, makes up the overall value of the £6.01m addition.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the academy's educational operations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DfE/ESFA grants				
General Annual Grant	-	4,510,000	4,510,000	4,090,000
Other DfE/ESFA grants				
Teachers Pay and Pension grants	-	290,840	290,840	281,710
Pupil Premium & Recovery grant	-	340,327	340,327	130,928
Other DfE/ESFA grants	-	308,791	308,791	34,825
UIFSM/FSM	-	369	369	897
AWPU reclaims	-	60,080	60,080	576,220
	-	5,510,407	5,510,407	5,114,580
Other grants				
SEN	-	3,967,557	3,967,557	2,613,783
Other Local Authority	-	426,320	426,320	344,663
Grants from other organisations	-	3,400	3,400	5,250
Referral fees	(5,500)	-	(5,500)	498,000
	(5,500)	4,397,277	4,391,777	3,461,696
COVID-19 additional funding (DfE/ESFA)				
Alternative provision: year 11 transition funding	-	-	-	48,143
COVID 19 Exceptional costs funding	-	-	-	39,990
	-	-	-	88,133
Total	(5,500)	9,907,684	9,902,184	8,664,409
Total 2023	(5,500)	9,907,684	9,902,184	8,664,409
<i>Total 2022</i>	498,000	8,166,409	8,664,409	

All remaining COVID Catch up premium had been spent by the end of 31 August 2023.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Catering income	12,414	-	12,414	<i>13,244</i>
Other income	24,023	43,578	67,601	<i>162,954</i>
Total 2023	<u>36,437</u>	<u>43,578</u>	<u>80,015</u>	<u><i>176,198</i></u>
<i>Total 2022</i>	<u>123,156</u>	<u>53,042</u>	<u>176,198</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Bank deposit interest	42,892	42,892	<i>2,088</i>
<i>Total 2022</i>	<u>2,088</u>	<u>2,088</u>	

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total</i> <i>2022</i> £
Academy trust educational operations					
Direct costs	6,579,019	-	609,757	7,188,776	6,517,934
Allocated support costs	1,359,475	750,053	408,702	2,518,230	2,553,012
Total 2023	<u>7,938,494</u>	<u>750,053</u>	<u>1,018,459</u>	<u>9,707,006</u>	<u>9,070,946</u>
<i>Total 2022</i>	<u>7,779,049</u>	<u>660,842</u>	<u>631,055</u>	<u>9,070,946</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	<i>Total</i> <i>2022</i> £
Academy trust educational operations	30,729	9,676,277	9,707,006	9,070,946
<i>Total 2022</i>	<u>32,581</u>	<u>9,038,365</u>	<u>9,070,946</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total</i> <i>funds</i> <i>2022</i> £
Academy trust educational operations	7,188,776	2,518,230	9,707,006	9,070,946
<i>Total 2022</i>	<u>6,517,934</u>	<u>2,553,012</u>	<u>9,070,946</u>	

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	6,579,019	6,579,019	6,152,825
Educational supplies	563,022	563,022	326,295
Staff development	25,706	25,706	33,214
Other direct costs	21,029	21,029	5,600
Total 2023	<u>7,188,776</u>	<u>7,188,776</u>	<u>6,517,934</u>
<i>Total 2022</i>	<u>6,517,934</u>	<u>6,517,934</u>	

Analysis of support costs

	Activities 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Pension finance costs	16,000	16,000	63,000
Staff costs	1,359,475	1,359,475	1,626,224
Depreciation	260,315	260,315	194,142
Technology costs	33,084	33,084	34,004
Recruitment and support	18,293	18,293	3,190
Maintenance of premises	121,270	121,270	94,252
Cleaning	90,161	90,161	72,207
Rent and rates	67,124	67,124	22,592
Energy costs	56,260	56,260	50,404
Insurance	14,913	14,913	9,433
Security and transport	227,569	227,569	117,157
Catering	65,427	65,427	46,737
Bank interest and charges	2,175	2,175	1,641
Indirect staff costs	71	71	107
Other support costs	186,093	186,093	217,922

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

Total 2023	2,518,230	2,518,230	2,553,012
<i>Total 2022</i>	2,553,012	2,553,012	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	48,094	42,888
Depreciation of tangible fixed assets	260,315	194,142
Fees paid to auditors for:		
- audit	7,700	7,700
- other services	4,900	3,570
	7,700	7,700
	4,900	3,570

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	6,092,784	5,538,781
Social security costs	570,462	539,629
Pension costs	1,275,248	1,689,480
	7,938,494	7,767,890
Staff restructuring costs	-	11,159
	7,938,494	7,779,049

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2023	<i>2022</i>
	£	£
Severance payments	-	11,159
	-	11,159
	-	11,159

b. Staff numbers

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

	2023	<i>2022</i>
	No.	No.
Teachers	77	77
Administration and Support	112	102
Management	5	10
	194	189
	194	189

c. Higher paid staff

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

	2023	<i>2022</i>
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	2
In the band £100,001 - £110,000	1	1
	6	5

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £523,904 (2022 £573,394).

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Central services

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

- Human resources
- Educational support services
- Financial services
- Legal services
- Others as arising

The Academy charges for these services on the following basis:

Central service costs are charged at 7% of expected GAG and LA top up income, for numbers of pupils attending the schools in the year. Top up rates used differ between the schools.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
North East Essex Co-operative Academy	259,658	194,808
Mid Essex/Heybridge Co-operative Academy	206,199	173,016
The Endeavour Co-operative Academy	138,373	101,676
Total	604,230	469,500

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023 £	2022 £
P Cozens, Chief Executive and Accounting Officer	Remuneration	110,000 -	105,000 -
		115,000	110,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year, retirement benefits were accruing to no Trustees (2022 - none) in respect of defined benefit pension schemes.

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £378).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2023 was £6 (2022 - £18). This is included in the total insurance cost.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

15. Tangible fixed assets	Freehold property £	Leasehold land & buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Leasehold improvements £	Total £
Cost or valuation								
At 1 September 2022	5,910,000	4,848,949	12,946	77,725	318,703	71,427	48,377	11,288,127
Additions	-	6,011,191	33,769	64,508	95,401	3,775	16,090	6,224,734
Transfers between classes	-	2,851	(2,851)	(1,167)	1,167	-	-	-
At 31 August 2023	5,910,000	10,862,991	43,864	141,066	415,271	75,202	64,467	17,512,861
Depreciation								
At 1 September 2022	198,800	330,338	-	44,698	263,408	8,887	10,407	856,538
Charge for the year	49,700	136,251	-	15,291	41,971	11,911	5,191	260,315
At 31 August 2023	248,500	466,589	-	59,989	305,379	20,798	15,598	1,116,853
Net book value								
At 31 August 2023	5,661,500	10,396,402	43,864	81,077	109,892	54,404	48,869	16,396,008
At 31 August 2022	5,711,200	4,518,611	12,946	33,027	55,295	62,540	37,970	10,431,589

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Tangible fixed assets (continued)

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2023	2022
	£	£
Freehold land	3,425,000	3,425,000
Long-term leasehold land	2,450,448	2,471,040
	<u>5,875,448</u>	<u>5,896,040</u>

Trust schools included in long-term leasehold property occupy premises under 119 and 125 year leases at a peppercorn rent with the local authority.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Stocks

	2023	2022
	£	£
Finished goods and goods for resale	114	205
	<u>114</u>	<u>205</u>

17. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	115,329	413,998
Prepayments and accrued income	310,045	221,149
Tax recoverable	111,257	74,334
	<u>536,631</u>	<u>709,481</u>

18. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	130,970	71,799
Other creditors	15,655	19,006
Accruals and deferred income	362,681	443,873
	<u>509,306</u>	<u>534,678</u>

Within other creditors, monies are held in the bank account on behalf of the AP/SEND CEO Network - see agency arrangements note.

	2023	2022
	£	£
Deferred income at 1 September 2022	296,247	13,750
Resources deferred during the year	38,746	296,247
Amounts released from previous periods	(296,247)	(13,750)
	<u>38,746</u>	<u>296,247</u>

Deferred income consisted of funding belonging to the following academic year.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	4,490,982	73,829	(30,729)	(119,688)	-	4,414,394
Restricted general funds						
General Annual Grant	23,845	4,510,000	(3,570,167)	(444,000)	-	519,678
Pupil Premium	79,886	214,117	(133,194)	-	-	160,809
COVID catch up	33,017	-	(33,017)	-	-	-
PE & Sports grant	-	30,430	(30,430)	-	-	-
National Tutoring	-	16,856	(16,856)	-	-	-
Other DfE/ESFA	-	739,004	(683,692)	(55,312)	-	-
LA grants	-	4,397,277	(4,397,277)	-	-	-
Other restricted	-	49,329	(49,329)	-	-	-
Pension reserve	(599,000)	-	(502,000)	444,000	657,000	-
	(462,252)	9,957,013	(9,415,962)	(55,312)	657,000	680,487
Restricted fixed asset funds						
Inherited fixed assets	10,230,450	-	(116,428)	-	-	10,114,022
DfE/EFSA Capital grants	-	(42,189)	-	42,189	-	-
Assets purchased from GAG and other restricted funds	201,139	171,000	(73,726)	39,693	-	338,106
DFC	-	80,961	-	(26,570)	-	54,391
Walnut Tree Way - donated asset	-	5,894,353	(70,161)	119,688	-	5,943,880

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
	10,431,589	6,104,125	(260,315)	175,000	-	16,450,399
Total Restricted funds	9,969,337	16,061,138	(9,676,277)	119,688	657,000	17,130,886
Total funds	14,460,319	16,134,967	(9,707,006)	-	657,000	21,545,280

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

The General Annual Grant restricted fund and the Other DfE/ESFA fund includes all restricted GAG income and other funding from the DfE/ESFA to cover the costs of recurrent expenditure.

Pupil Premium restricted fund represents funding received to be used to raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

The pension reserve represents the deficit on the LGPS pension scheme.

Transfers are made to the pension reserve to reflect employer contributions.

The restricted fixed asset fund represents the cost or valuation of fixed assets held by the academy trust and any unspent capital grant funding. Additions acquired during the year will form part of this fund.

Transfers are made from the fixed asset restricted fund to the restricted fund to represent revenue expenditure funded by capital grants. Transfers are made from the restricted fund to the restricted fixed asset fund to represent capital additions funded by GAG/ESFA income.

Devolved Formula Capital (DFC) is used to maintain and improve the Trust's buildings and facilities. A transfer is made within the restricted fixed asset fund to reflect DFC used to purchase capital assets during the year. Remaining DFC discloses unspent funds.

The Walnut Tree Way site was completed during the year, with a value of £6.01m. Unrestricted funds were transferred as a contribution to the costs of completing the build to the standard desired by the Trust. A Furniture and Equipment grant from Essex County Council of £141,000, for the new Walnut Tree Way site, was fully spent with some transferred to fund revenue items of expenditure.

During the year, £30,000 had been recognised as capital grant income from the LA, to fund demountables at the Endeavour School and was transferred to support revenue expenditure on the new provision for 6th form pupils at that school.

Clawback of £41,189 in relation to underspend on a 2021 CIF grant was supported by a transfer from restricted funds.

Condition Improvement Fund (CIF) represents grants received or receivable for building and capital

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

projects and their associated costs.

Unrestricted funds are those arising from unrestricted activities and can be applied for any purpose. Transfers out of the unrestricted fund have been made during the year, to represent use of these funds, over and above the in year budget, for restricted and restricted fixed asset fund items.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2022</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds - all funds	3,922,495	623,244	(32,581)	(22,176)	-	4,490,982
Restricted general funds						
General Annual Grant	62,281	4,090,000	(3,674,410)	(454,026)	-	23,845
Pupil Premium	71,462	130,928	(122,504)	-	-	79,886
COVID catch up	48,648	-	(15,631)	-	-	33,017
PE & Sports grant	-	893,652	(901,277)	7,625	-	-
National Tutoring	-	2,958,445	(2,958,445)	-	-	-
Other DfE/ESFA	-	167,956	(167,956)	-	-	-
Pension reserve	(4,039,000)	-	(1,004,000)	386,000	4,058,000	(599,000)
	<u>(3,856,609)</u>	<u>8,240,981</u>	<u>(8,844,223)</u>	<u>(60,401)</u>	<u>4,058,000</u>	<u>(462,252)</u>
Restricted fixed asset funds						
Inherited fixed assets	10,346,260	-	(115,810)	-	-	10,230,450
DfE/EFSA Capital grants	10,391	25,593	-	(35,984)	-	-
Assets purchased from GAG and other restricted funds	160,910	-	(78,332)	118,561	-	201,139
	<u>10,517,561</u>	<u>25,593</u>	<u>(194,142)</u>	<u>82,577</u>	<u>-</u>	<u>10,431,589</u>

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Total Restricted funds	6,660,952	8,266,574	(9,038,365)	22,176	4,058,000	9,969,337
Total funds	<u>10,583,447</u>	<u>8,889,818</u>	<u>(9,070,946)</u>	<u>-</u>	<u>4,058,000</u>	<u>14,460,319</u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Central fund	(136,914)	(78,910)
Mid Essex Co-operative Academy	2,746,466	2,705,125
North East Essex Co-operative Academy	2,152,038	1,667,810
The Endeavour Co-operative Academy	333,291	333,705
Total before fixed asset funds and pension reserve	<u>5,094,881</u>	<u>4,627,730</u>
Restricted fixed asset fund	16,450,399	10,431,589
Pension reserve	-	(599,000)
Total	<u><u>21,545,280</u></u>	<u><u>14,460,319</u></u>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Central fund	<u><u>(136,914)</u></u>

The Academy is taking the following action to return the academy to surplus:

As a multi academy trust, the trustees view individual academy reserves as belonging to the whole trust, to be spent for the benefit of the whole trust.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
Central fund	200,707	354,429	16,342	117,736	689,214	668,522
Mid Essex Co-operative Academy	2,313,343	286,340	156,703	359,860	3,116,246	2,944,110
North East Essex Co-operative Academy	2,386,125	387,579	312,733	278,386	3,364,823	3,096,490
Endeavour Co-operative Academy	1,678,844	331,127	111,395	155,042	2,276,408	2,167,682
Academy	6,579,019	1,359,475	597,173	911,024	9,446,691	8,876,804

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	16,396,008	16,396,008
Current assets	4,414,394	1,189,793	54,391	5,658,578
Creditors due within one year	-	(509,306)	-	(509,306)
Total	4,414,394	680,487	16,450,399	21,545,280

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	10,431,589	10,431,589
Current assets	4,490,982	671,426	-	5,162,408
Creditors due within one year	-	(534,678)	-	(534,678)
Provisions for liabilities and charges	-	(599,000)	-	(599,000)
Total	<u>4,490,982</u>	<u>(462,252)</u>	<u>10,431,589</u>	<u>14,460,319</u>

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

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of financial activities)	<u>6,427,961</u>	<u>(181,128)</u>
Adjustments for:		
Property donated	(5,894,353)	-
Depreciation	260,315	194,142
Capital grants from DfE and other capital income	(209,772)	(25,593)
Interest receivable	(42,892)	(2,088)
Defined benefit pension scheme cost less contributions payable	42,000	555,000
Defined benefit pension scheme finance cost	16,000	63,000
Decrease in stocks	91	507
Decrease/(increase) in debtors	172,850	(364,474)
(Decrease)/increase in creditors	(25,373)	412,120
Net cash provided by operating activities	<u>746,827</u>	<u>651,486</u>

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

22. Cash flows from investing activities

	2023	2022
	£	£
Dividends, interest and rents from investments	42,892	2,088
Purchase of tangible fixed assets	(330,381)	(119,728)
Proceeds from the sale of tangible fixed assets	-	1,167
Capital grants from DfE Group	209,772	25,593
Net cash used in investing activities	(77,717)	(90,880)

23. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand and at bank	5,121,832	4,452,722
Total cash and cash equivalents	5,121,832	4,452,722

24. Analysis of changes in net debt

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	4,452,722	669,111	5,121,833
	4,452,722	669,111	5,121,833

25. Capital commitments

	2023	2022
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	66,768	30,091

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

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

The 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.

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £777,564 (2022 - £750,576).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £551,000 (2022 - £480,000), of which employer's contributions totalled £444,000 (2022 - £386,000) and employees' contributions totalled £ 107,000 (2022 - £94,000). The agreed contribution rates for future years are 25.0% per cent for employers and 5% to 12.5% per cent for employees.

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

The Academy has a surplus of £124,000 arising on the FRS102 valuation of the LGPS. The Academy has been advised that an accounting surplus should only be recognised to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds. The present value of such economic benefits is commonly referred to as the "asset ceiling". Therefore the £124,000 asset has been derecognised in these accounts and instead represents an additional movement in other comprehensive income.

Principal actuarial assumptions

	2023	<i>2022</i>
	%	%
Rate of increase in salaries	3.90	<i>3.95</i>
Rate of increase for pensions in payment/inflation	2.90	<i>2.95</i>
Discount rate for scheme liabilities	5.30	<i>4.25</i>
Inflation assumption (CPI)	2.90	<i>2.95</i>

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

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

	2023 Years	2022 Years
<i>Retiring today</i>		
Males	20.7	21.0
Females	23.2	23.5
<i>Retiring in 20 years</i>		
Males	22.0	22.3
Females	24.6	24.9

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(101)	(115)
Discount rate -0.1%	104	118
Mortality assumption - 1 year increase	134	(130)
Mortality assumption - 1 year decrease	138	133
CPI rate +0.1%	99	110
CPI rate -0.1%	(97)	(107)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	2,976	2,277
Gilts	66	78
Corporate bonds	-	179
Property	401	383
Cash and other liquid assets	150	121
Alternative assets	810	606
Other managed funds	714	402
Total market value of assets	5,117	4,046

The actual return on scheme assets was £200,000 (2022 - £10,000).

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2023 £	2022 £
Current service cost	(484,000)	(939,000)
Interest cost	(16,000)	(63,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of financial activities	(502,000)	(1,004,000)

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

	2023 £	2022 £
At 1 September	4,645,000	7,623,000
Current service cost	484,000	939,000
Interest cost	197,000	126,000
Employee contributions	107,000	94,000
Actuarial gains	(311,000)	(4,111,000)
Benefits paid	(129,000)	(26,000)
At 31 August	4,993,000	4,645,000

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

	2023 £	2022 £
At 1 September	4,046,000	3,584,000
Interest income	181,000	63,000
Actuarial gains/(losses)	470,000	(53,000)
Employer contributions	444,000	386,000
Employee contributions	107,000	94,000
Benefits paid	(129,000)	(26,000)
Administrative expenses	(2,000)	(2,000)
At 31 August	5,117,000	4,046,000

KEYS CO-OPERATIVE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

27. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	13,087	7,604
Later than 1 year and not later than 5 years	1,694	7,562
	<u>14,781</u>	<u>15,166</u>

28. Members' liability

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

29. Related party transactions

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

During the year, Joshua Chadwick, the son of Mr John Chadwick, a member of the senior management team, was employed by the trust in a teaching role. They were in post before the school joined the Trust and are paid within the normal pay scale for their role.

30. Agency arrangements

The Trust acts as an agent for the AP/SEND CEO Network. £14,646 (2022: £19,000), was held in the bank account, at year end, on behalf of the AP/SEND CEO Network.

The Trust also acts as an agent for the 16-19 Bursary fund at The Endeavour Co-operative Academy. At the year end, £1,670 was held on behalf of this fund.