

**KISHARON ACADEMY TRUST  
(COMPANY LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2021**

**Company Registration Number: 09018917  
An exempt charity**

**COHEN ARNOLD**  
Chartered Accountants & Statutory Auditor  
New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

**KISHARON ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2021**

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**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Exempt charity name</b>	Kisharon Academy Trust
<b>Company registration number</b>	09018917
<b>Registered office</b>	333 Edgware Road London NW9 6TD
<b>Members</b>	Daniel Klein Emma Castleton Philip Goldberg Richard Levy Richard Franklin (appointed 7 <sup>th</sup> Oct 2020)
<b>Trustees</b>	Mrs E N Castleton (Chair) Mr J J Andrews Mr E Bauernfreund Mrs CA Goldin Mr H M Lorie Mr A M Moss (appointed 13 <sup>th</sup> Nov 2020) Mrs S D Mullish (resigned 13 <sup>th</sup> Nov 2020) Mrs Jane Pearl Mrs N Rose Mrs D Stone (appointed 13 <sup>th</sup> Nov 2020)
<b>Company Secretary</b>	Mr P Darnell
<b>Senior Management Team:</b>	Sora Kopfstein (Principal) (resigned 12 <sup>th</sup> Nov 2020) Sharon Mullish (Interim Principal) (appointed 16 <sup>th</sup> Nov 2020) (resigned 31 <sup>st</sup> May 2021) Emily Haddock (Principal) (appointed 1 <sup>st</sup> June 2021) Lyna Panas (Deputy Principal) Nicole Posener (Assistant Principal) (resigned 31 <sup>st</sup> Aug 2021)
<b>Auditors</b>	Cohen Arnold Chartered Accountants & Statutory Auditor New Burlington House 1075 Finchley Road LONDON NW11 0PU
<b>Bankers</b>	Barclays Bank Plc Edgware Group 126 Station Road Edgware HA8 7RY

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES REPORT**  
**YEAR ENDED 31 AUGUST 2021**

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Kisharon Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is the vehicle for Kisharon School from when it was approved as a Free School on 10<sup>th</sup> August 2018.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

**Members' Liability**

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

**Trustees' Indemnities**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust. Details of the insurance cover are disclosed in note 11 to the financial statements.

**Method of Recruitment and Appointment or Election of Trustees**

The Trustees are appointed under the terms of the academy trust's articles of association as follows:

- The Members may appoint up to 6 trustees
- The Members may appoint Staff trustees which may not exceed one third of the total number of trustees
- A minimum of 2 trustees are elected by the parents of pupils of the School (such trustees being a parent of a pupil of the School at the time of election)
- The trustees may appoint Co-opted trustees

The Term of Office for any Trustee is four years. Any Trustee may be re-appointed or re-elected provided they still meet the criteria.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

Induction and training are provided to new Trustees. All Trustees are provided with copies of policies, procedures, minutes and other documents they will need to undertake their role as trustees and directors of the academy trust.

**KISHARON ACADEMY TRUST**  
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**YEAR ENDED 31 AUGUST 2021**

**Organisational Structure**

The academy trust is responsible for the development of the new school building and, with effect from 10<sup>th</sup> August 2018, running the Kisharon School.

A Development Committee and Finance & Facilities Committee have been established of which the following Trustees were members during the year:

Mrs E N Castleton (Chair) **D F**

Mr J J Andrews **F**

Mr E Bauernfreund **F**

Mr H M Lorie **F**

Mr A M Moss **F** (appointed 13<sup>th</sup> Nov 2020)

Mrs C A Goldin **D**

Mrs S D Mullish **D** (resigned 13<sup>th</sup> Nov 2020)

Mrs J Pearl **D**

Mrs N Rose **D**

Mrs D Stone **D** (appointed 13<sup>th</sup> Nov 2020)

**D** – member of Development Committee

**F** – member of Finance & Facilities Committee

**Arrangements for setting pay and remuneration of key management personnel**

For 2020-21 the pay and remuneration of key management personnel is set by the Finance Committee having due regard to the skills, experience and expertise of the individual, and market rates within the sector.

**Related Parties and other Connected Charities and Organisations**

Mrs E N Castleton is also Trustee of Kisharon. Costs relating to the new school project were met by Kisharon in advance of the finalisation of the Free School status and were repaid to Kisharon out of the total funding package made available through private donations and funding from the Department for Education.

The school occupies the site on 54 Parson Street which is leased at a peppercorn rent from Kisharon Charitable Trust.

Kisharon has undertaken to meet any school operational deficit during the transitional phase until it achieves financial sustainability. Kisharon also provided administrative services as an in-kind support during the period.

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The principal object of the charity is to advance for the public benefit education in the UK by maintaining a school specially organised to make special educational provision for pupils with Special Educational Needs.

**Objectives, strategies, and activities**

Kisharon Noé School is a special needs school based in Northwest London with a Jewish ethos. The school is registered with OFSTED and currently caters for 63 children between the ages of 4 and 19 with a wide range of educational needs, including general learning disabilities, autistic spectrum disorders and profound and multiple learning disabilities. Kisharon School was approved as a Free School on 10<sup>th</sup> August 2018 and the academy trust worked with the Department for Education to construct a new purpose-built facility to accommodate 72 pupils.

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES REPORT**  
**YEAR ENDED 31 AUGUST 2021**

**Objectives, strategies, and activities (*continued*)**

At Kisharon, we work with our students on all aspects of their development to help them reach their potential. We believe that Kisharon Noé School is an incredibly special school. We pride ourselves on our warm and caring atmosphere and the way in which we know each pupil and family so well.

We work in effective partnership with families and other professionals to ensure that all our pupils reach their full potential, maximise their independence and go on to lead an active and fulfilling life in the community.

**Our mission statements**

- To nurture the talents – the “kisharon” – of each of our students
- To create personalised and cross-curricular learning journeys for our students
- To offer a range of therapies to enhance our students’ learning
- To teach skills to build our students’ confidence, equip them for life beyond school
- To foster a Jewish ethos that guides teaching and learning throughout the school, and welcomes students from all backgrounds
- To provide a safe, supportive, and stimulating learning environment

Kisharon’s curriculum is underpinned by its Jewish ethos and our curriculum aims to reflect this ethos and each of our pupils’ personalised learning journeys. We set high expectations to ensure that every pupil excels across all aspects of school life.

Our intention is to ensure pupils make outstanding progress, regardless of their starting points, and that the curriculum is broad and balanced, and both facilitates this, and removes any potential barriers to learning. We want our students to leave with knowledge and skills which will not only create excellent life opportunities but will also inspire, challenge, and safeguard all our students, and prepare them for life in modern Britain, encouraging lifelong learning, so that all students may follow the ethos to “Educate a young person according to their own individual way” Pirkei Avot (Proverbs) 22:6

At Kisharon Noé School, we support and teach pupils to be:

- Responsible British citizens who make a positive contribution to society
- Independent, confident individuals who are able to live safe, healthy and fulfilling lives
- Constructive contributors to our local, national & worldwide community
- Happy, successful learners who enjoy learning, make good progress and achieve well

**Public benefit**

The Trustees confirm their compliance with the duty to have due regard to the public benefit guidance published by the Charity Commission when reviewing the charity's aims and objectives and in planning future activities.

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES REPORT**  
**YEAR ENDED 31 AUGUST 2021**

**STRATEGIC REPORT**

**Achievements and Performance**

**Free School status**

On 10 August 2018, the Secretary of State for Education formally ratified the Funding Agreement which approved Kisharon School as a Free School.

**Building project**

The construction contract for the new school building was completed on budget in March 2020. During the following six months, against a background of Covid-19 restrictions, the school was fitted out with the furniture and specialist equipment. The school opened on time in Sept 2020 with an increased pupil capacity of 72. The complete project including the cost of transition cost approximately £13.5m.

**Covid-19 Impact**

The coronavirus pandemic had a significant impact on the operation of the school on the Finchley Road site and the completion of the building project on the Parson Street site during the period from March 2020 onwards.

From September 2020 onwards the school has delivered the curriculum from its new site at Parson Street with the majority of pupils in attendance. A remote provision continues to be delivered where necessary. Absolute compliance with all infection controls has enabled the maintenance of an environment in which risk has been mitigated as far as possible. A weekly testing regime has been established for all staff and for those pupils for whom it is appropriate.

The financial impact of the virus has been mitigated by the additional £63,800 funding from the DfE/ESFA & Barnet. Additional expenditure has been mainly incurred on additional staff, personal protective equipment and cleaning hours. This amounted to approximately £65,000 in the year to 31 August 2021.

**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 trust to continue as a going concern. In making this assessment the trustees take into account the written annual commitment by the Board of Kisharon to provide sufficient funding to ensure that no deficit arises on the operation of the School. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**KISHARON ACADEMY TRUST**  
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**TRUSTEES REPORT**  
**YEAR ENDED 31 AUGUST 2021**

**Financial Review**

The financial statements cover the results of the Academy for the whole 2020/2021 academic year.

The total income for the period was £2,202,741 (2019/20: £6,773,353) of which £500,557 was unrestricted (2019/20: £157,647), £1,646,667 restricted (2019/20: £1,233,813) and £55,517 restricted fixed assets (2019/20: £5,381,893).

Unrestricted income includes £482,741 (2020: £148,644) revenue donation from Kisharon to meet the deficit on the educational operation. Restricted income mainly relates to the grants received from DfE, ESFA and local authorities for the educational operation. Restricted fixed assets income mainly relates to donations from individuals and charities for the new building project.

The extra £63,800 Covid-19 funding helped to reduce the financial impact of the virus. School continued to deliver the curriculum from its site and remotely where necessary in an absolute compliance infection-controlled environment in which risk was mitigated as far as possible. The testing funding helped to established weekly testing regime for all staff and for those pupils for whom it is appropriate.

**Reserves Policy**

It is the policy of the academy trust to maintain unrestricted funds, which are the free reserves of the academy trust, at a level which the trustees think appropriate after considering the future commitments of the academy trust and the likely administrative costs of the academy trust for at least the next 6 months. However, this policy cannot be implemented until the school recruits the additional pupils needed to achieve financial sustainability.

At this point the trustees do not anticipate that reduced income or additional costs arising from the Covid-19 will compromise the financial sustainability of the school in the coming year.

**Risk Policy**

The Trust has assessed the major risks to which it is exposed in particular those to the operations and finances of the Trust and is satisfied the systems are in place to manage its exposure to those risks. A risk register has been established and is reviewed by the Trustees on a termly basis.

**Fundraising**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

**Plans for Future Periods**

The school moved into its new premises in Sept 2020, over the next year, the staff will look to refine the use of new facilities to the maximum benefit of the pupils. The trustees are committed to recruiting additional pupils to ensure that the capacity of 72 is reached as soon as sensibly possible.

The trustees will also continue to recruit additional trustees to augment and complement the skills of the current Board of Trustees.



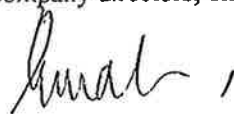
**KISHARON ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES REPORT  
YEAR ENDED 31 AUGUST 2021**

**Auditor**

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14<sup>th</sup> December 2021 and signed on the board's behalf by:



**Mrs E N Castleton**  
Trustee

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**GOVERNANCE STATEMENT**  
**YEAR ENDED 31 AUGUST 2021**

**Scope of Responsibility**

As trustees we acknowledge we have overall responsibility for ensuring that Kisharon 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. The board of trustees has delegated the day-to-day responsibility to the Principal, 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 Kisharon Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

In Nov 2020, the Principal & Accounting Officer resigned, and an interim Principal and Accounting Officer was appointed. A permanent Principal and Accounting Officer was appointed in June 2021.

**Governance**

COVID-19 did not have any adverse impact on the trust governance arrangements during the year and the content of the governance statement accurately reflects the suitability and effectiveness of its risk and control framework.

The role of the Kisharon Academy Trust governing body is to support and challenge the Principal and staff to ensure that the pupils receive a high standard of education in a supportive and inclusive environment. In practical terms this means making decisions regarding a wide range of policies and tracking the progress and direction taken by the school. The responsibility for the day to day running of the school is delegated to the Principal. The full governing body meets twice a term in addition to which all governors are attached to at least one of the subcommittees mentioned below.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mrs E N Castleton (Chair)	5	5
Mr J J Andrews	5	5
Mr E Bauernfreund	4	5
Mrs CA Goldin	5	5
Mr H M Lorie	4	5
Mr Alan Moss	3	4
Mrs J Pearl	4	5
Mrs N Rose	5	5
Mrs Deborah Stone	3	4

**Governance Reviews**

As a new academy trust, Kisharon Academy Trust carried out a self-evaluation review of governance in its first year to establish the effectiveness of the board of trustees. The board of trustees intends to conduct an annual review of governance.

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**GOVERNANCE STATEMENT**  
**YEAR ENDED 31 AUGUST 2021**

**The Finance & Facilities Committee** is a sub-committee of the main board of trustees. Its purpose is to provide recommendations to the board of trustees regarding all matters of finance and the management of property.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mr E Bauernfreund (Chair)	5	5
Mr J J Andrews	5	5
Mrs E N Castleton	4	5
Mr H M Lorie	5	5
Mr Alan Moss	4	4

**The Development Committee** is a sub-committee of the main board of trustees. Its purpose is to provide recommendations to the board of trustees regarding all matters of School's operational and strategical development. It helps the board to carry out its due diligence function.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mrs N Rose (Chair)	7	7
Mrs E N Castleton	7	7
Mrs C A Goldin	7	7
Mrs J Pearl	6	7
Mrs Deborah Stone	3	3

**Review of Value for Money**

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

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during the 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 trust has delivered improved value for money during the year by:

1. Getting better at understanding cost drivers
2. Making sure the desired quality of input is achieved at the cheapest possible price
3. Measuring and monitoring learning outcomes

The Accounting Officer confirms there has not been any situation where COVID-19 has materially impacted on value for money review.

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**GOVERNANCE STATEMENT**  
**YEAR ENDED 31 AUGUST 2021**

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kisharon Academy Trust for the period 1<sup>st</sup> Sept 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1<sup>st</sup> Sept 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is reviewed termly by the board of trustees.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance & facilities committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Eli Bauernfreund, a trustee as an internal reviewer to carry out a programme of internal checks. They will review this decision on an annual basis.

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

1. Payroll and HR systems
2. Procurement systems
3. Monthly financial closed down
4. Financial sustainability
5. Management information and reports
6. Budgets
7. Fraud, theft and bribery
8. Safeguarding and Whistleblowing

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**GOVERNANCE STATEMENT**  
**YEAR ENDED 31 AUGUST 2021**

**The Risk and Control Framework** *(continued)*

On an annual basis, the reviewer reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and prepares an 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. This year there were not any internal control issues reported by the internal reviewer.

**Review of Effectiveness**

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

- the work of the internal reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

Approved by order of the members of the board of trustees on 14<sup>th</sup> December 2021 and signed on its behalf by:



**Mrs E N Castleton**  
Trustee



**Dr Emily Haddock**  
Accounting Officer

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**YEAR ENDED 31 AUGUST 2021**

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of 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 Academies Financial Handbook 2020.

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



**Dr Emily Haddock**  
Accounting Officer

14<sup>th</sup> December 2021

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**YEAR ENDED 31 AUGUST 2021**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 14<sup>th</sup> December 2021 and signed on its behalf by:



**Mrs E N Castleton**  
Trustee

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KISHARON**  
**ACADEMY TRUST**  
**YEAR ENDED 31 AUGUST 2021**

**OPINION**

We have audited the financial statements of Kisharon Academy Trust (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities (including income and expenditure account), balance sheet, 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 and United Kingdom Accounting Standards, including FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2020 to 2021 issued by the ESFA.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the SORP (FRS102) and the Academies Accounts Direction 2020 to 2021 issued by the ESFA.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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



**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KISHARON**  
**ACADEMY TRUST**  
**YEAR ENDED 31 AUGUST 2021**

**OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KISHARON**  
**ACADEMY TRUST**  
**YEAR ENDED 31 AUGUST 2021**

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KISHARON**  
**ACADEMY TRUST**  
**YEAR ENDED 31 AUGUST 2021**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**USE OF OUR REPORT**

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



David Goldberg, FCA (Senior Statutory Auditor)

For and on behalf of  
Cohen Arnold

Chartered accountants & statutory auditor  
New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

14<sup>th</sup> December 2021

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON**  
**REGULARITY TO THE KISHARON ACADEMY TRUST AND THE EDUCATION**  
**AND SKILLS FUNDING AGENCY**  
**YEAR ENDED 31 AUGUST 2021**

In accordance with the terms of our engagement letter dated 19 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kisharon Academy Trust during the year ended 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Kisharon Academy Trust's Accounting Officer and the reporting accountant.**

The Accounting Officer is responsible, under the requirements of Kisharon Academy Trust's funding agreement with the Secretary of State for Education dated 26<sup>th</sup> February 2020 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed, and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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.

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON**  
**REGULARITY TO THE KISHARON ACADEMY TRUST AND THE EDUCATION**  
**AND SKILLS FUNDING AGENCY**  
**YEAR ENDED 31 AUGUST 2021**

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

The work undertaken to draw to our conclusion includes:

- reviewing the objectives and activities of the academy and other information available to us as auditors of the academy;
- testing a sample of payments to suppliers and income received;
- evaluating the internal control procedures;
- Confirming with Accounting Officer that the evidence to sign the regulatory statement is in order; and
- Obtaining representation from the trustees and the Accounting Officer.

**Conclusion**

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



David Goldberg, FCA (Senior Statutory Auditor)

For and on behalf of  
Cohen Arnold  
Chartered accountants & statutory auditor  
New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

14<sup>th</sup> December 2021

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets Funds £	Total Funds 2020/21 £	Total Funds 2019/20 £
<b>INCOME AND ENDOWMENTS</b>						
Donations and capital grants	3	482,741	56,708	55,517	594,966	5,552,291
Charitable Activities:						
Funding for the academy trust's educational operation	4	-	1,589,959	-	1,589,959	1,212,936
Other trading activities	5	17,816	-	-	17,816	8,126
<b>TOTAL INCOME</b>		<b>500,557</b>	<b>1,646,667</b>	<b>55,517</b>	<b>2,202,741</b>	<b>6,773,353</b>
<b>EXPENDITURE</b>						
Raising Funds	6	-	(15,645)	(49,694)	(65,339)	(75,251)
Charitable Activities:						
Academy trust's educational operation	7	(27,225)	(2,246,354)	-	(2,273,579)	(1,592,105)
Other expenditure	8	-	-	(470,232)	(470,232)	(87,806)
<b>TOTAL EXPENDITURE</b>		<b>(27,225)</b>	<b>(2,261,999)</b>	<b>(519,926)</b>	<b>(2,809,150)</b>	<b>(1,755,162)</b>
<b>NET INCOME</b>		<b>473,332</b>	<b>(615,332)</b>	<b>(464,409)</b>	<b>(606,409)</b>	<b>5,018,191</b>
Transfer between funds		(473,332)	473,332	-	-	-
Other recognised gains / (losses)						-
Actuarial (losses)/gain on defined benefit pension scheme		-	(173,000)	-	(173,000)	(24,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>-</b>	<b>(315,000)</b>	<b>(464,409)</b>	<b>(779,409)</b>	<b>4,994,191</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		-	(244,000)	12,356,443	12,112,443	7,118,252
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>(559,000)</b>	<b>11,892,034</b>	<b>11,333,034</b>	<b>12,112,443</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 23 to 41 form part of these financial statements.

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**BALANCE SHEET**  
**31 AUGUST 2021**

	Note	2020/21 £	2019/20 £
<b>Fixed assets</b>			
Intangible fixed assets	12	3,000	-
Tangible fixed assets	13	11,797,589	11,593,373
		<u>11,800,589</u>	<u>11,593,373</u>
<b>Current assets</b>			
Debtors	14	211,268	123,586
Cash at bank and in hand		108,279	1,359,496
		<u>319,547</u>	<u>1,483,082</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(228,102)</u>	<u>(720,012)</u>
<b>Net current assets</b>		<u>91,445</u>	<u>763,070</u>
<b>Total assets less current liabilities</b>		<u>11,892,034</u>	<u>12,356,443</u>
<b>Creditors: amounts falling due after more than one year</b>		<u>-</u>	<u>-</u>
<b>Total Net Assets excluding pension liability</b>		<u>11,892,034</u>	<u>12,356,443</u>
<b>Defined benefit pension scheme liability</b>	23	<u>(559,000)</u>	<u>(244,000)</u>
<b>Total Net Assets</b>		<u>11,333,034</u>	<u>12,112,443</u>
 <b>Funds of the Academy Trust</b>			
Restricted Fixed Asset Funds	16	11,892,034	12,356,443
Restricted General Funds	16	-	-
Pension Reserves	16	(559,000)	(244,000)
		<u>11,333,034</u>	<u>12,112,443</u>
Unrestricted General Funds	16	-	-
<b>Total Funds</b>		<u>11,333,034</u>	<u>12,112,443</u>

These financial statements were approved by the board of trustees and authorised for issue on 14<sup>th</sup> December 2021, and are signed on behalf of the board by:

  
**Mrs E N Castleton**  
Trustee

The notes on pages 23 to 41 form part of these financial statements.

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF CASH FLOWS**  
**31 AUGUST 2021**

		2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net income	Notes	(606,409)	5,018,191
Amortisation and Depreciation		390,004	-
Defined Benefit Pension Cost Payable		142,000	220,000
<i>Changes in:</i>			
Trade and other debtors		(87,682)	159,594
Trade and other creditors		(491,910)	(280,078)
Cash generated from operations		<u>(653,997)</u>	<u>5,117,707</u>
Net cash from operating activities	19	<u>(653,997)</u>	<u>5,117,707</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		<u>(597,220)</u>	<u>(3,953,913)</u>
Net cash used in investing activities	20	<u>(597,220)</u>	<u>(3,953,193)</u>
Net increase in cash and cash equivalents		(1,251,217)	1,163,794
Cash and cash equivalents at 1 <sup>st</sup> Sept 2020		<u>1,359,496</u>	<u>195,702</u>
Cash and cash equivalents at 31 <sup>st</sup> August 2021	21	<u>108,279</u>	<u>1,359,496</u>



**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 AUGUST 2021**

**1. ACCOUNTING POLICIES**

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

**Basis of Preparation**

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

The Academy Trust meets the definition of a public entity body under FRS102.

**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 trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

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

**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.

**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.

All resources expended are inclusive of irrecoverable VAT.

**Expenditure on Raising Funds**

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

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 AUGUST 2021**

**1. ACCOUNTING POLICIES** *(continued)*

**Fixed Assets**

**Intangible Fixed Assets**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 33.33% or 3 years

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

- Freehold buildings 2 % or 50 Years
- Furniture and equipment 20% or 5 Years
- Computer/IT equipment 33.33% or 3 Years
- Motor vehicles 20% or 5 Years

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.

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 AUGUST 2021**

**Liabilities**

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

**Financial Instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in Note 14. 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.

**Taxation**

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

**Fund accounting**

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

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

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

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 AUGUST 2021**

**1. ACCOUNTING POLICIES** *(continued)*

**Critical accounting estimates and areas of judgement**

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

*Critical accounting estimates and assumptions*

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The trustees consider that there are no estimates and assumptions that affect the amounts reported.

*Critical areas of judgement*

The trustees consider that there are no areas of critical judgement that require disclosure.

**2. GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The academy trust has not exceeded these limits during the year ended 31 August 2021.

**3. DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Funds	Total Funds 2020/21	Total Funds 2019/20
	£	£	£	£	£
Capital grants	-	-	5,823	5,823	2,932,214
Building Project donations	-	-	49,694	49,694	2,449,679
Other donations	482,741	56,708	-	539,449	5,823
<b>Total Donations and Capital Grants</b>	<b>482,741</b>	<b>56,708</b>	<b>55,517</b>	<b>594,966</b>	<b>5,552,291</b>

The income from donations and capital grants was £594,966 (2020: £5,552,291) of which £482,741 was unrestricted (2020: £149,521), £56,708 restricted (2020: £20,877) and £55,517 restricted fixed assets (2020: £5,381,893).

**4. FUNDING FOR THE ACADEMY'S TRUST EDUCATIONAL OPERATIONS**

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Funds	Total funds 2020/21	Total Funds 2019/20
	£	£	£	£	£
<b>DfE / ESFA grants</b>					
General Annual Grant	-	430,000	-	430,000	330,000
Start-up grants	-	18,472	-	18,472	12,567
Other DfE Group grants	-	23,876	-	23,876	24,076
	<b>-</b>	<b>472,348</b>	<b>-</b>	<b>472,348</b>	<b>366,643</b>

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 AUGUST 2021**

**4. FUNDING FOR THE ACADEMY'S TRUST EDUCATIONAL OPERATIONS** *(continued)*

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets Funds £	Total funds 2020/21 £	Total Funds 2019/20 £
<b>Other government grants</b>					
Local authority Top up grants	-	1,022,961	-	<b>1,022,961</b>	806,324
Local authority other grants	-	30,844	-	<b>30,844</b>	30,069
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other income from the academy trust's educational operations	-	<b>1,053,805</b>	-	<b>1,053,805</b>	836,393
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Covid-19 additional funding (DfE/ESFA)</b>					
Catch up Premium	-	<b>10,560</b>	-	<b>10,560</b>	-
Other DfE/ESFA Covid-19 funding	-	<b>41,927</b>	-	<b>41,927</b>	-
<b>Covid-19 additional funding (Non DfE/ESFA)</b>					
Coronavirus Job Retention Scheme grant	-	<b>2,115</b>	-	<b>2,115</b>	9,900
Other Covid-19 funding	-	<b>9,204</b>	-	<b>9,204</b>	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Funding for the academy trust Educational operations</b>	-	<b>1,589,959</b>	-	<b>1,589,959</b>	1,212,936
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Other DfE Group grants include Pupil Premium (£10,261), PE and Sports Grant (£9,000), Student Financial Support Funding (£724) and Universal Infant Free School Meals (£3,891). Local authority other grants include Teachers Pay Grant (£7,965) and Teachers Pension Employer Contribution Grant (£22,879).

The academy received £10,560 of funding for catch-up premium and costs incurred in respect of this funding totalled £11,118. The academy furloughed one of its admin staff under the government's CJRS. The funding received of £2,115 relates to staff costs in respect of 1 staff which is included within note 10 below as appropriate.

The income from Funding for the Academy Trust's educational operations was £1,589,959 (2020: £1,212,936) of which £nil was unrestricted (2020: £nil), £1,589,959 restricted (2020: £1,212,936) and £nil restricted fixed assets (2020: £nil).

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 AUGUST 2021**

**5. OTHER TRADING ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets Funds	Total Funds 2020/21 £	Total Funds 2019/20 £
Catering Income	17,816	-	-	17,816	8,126
<b>Total Other Trading Activities</b>	<b>17,816</b>	<b>-</b>	<b>-</b>	<b>17,816</b>	<b>8,126</b>

The income from other trading activities was £17,816 (2020: £8,126) of which £17,816 was unrestricted (2020: £8,126), £nil restricted (2020: £nil) and £nil restricted fixed assets (2020: £nil).

**6. EXPENDITURE**

	Staff cost £	Premises £	Other £	Total 2020/21 £	Total 2019/20 £
Expenditure on raising funds					
Direct costs	-	-	65,339	65,339	75,251
Allocated support cost	-	-	-	-	-
Academy's educational operations					
Direct costs	1,788,959	81,872	218,069	2,088,900	1,433,300
Allocated support cost	108,777	19,688	56,214	184,679	158,805
Other expenditure					
Free school project costs	-	-	80,228	80,228	87,806
Allocated support cost	-	-	390,004	390,004	-
<b>Total Expenditure</b>	<b>1,897,736</b>	<b>101,560</b>	<b>809,854</b>	<b>2,809,150</b>	<b>1,755,162</b>

**Net Income/(Expenditure) for the period includes:**

	2020/21 £	2019/20 £
Depreciation	388,504	-
Amortisation	1,500	-
Fees payable to auditors for:		
Audit	10,750	4,750
Other services	2,450	4,450

**KISHARON ACADEMY TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 AUGUST 2021**

**7. CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total 2020/21 £	Total 2019/20 £
Academy's educational operations				
Direct costs	-	2,088,900	2,088,900	1,433,300
Allocated support cost	27,225	157,454	184,679	158,805
<b>Total Charitable Activities</b>	<b>27,225</b>	<b>2,246,354</b>	<b>2,273,579</b>	<b>1,592,105</b>

**Analysis of support costs**

	Academy's educational operations Unrestricted Funds £	Academy's educational operations Restricted Funds £	Total 2020/21 £	Total 2019/20 £
Support staff costs	-	108,777	108,777	129,522
Technology costs	-	1,693	1,693	1,844
Premises costs	-	19,688	19,688	9,167
Other support costs	27,225	24,737	51,962	15,779
Governance costs	-	2,559	2,559	2,493
<b>Total Support costs</b>	<b>27,225</b>	<b>157,454</b>	<b>184,679</b>	<b>158,805</b>

**8. OTHER EXPENDITURE**

	Restricted Fixed Assets Funds Total 2020/21 £	Restricted Fixed Assets Funds Total 2019/20 £
Free School project costs		
Direct costs	80,228	87,806
Allocated support cost	390,004	-
<b>Total Other Expenditure</b>	<b>470,232</b>	<b>87,806</b>

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**9. STAFF**

**a. Total staff costs during the period were:**

	2020/21	2019/20
	£	£
Wages and salaries	1,158,612	857,461
Social security costs	108,061	80,309
Pension costs	380,668	380,485
	<u>1,647,341</u>	<u>1,318,255</u>
Agency staff costs	220,395	136,851
Staff restructuring costs	30,000	7,064
<b>Total Staff costs</b>	<u>1,897,736</u>	<u>1,462,170</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £30,000 (2020: £497). Individually, the payments were: £30,000 and (£497).

**b. Staff numbers:**

	2020/21	2019/20
	No	No
Teachers	10	7
Teachers Assistants	23	16
Therapist	4	2
Admin and Support	6	6
Management	3	3
<b>Total Staff numbers</b>	<u>46</u>	<u>34</u>

**c. Higher paid staff:**

The number of employees whose remuneration for the year fell within the following bands, were:

	2020/21	2019/20
	No	No
£60,000 to £70,000	2	-
£70,001 to £80,000	-	2
£80,001 to £90,000	-	-
£90,001 to £100,000	1	-
<b>Total higher paid staff</b>	<u>3</u>	<u>2</u>

**Key Management Personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £295,624 (2020: £217,080).



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**10. TRUSTEE REMUNERATION AND EXPENSES**

No trustees received any remuneration during the year (2020: £nil). The charity did not meet any individual expenses incurred by the trustees for services provided to the charity.

**11. TRUSTEES' AND OFFICERS' INSURANCE**

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

**12. INTANGIBLE FIXED ASSETS**

	<b>Computer Software £</b>
<b>Cost</b>	
At 1 September 2020	-
Additions	4,500
<b>At 31 August 2021</b>	<b>4,500</b>
<b>Amortisation</b>	
At 1 September 2020	-
Charge in year	1,500
<b>At 31 August 2021</b>	<b>1,500</b>
<b>Carrying Amount</b>	
At 31 <sup>st</sup> August 2020	-
At 31 <sup>st</sup> August 2021	3,000

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**13. TANGIBLE FIXED ASSETS**

	Freehold Building £	F & F and Equipment £	Computer/IT Equipment £	Total 2020/21 £
<b>Cost</b>				
At 1 <sup>st</sup> Sept 2020	-	-	-	-
Transfer fm Building under Construction	11,213,507	184,784	195,082	11,593,373
Additions	404,236	64,948	123,536	592,720
Disposals	-	-	-	-
At 31 <sup>st</sup> August 2021	<u>11,617,743</u>	<u>249,732</u>	<u>318,618</u>	<u>12,186,093</u>
<b>Depreciation</b>				
At 1 <sup>st</sup> Sept 2020	-	-	-	-
Charge in year	232,353	49,947	106,204	388,504
Disposals	-	-	-	-
At 31 <sup>st</sup> August 2021	<u>232,353</u>	<u>49,947</u>	<u>106,204</u>	<u>388,504</u>
<b>Net Book Value</b>				
At 31 <sup>st</sup> August 2021	11,385,390	199,785	212,414	11,797,589
At 31 <sup>st</sup> August 2020	<u>11,213,507</u>	<u>184,784</u>	<u>195,082</u>	<u>11,593,373</u>

**14. DEBTORS**

	2020/21 £	2019/20 £
Trade debtors	3,599	961
Local authorities' debtors	15,227	22,325
VAT recoverable	139,312	70,950
Other debtors	18,000	18,000
Prepayments & accrued income	35,130	11,350
<b>Total Debtors</b>	<u>211,268</u>	<u>123,586</u>

**15. CREDITORS: Amounts falling due within one year**

	2020/21 £	2019/20 £
Trade creditors	101,504	33,105
Other taxation and social security	29,249	15,327
Pension	16,063	11,792
Other Creditors	31,812	628,282
Accruals and deferred income	49,474	31,506
<b>Total Creditors</b>	<u>228,102</u>	<u>720,012</u>

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**16. ANALYSIS OF FUNDS**

**Restricted Fixed Asset Funds (Building Project)**

	At 1 September 2020 £	Income £	Expenditure £	Gains, losses & transfers £	Balance at 31 <sup>st</sup> Aug 2021 £
DfE group capital grants	2,932,214	5,823	-	-	2,938,037
Private sector capital	9,424,229	49,694	(519,926)	-	8,953,997
<b>Total Restricted Fixed Assets Funds</b>	<b>12,356,443</b>	<b>55,517</b>	<b>(519,926)</b>	<b>-</b>	<b>11,892,034</b>

**Restricted General Funds**

	At 1 September 2020 £	Income £	Expenditure £	Gains, losses & transfers £	Balance at 31 <sup>st</sup> Aug 2021 £
General Annual Grant (GAG)	-	430,000	(430,000)	-	-
Local Authority Top Up Fees	-	1,022,961	(1,022,961)	-	-
Pupil Premium & Other	-	73,192	(73,192)	-	-
Covid-19 Catch up Premium	-	10,560	(10,560)	-	-
Covid19 Other DfE/ESFA Grants	-	41,927	(41,927)	-	-
Covid19 JRS Grant	-	2,115	(2,115)	-	-
Covid19 Other non DfE/ESFA Grants	-	9,204	(9,204)	-	-
Other donations and grants	-	56,708	(56,708)	-	-
Pension Reserves	(244,000)	-	(142,000)	(173,000)	(559,000)
Educational Operation	-	-	(473,332)	473,332	-
<b>Total Restricted General Funds</b>	<b>(244,000)</b>	<b>1,646,667</b>	<b>(2,261,999)</b>	<b>300,332</b>	<b>(559,000)</b>
<b>Total Restricted Funds</b>	<b>12,112,443</b>	<b>1,702,184</b>	<b>(2,781,925)</b>	<b>300,332</b>	<b>11,333,034</b>
<b>Total Unrestricted Funds</b>	<b>-</b>	<b>500,557</b>	<b>(27,225)</b>	<b>(473,332)</b>	<b>-</b>
<b>Total Funds</b>	<b>12,112,443</b>	<b>2,202,741</b>	<b>(2,809,150)</b>	<b>(173,000)</b>	<b>11,333,034</b>

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

	At 1 September 2019 £	Income £	Expenditure £	Gains, losses & transfers £	At 31 August 2020 £
<b>Restricted Fixed Asset Funds (Building Project)</b>	<b>7,118,252</b>	<b>5,381,893</b>	<b>(143,702)</b>	<b>-</b>	<b>12,356,443</b>
<b>Restricted Funds (Pension Reserves)</b>	<b>-</b>	<b>-</b>	<b>(220,000)</b>	<b>(24,000)</b>	<b>(244,000)</b>
<b>Total Funds</b>	<b>7,118,252</b>	<b>5,381,893</b>	<b>(363,702)</b>	<b>(24,000)</b>	<b>12,112,443</b>

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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2021 £
Intangible fixed assets	—	—	3,000	3,000
Tangible fixed assets	—	—	11,797,589	11,797,589
Current assets	60,291	—	259,256	319,547
Creditors less than 1 year	(60,291)	—	(167,811)	(228,102)
Pension scheme liability	—	(559,000)	—	(559,000)
<b>Total Net Assets</b>	<b>—</b>	<b>(559,000)</b>	<b>11,892,034</b>	<b>11,333,034</b>

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

	Unrestricted £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2020 £
Intangible fixed assets	—	—	—	—
Tangible fixed assets	—	—	11,593,373	11,593,373
Current assets	25,000	—	1,458,082	1,483,082
Creditors less than 1 year	(25,000)	—	(695,012)	(720,012)
Pension scheme liability	—	(244,000)	—	(244,000)
<b>Total Net Assets</b>	<b>—</b>	<b>(244,000)</b>	<b>12,356,443</b>	<b>12,112,443</b>

**18. CAPITAL COMMITMENTS**

	2021 £	2020 £
Contracted for, but not provided in the financial statements	50,000	245,000
<b>Total Capital Commitments</b>	<b>50,000</b>	<b>245,000</b>

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

	2020/21 £	2019/20 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(£606,409)	5,018,191
Adjusted for:		
Depreciation	390,004	—
Defined Pension Benefit cost payable	142,000	220,000
(Increase)/decrease in debtors	(87,682)	159,594
(Increase)/decrease in creditors	(491,910)	(280,078)
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(653,997)</b>	<b>5,117,707</b>

**20. CASH FLOWS FROM INVESTING**

	2020/21 £	2019/20 £
Purchase of tangible fixed assets	(597,220)	(3,953,913)
<b>Net cash provided by / (used in) Investing Activities</b>	<b>(597,220)</b>	<b>(3,953,913)</b>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020/21 £	2019/20 £
Cash in hand and at bank	108,279	1,359,496
<b>Total cash and cash equivalents</b>	<b>108,279</b>	<b>1,359,496</b>

**22. MEMBERS LIABILITY**

Each member of the academy trust undertakes to contribute to the assets of the academy trust 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.

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**23. PENSIONS AND SIMILAR OBLIGATIONS**

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

**Teachers' Pension Scheme**

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

The TPS is an unfunded scheme to which both 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 Employers Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £107,230 (2019/20: £72,573).

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

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

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**23. PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (LGPS)**

The LGPS is a funded defined benefit pension scheme for non-teaching staff, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2021 was £161,000 (2019/20: £106,770), of which employer's contribution totalled £129,000 (2019/20: £86,374) and employees' contribution totalled £32,000 (2019/20: £20,396). The agreed contribution rates for future years are 23.8% per cent for employers and 5.8% per cent for employees.

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

**Financial Assumptions**

<b>Principal actuarial assumptions</b>	<b>2021</b>	<b>2020</b>
Rate of increase in salaries	3.6%	2.9%
Discount rate for scheme liabilities	1.65%	1.7%
Inflation assumption (CPI)	2.9%	2.2%

**Mortality**

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and a long-term rate of improvement of 1.25% p.a. for males and females.

	<b>Males</b>	<b>Females</b>
Current Pensioners	21.9 Years	24.4 Years
Future Pensioners*	23.3 Years	26.4 Years

\* Figures assume members aged 45 as at the last formal valuation date.

**Historic mortality**

Life expectancies for the prior period end are based on the Fund's Vita Curves. The allowance for the future improvements is shown below:

<b>Prospective Pensioners</b>	<b>Pensioners</b>
CMI 2018 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25%	CMI 2018 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25%

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are identical to those used to value the Obligations in the Employer's Opening Position.

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**23. PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Commutation**

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

**Sensitivity Analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in Assumption at 31st Aug 2021</b>	<b>Approximate % increase to Defined Benefit Obligation</b>	<b>Approximate monetary (£000)</b>
0.1% decrease in Real Discount Rate	4%	34
1 year increase in member life expectancy	4%	37
0.1% increase in Salary Increase Rate	0%	-
0.1% increase in the Pension Increase Rate (CPI)	4%	34

**The major categories of Academy's plan assets as a percentage of total plan assets**

The academy trust's share of the assets in the scheme as at 31<sup>st</sup> August 2021 was:

<b>Period Ended</b>	<b>31<sup>st</sup> August 2021</b>	<b>31<sup>st</sup> August 2020</b>
Equities	65%	56%
Bonds	27%	30%
Property	4%	5%
Cash	4%	9%

The return on the Fund in market value terms for the period to 31 August 2021 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary. Details are given below:

Actual Returns from 1 <sup>st</sup> Oct 2020 to 30 <sup>th</sup> June 2021	17.3%
Total Returns from 1 <sup>st</sup> Sept 2020 to 31 <sup>st</sup> Aug 2021	21.4%



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**23. PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Balance sheet, P&L, OCI disclosures as at 31 August 2021**

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 August 2020

<b>Period Ended 31<sup>st</sup> Aug 2021</b>	<b>Assets (£000)</b>	<b>Obligations (£000)</b>	<b>Net (liabilities)/assets (£000)</b>
Fair value of plan assets	157	-	157
Present value of funded liabilities	-	401	(401)
Present value of unfunded liabilities	-	-	-
<b>Opening Position as at 31 August 2020</b>	<b>157</b>	<b>401</b>	<b>(244)</b>
Service cost:			
Current service cost*	-	266	(266)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
<b>Total Service Cost</b>	<b>-</b>	<b>266</b>	<b>(266)</b>
Net interest:			
Interest income on plan assets	4		4
Interest cost on defined benefit obligation		9	(9)
<b>Total net interest</b>	<b>4</b>	<b>9</b>	<b>(5)</b>
<b>Total defined benefit cost recognised in Profit or (Loss)</b>	<b>4</b>	<b>275</b>	<b>(271)</b>
Cash flow			
Participants' contributions	32	32	-
Employer contributions	129	-	129
Estimated benefits paid	-	-	-
Estimated unfunded benefits paid	-	-	-
Estimated contributions in respect of unfunded benefits paid	-	-	-
Effect of business combinations and disposals	-	-	-
<b>Expected closing position</b>	<b>322</b>	<b>708</b>	<b>(386)</b>
Remeasurements:			
Changes in financial assumptions	-	217	(217)
Changes in demographic assumptions	-	14	(14)
Other experience	-	(12)	12
Return on assets excluding amounts included in net interest	46	-	46
<b>Total remeasurements recognised in Other Comprehensive Income (OC)</b>	<b>46</b>	<b>219</b>	<b>(173)</b>
Fair value of plan assets	368	-	368
Present value of funded liabilities	-	927	(927)
Present value of unfunded liabilities**	-	-	-
<b>Closing position as at 31 August 2021</b>			<b>(559)</b>

Please note the Employer's fair value of plan assets is less than 1% of the Fund's total.

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**23. PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Balance sheet, P&L, OCI disclosures as at 31 August 2020**

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 August 2020

<b>Period Ended 31<sup>st</sup> Aug 2020</b>	<b>Assets (£000)</b>	<b>Obligations (£000)</b>	<b>Net (liabilities)/assets (£000)</b>
Fair value of plan assets	49	-	49
Present value of funded liabilities	-	188	(188)
Present value of unfunded liabilities	-	-	-
<b>Opening Position as at 31 August 2019</b>	<b>49</b>	<b>188</b>	<b>(139)</b>
Service cost:			
Current service cost*	-	164	(164)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
<b>Total Service Cost</b>	<b>-</b>	<b>-</b>	<b>(164)</b>
Net interest:			
Interest income on plan assets	2		2
Interest cost on defined benefit obligation		5	(5)
<b>Total net interest</b>	<b>2</b>	<b>5</b>	<b>(3)</b>
<b>Total defined benefit cost recognised in Profit or (Loss)</b>	<b>2</b>	<b>169</b>	<b>(167)</b>
Cash flow			
Participants' contributions	20	20	-
Employer contributions	86	-	86
Estimated benefits paid	(1)	(1)	-
Estimated unfunded benefits paid	-	-	-
Estimated contributions in respect of unfunded benefits paid	-	-	-
Effect of business combinations and disposals	-	-	-
<b>Expected closing position</b>	<b>156</b>	<b>376</b>	<b>(220)</b>
Remeasurements:			
Changes in financial assumptions	-	15	(15)
Changes in demographic assumptions	-	(7)	7
Other experience	-	17	(17)
Return on assets excluding amounts included in net interest	1	-	1
<b>Total remeasurements recognised in Other Comprehensive Income (OC)</b>	<b>1</b>	<b>25</b>	<b>(24)</b>
Fair value of plan assets	157	-	157
Present value of funded liabilities	-	401	(401)
Present value of unfunded liabilities	-	-	-
<b>Closing position as at 31 August 2020</b>			<b>(244)</b>

\* The current service cost includes an allowance for administration expenses of 1% of payroll.

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**24. RELATED PARTY TRANSACTIONS**

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

Kisharon – a charitable company of which Mrs E N Castleton is also a Trustee.

Other creditors £31,812 (2019/20 £682,282) includes £482,741 (2019/20 £148,644) revenue donation from Kisharon to meet the deficit on the educational operation. It also includes £14,637 (2019/20 £0) for admin services provided by Kisharon Enterprise Ltd. Last year £628,282 other creditors balance related to the costs met by Kisharon on behalf of Kisharon Academy Trust in relation to the new school project. The amount was interest free and was repaid to Kisharon out of the total funding package made available from private donations and funding from the Department of Education.

Kisharon also provided administrative services as in-kind support during the period, amounting to £75,000 (2019/20: £75,000).