

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2018

**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
TRUSTEES REPORT
YEAR ENDED 31 AUGUST 2018

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 2018. 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 10th 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.

In anticipation of Free School status, the number of trustees was increased from 2 to 9 in July 2018 to provide the range of skills and experience required.

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 5 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
COMPANY LIMITED BY GUARANTEE
TRUSTEES REPORT
YEAR ENDED 31 AUGUST 2018

Organisational Structure

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

A Development Committee and Finance Committee have been established of which the following Trustees are members:

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

Mr J J Andrews **F**

Mr E Bauenfreund **F**

Mrs C A Goldin **D**

Dr B Jacobson **D F**

Mrs S D Mullish **D**

Mrs N Rose **D**

D – member of Development Committee

F - member of Finance Committee

Arrangements for setting pay and remuneration of key management personnel

No wages were paid by the academy trust during the year. For 2017-18 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 and Mr D T Klein are also Trustees of Kisharon. Costs relating to the new school project were met by Kisharon in advance of the finalisation of the Free School status and are repayable to Kisharon out of the total funding package made available through pledges and funding from the Department for Education.

The new school building is being developed on the Parson Street site owned by Kisharon Charitable Trust.

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 School is an independent Jewish special needs school currently catering for 35 children between the ages of 4 and 19 with a wide range of educational needs, including general learning difficulties, autistic spectrum disorders and profound and multiple learning difficulties. Kisharon School was approved as a Free School on 10th August 2018 and the academy trust has been working with the Department for Education to build a new purpose-built facility to accommodate 72 pupils.

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 2018

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

On 17 August 2018, Kisharon Academy Trust signed a contract with ARJ Construction for the building of new school accommodation and refurbishment of the existing listed building on the Parson Street site. The value of the contract is £8,982,603.93 excluding VAT. As a Free School Kisharon Academy Trust is entitled to reclaim VAT on all expenditure.

Kisharon Academy Trust was able to sign the contract on the basis of legally enforceable contracts and pledges from charities and individuals and a grant from the Department for Education which more than cover the cost of the contract.

As part of the Funding Agreement, £2,746,679 of pledged funds were deposited into the Kisharon Academy Trust designated project account in August 2018. The construction project is on schedule and within budget as at December 2018.

In these financial statements Kisharon Academy Trust recognises the historic costs relating to the construction of a new school. These costs were met by Kisharon Limited in advance of the finalisation of Free School status and are repayable to Kisharon Limited out of the total funding package made available by trusts and the Department for Education. The results for the year and the financial position at 31 August 2018 are set out in the attached financial statements.

Going Concern

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

FINANCIAL REVIEW

The income for the period of £3,357,907 was from pledges from individuals and charities. As at 31 August 2018, the academy trust had Restricted Fixed Asset Funds of £2,963,252.

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 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.

PLANS FOR FUTURE PERIODS

The new school building is due to open in 2020 and will be able to accommodate 72 primary and secondary-aged pupils, including those with profound and multiple learning disabilities and autism. There will be multiple therapy rooms, a multi-purpose school hall, synagogue and a hydrotherapy pool.

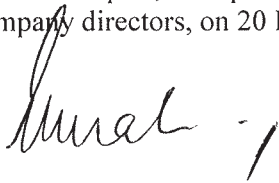
**KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES REPORT
YEAR ENDED 31 AUGUST 2018**

AUDITOR

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 December 2018 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 2018

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.

Governance Reviews

The timing of the Funding Agreement (10 August 2018) with the Education and Skills Funding Agency (ESFA) precluded the trustees from meeting in the year to 31 August 2018.

As a new academy trust, Kisharon Academy Trust, will carry out a review of governance in its first year.

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 10 August to 31 August 2018 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 10 August to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
GOVERNANCE STATEMENT
YEAR ENDED 31 AUGUST 2018

Review of Effectiveness

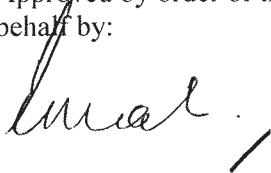
As accounting officer, the Principal, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the 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

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 each academic year, and reports to the board of trustees where value for money can be improved.

Approved by order of the members of the board of trustees on 20 December 2018 and signed on its behalf by:



Mrs E N Castleton
Trustee



Mrs S Kopfstein
Accounting Officer

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2018

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 2017.

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 2017.

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.



Mrs S Kopfstein
Accounting Officer

20 December 2018

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2018

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 2015 and the Academies Accounts Direction 2017 to 2018
- 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 20 December 2018 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 2018

OPINION

We have audited the financial statements of Kisharon Academy Trust (the 'charity') for the year ended 31 August 2018 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 2017 to 2018 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 2018 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 2017 to 2018 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 2018

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; and

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KISHARON
ACADEMY TRUST
YEAR ENDED 31 AUGUST 2018

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 2018

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

20 December 2018

**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 2018**

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 2017 to 2018, 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 2018 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 10th August 2018 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 2018 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 2017 to 2018 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 2018**

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 2018 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

20 December 2018

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 AUGUST 2018

		2018		2017
	Note	Restricted Fixed Asset Funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	2	3,357,907	3,357,907	—
Total income		<u>3,357,907</u>	<u>3,357,907</u>	<u>—</u>
Expenditure				
Expenditure on raising funds:				
Costs of raising donations and legacies	3	(76,527)	(76,527)	—
Other expenditure	3	(318,128)	(318,128)	—
Total expenditure		<u>(394,655)</u>	<u>(394,655)</u>	<u>—</u>
Net income and net movement in funds		<u>2,963,252</u>	<u>2,963,252</u>	<u>—</u>
Reconciliation of funds				
Total funds brought forward		—	—	—
Total funds carried forward		<u>2,963,252</u>	<u>2,963,252</u>	<u>—</u>

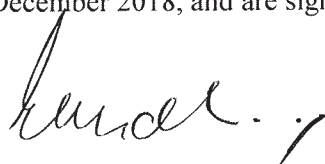
The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 9 to 23 form part of these financial statements.

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
31 AUGUST 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	6	1,700,412	–
Current assets			
Cash at bank and in hand		2,797,646	33,006
Creditors: amounts falling due within one year	7	<u>(1,534,806)</u>	<u>(33,006)</u>
Net current assets		<u>1,262,840</u>	–
Total assets less current liabilities		<u><u>2,963,252</u></u>	<u>–</u>
Funds of the charity			
Restricted funds		<u>2,963,252</u>	–
Total charity funds	8	<u><u>2,963,252</u></u>	<u>–</u>

These financial statements were approved by the board of trustees and authorised for issue on 20 December 2018, and are signed on behalf of the board by:


Mrs E N Castleton
Trustee

The notes on pages 19 to 23 form part of these financial statements.

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
31 AUGUST 2018

	2018 £	2017 £
Cash flows from operating activities		
Net income	2,963,252	–
<i>Changes in:</i>		
Trade and other creditors	1,501,800	–
Cash generated from operations	<u>4,465,052</u>	<u>–</u>
Net cash from operating activities	<u>4,465,052</u>	<u>–</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,700,412)	–
Net cash used in investing activities	<u>(1,700,412)</u>	<u>–</u>
Net increase in cash and cash equivalents	2,764,640	–
Cash and cash equivalents at beginning of year	33,006	33,006
Cash and cash equivalents at end of year	<u>2,797,646</u>	<u>33,006</u>

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2018

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 2017 to 2018 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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES *(continued)*

Fixed Assets

Fixed Assets are carried at cost net of depreciation and any provision for impairment. No depreciation is charged on the school building under construction until it is brought into use and reclassified to freehold or leasehold land and buildings.

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.

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 6. 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
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NOTES TO THE FINANCIAL STATEMENTS
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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 effect the amounts reported.

Critical areas of judgement

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

2. DONATIONS

	Restricted Fixed Asset Funds £	Total Funds 2018 £	Restricted Fixed Asset Funds £	Total Funds 2017 £
Donations				
Building project donations	3,357,907	3,357,907	—	—

3. EXPENDITURE

	Restricted Fixed Asset Funds £	Total Funds 2018 £	Restricted Fixed Asset Funds £	Total Funds 2017 £
Expenditure on raising funds				
Direct costs	76,527	76,527	—	—
Other expenditure				
Free school project costs	318,128	318,128	—	—
	<u>394,655</u>	<u>394,655</u>	<u>—</u>	<u>—</u>

4. TRUSTEE REMUNERATION AND EXPENSES

No trustees received any remuneration during the year (2017: £Nil). The charity did not meet any individual expenses incurred by the trustees for services provided to the charity.

5. TRUSTEES' AND OFFICERS' INSURANCE

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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.

6. TANGIBLE FIXED ASSETS

	Building under construction £
Cost	
At 1 September 2017	–
Additions	1,700,412
At 31 August 2018	<u>1,700,412</u>
Carrying amount	
At 31 August 2018	<u>1,700,412</u>
At 31 August 2017	<u>–</u>

7. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other creditors	<u>1,534,806</u>	<u>33,006</u>

8. ANALYSIS OF CHARITABLE FUNDS

Restricted Fixed Asset Funds

	At 1 September 2017 £	Income £	Expenditure £	At 31 August 2018 £
School building project	–	<u>3,357,907</u>	<u>(394,655)</u>	<u>2,963,252</u>

	At 1 September 2016 £	Income £	Expenditure £	At 31 August 2017 £
School building project	–	–	–	–

KISHARON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Fixed Asset Funds £	Total Funds 2018 £
Tangible fixed assets	1,700,412	1,700,412
Current assets	2,797,646	2,797,646
Creditors less than 1 year	(1,534,806)	(1,534,806)
Net assets	<u>2,963,252</u>	<u>2,963,252</u>

	Restricted Fixed Asset Funds £	Total Funds 2017 £
Tangible fixed assets	–	–
Current assets	33,006	33,006
Creditors less than 1 year	(33,006)	(33,006)
Net assets	<u>–</u>	<u>–</u>

10. 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.

11. 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 AFH 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 Limited – a charitable company of which Mrs E N Castleton and Mr D T Klein (Trustees) are also Trustees.

Other creditors of £1,534,806 relate to historic and current year costs met by Kisharon Limited on behalf of Kisharon Academy Trust in relation to the new school project. The amount is interest free and is repayable to Kisharon Limited out of the total funding package made available from pledges and funding from the Department of Education.