

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2023

**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
REFERENCE AND ADMINISTRATIVE DETAILS

Exempt charity name	Kisharon Academy Trust
Company registration number	09018917
Registered office	333 Edgware Road London NW9 6TD
Members	Emma Castleton Richard Franklin Philip Goldberg Daniel Klein Richard Levy
Trustees	Mr H M Lorie (appointed as Chair of Trustees on 17/10/2023) Mrs E N Castleton (resigned 17/10/2023) Mr J J Andrews Mr E Bauernfreund – (resigned 31/8/2023) Mrs CA Goldin Mr A M Moss Mrs S D Mullish Mrs Jane Pearl Mrs N Rose Mrs D Stone Mrs S Bloom
Company Secretary	Mr P Darnell
Senior Management Team:	Emily Haddock (Headteacher) Daniel Antoniou (School Business Manager) Adina Collins (Deputy Headteacher)
Auditors	Cohen Arnold Chartered Accountants & Statutory Auditor New Burlington House 1075 Finchley Road LONDON NW11 0PU
Bankers	Barclays Bank Plc Edgware Group 126 Station Road Edgware HA8 7RY

**KISHARON ACADEMY TRUST
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FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2023**

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KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES REPORT
YEAR ENDED 31 AUGUST 2023

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 2023. 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 following its approval 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.

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 who 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.

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Organisational Structure

The academy trust is responsible for the operation of Kisharon School.

As of the 1st September 2022, the school has moved to a different model of governance. Kisharon Academy trust now operates a circle model of governance where the governing body works as a 'whole team' without any committees, and meets every half term, or more if required. This means that trustees have up to date information regarding the school, and can offer timely support and challenge, as well as take action should the need arise. There is still a Pay and Personnel committee and an Audit and Risk committee that sit outside this model. These committees have remained in order to comply with the Academy Trust handbook). The following Trustees were members during the year:

Mrs E N Castleton (Chair until 17/10/2023) **A&P**

Mr J J Andrews **A**

Mr E Bauernfreund **A&P** (Until 31/8/2023)

Mr H M Lorie (Chair from 17/10/2023) **A**

Mr A M Moss **A**

Mrs C A Goldin **P**

Mrs S D Mullish **P**

Mrs J Pearl

Mrs N Rose

Mrs D Stone

Mrs S Bloom

P – member of Pay and Personnel Committee

A - member of Audit and Risk Committee

Arrangements for setting pay and remuneration of key management personnel

For 2022-23 the pay and remuneration of key management personnel is set by the Pay and Personnel 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

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. The School Business Manager and Office Administrator were originally contracted to Kisharon Enterprises. Both members of staff were transferred over to Kisharon School from October 2022.

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 to deliver 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 75 children between the ages of 4 and 19 with a wide range of educational needs, including general learning disabilities, autistic spectrum

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disorders and profound and multiple learning disabilities. Kisharon School was approved as a Free School on 10th August 2018 and the academy trust worked with the Department for Education to construct a new purpose-built facility to accommodate 81 pupils.

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.

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

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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 September 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. 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. The School was fortunate in staying open to all students for the whole 2021/22 academic year except for one week in January 2022, in which, staffing shortages, due to the pandemic, forced the school to close for certain classes.

The financial impact of the virus has been mitigated by the additional £29,785 funding from the DfE & Barnet. Additional expenditure has been mainly incurred on additional staff, personal protective equipment, curriculum recovery and cleaning hours. This amounted to approximately £30,000 in the year to 31 August 2023.

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.

Financial Review

The financial statements cover the results of the Academy for the whole 2022/2023 academic year. The total income for the period was £3,019,239 (2021/22: £2,704,006) of which:

- £259,080 was unrestricted (2021/22: £345,819),
- £2,738,843 restricted (2021/22: £2,324,027) and
- £21,316 restricted fixed assets (2021/22: £34,160).

Unrestricted income includes £221,120 (2021/22: £314,782) 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 relates to donations from individuals and charities for the new building project.

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.

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TRUSTEES REPORT
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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 trustees are committed to recruiting additional pupils to ensure that the maximum capacity 81 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.

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 December 2023 and signed on the board's behalf by:

Harris Lorie

Mr H M Lorie
Trustee

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
GOVERNANCE STATEMENT
YEAR ENDED 31 AUGUST 2023

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

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:

Trustee	Meetings Attended	Out of a possible
Mrs E N Castleton (Chair)	9	9
Mr J J Andrews	8	9
Mr E Bauernfreund	4	4
Mrs CA Goldin	8	9
Mr H M Lorie	8	9
Mr A Moss	7	9
Mrs Mullish	9	9
Mrs J Pearl	8	9
Mrs N Rose	8	9
Mrs Deborah Stone	5	9
Mrs Shuli Bloom	3	3

Governance Reviews

Following a review in the autumn of 2022 the trustees agreed to trial a new system of governance in order to improve oversight and effectiveness. The new system was reviewed after 12 months. Upon review, the circle model of governance was a successful and will continue into the 2023/24 academic year.

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GOVERNANCE STATEMENT
YEAR ENDED 31 AUGUST 2023

The **Audit, risk and Finance 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..

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Mrs E N Castleton (Chair) (resigned 17/10/2023)	2	2
Mr J J Andrews	2	2
Mr E Bauernfreund (resigned 31/8/2023)	1	2
Mr H M Lorie (appointed as Chair on 17/10/2023)	2	2
Mr A Moss	2	2

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.

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 1st Sept 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

KISHARON ACADEMY TRUST
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GOVERNANCE STATEMENT
YEAR ENDED 31 AUGUST 2023

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 1st Sept 2022 to 31 August 2023 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 has decided to establish an internal function which will be provided by Kisharon. The initial assessment of the control framework and risk management has been completed and an internal audit programme will be established based on that assessment.

The initial assessment reviewed, in particular, the Academy Finance Manual and Risk Register. It highlighted a number of amendments and recommendations which have been implemented. No matters of significant concern were identified.

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 audit function
- 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 20 December 2023 and signed on its behalf by:

Harris Lorie

Mr H M Lorie
Trustee



Dr Emily Haddock
Accounting Officer

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2023

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 2023.

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 2023.

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

20 December 2023

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2022 to 2023
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 20 December 2023 and signed on its behalf by:

Harris Lorie

Mr H M Lorie
Trustee

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KISHARON
ACADEMY TRUST
YEAR ENDED 31 AUGUST 2023

OPINION

We have audited the financial statements of Kisharon Academy Trust (the 'charity') for the year ended 31 August 2023 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 2022 to 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the SORP (FRS102) and the Academies Accounts Direction 2022 to 2023 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KISHARON
ACADEMY TRUST
YEAR ENDED 31 AUGUST 2023

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

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.

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KISHARON
ACADEMY TRUST
YEAR ENDED 31 AUGUST 2023

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.

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.

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COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KISHARON
ACADEMY TRUST
YEAR ENDED 31 AUGUST 2023

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 2023

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 2023

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 2021 to 2022, 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 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 22nd February 2021 and the Academies Financial Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed, and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed, and income received during the year ended 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2022 to 2023 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

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 2023

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 2023 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 2023

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets Funds £	Total Funds 2022/23 £	Total Funds 2021/22 £
INCOME AND ENDOWMENTS						
Donations and capital grants	3	225,749	100,758	21,316	347,823	435,212
Charitable Activities:						
Funding for the academy trust's educational operation	4	-	2,638,085	-	2,638,085	2,237,757
Other trading activities	5	33,331	-	-	33,331	31,037
TOTAL INCOME		259,080	2,738,843	21,316	3,019,239	2,704,006
EXPENDITURE						
Raising Funds	6	-	(4,399)	-	(4,399)	(3,740)
Charitable Activities:						
Academy trust's educational operation	7	(36,960)	(2,955,564)	(419,571)	(3,412,095)	(3,382,295)
Other expenditure	8	-	-	-	-	-
TOTAL EXPENDITURE		(36,960)	(2,959,963)	(419,571)	(3,416,494)	(3,386,035)
NET INCOME		222,120	(221,120)	(398,255)	(397,255)	(682,029)
Transfer between funds		(222,120)	222,120	-	-	-
Other recognised gains / (losses)		-	-	-	-	-
Actuarial (losses/gain on defined benefit pension scheme)		-	(19,000)	-	(19,000)	829,000
NET MOVEMENT IN FUNDS		-	(18,000)	(398,255)	(416,255)*	146,971
RECONCILIATION OF FUNDS						
Total funds brought forward		-	(39,000)	11,519,005	11,480,005	11,333,034
TOTAL FUNDS CARRIED FORWARD		-	(57,000)	11,120,750	11,063,750	11,480,005

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activity. * Deficit of -£416,255 consists of depreciation of £418,072.

The notes on pages 21 to 39 form part of these financial statements.

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
31 AUGUST 2023

	Note	2022/23 £	2021/22 £
Fixed assets			
Intangible fixed assets	12	-	1,500
Tangible fixed assets	13	11,205,026	11,530,494
		<u>11,205,026</u>	<u>11,531,994</u>
Current assets			
Debtors	14	137,447	286,318
Cash at bank and in hand		34,156	26,660
		<u>171,603</u>	<u>312,978</u>
Creditors: amounts falling due within one year	15	(255,879)	(325,967)
Net current assets		<u>(84,276)</u>	<u>(12,989)</u>
Total assets less current liabilities		<u>11,120,750</u>	<u>11,519,005</u>
Creditors: amounts falling due after more than one year		-	-
Total Net Assets excluding pension liability		<u>11,120,750</u>	<u>11,519,005</u>
Defined benefit pension scheme liability	23	<u>(57,000)</u>	<u>(39,000)</u>
Total Net Assets		<u>11,063,750</u>	<u>11,480,005</u>
Funds of the Academy Trust			
Restricted Fixed Asset Funds	16	11,120,750	11,519,005
Restricted General Funds	16	-	-
Pension Reserves	16	(57,000)	(39,000)
		<u>11,063,750</u>	<u>11,480,005</u>
Unrestricted General Funds	16	-	-
Total Funds		<u>11,063,750</u>	<u>11,480,005</u>

These financial statements were approved by the board of trustees and authorised for issue on 20 December 2023, and are signed on behalf of the board by:

Mr Harris Lorie
Trustee

The notes on pages 21 to 39 form part of these financial statements.

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
31 AUGUST 2023

		2023	2022
		£	£
Cash flows from operating activities			
Net income	Notes	(397,255)	(682,029)
Amortisation and Depreciation		419,572	407,189
Defined Benefit Pension Cost Payable		(1,000)	309,000
<i>Changes in:</i>			
Trade and other debtors		148,872	(75,050)
Trade and other creditors		(70,088)	97,865
Cash generated from operations		<u>100,101</u>	<u>56,975</u>
Net cash from operating activities	19	<u>100,101</u>	<u>56,975</u>
Cash flows from investing activities			
Purchase of tangible assets		(92,605)	(138,594)
Net cash used in investing activities	20	<u>(92,605)</u>	<u>(138,594)</u>
Net increase in cash and cash equivalents			
Cash and cash equivalents at 1 st Sept 2022		7,496	(81,619)
		26,660	108,279
Cash and cash equivalents at 31 st August 2023	21	<u>34,156</u>	<u>26,660</u>

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2023

1. ACCOUNTING POLICIES

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

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 2021 to 2022 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 2023

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.

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.

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2023

1. ACCOUNTING POLICIES *(continued)*

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 15. 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.

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.

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2023

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2022 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 2023.

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Funds	Total Funds 2022/23	Total Funds 2021/22
	£	£	£	£	£
Capital grants	-	-	21,316	21,316	34,160
Building Project donations	-	-	-	-	-
Other donations	225,749	100,758	-	326,507	401,052
Total Donations and Capital Grants	<u>225,749</u>	<u>100,758</u>	<u>21,316</u>	<u>347,823</u>	<u>435,212</u>

The income from donations and capital grants was £347,823 (2022: £435,212) of which £225,749 was unrestricted (2022: £314,782), £100,758 restricted (2022: £86,270) and £21,316 restricted fixed assets (2022: £34,160).

4. FUNDING FOR THE ACADEMY'S TRUST EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Funds	Total funds 2022/23	Total Funds 2021/22
	£	£	£	£	£
DfE / ESFA grants					
General Annual Grant	-	720,000	-	720,000	500,000
Start-up grants	-	6,804	-	6,804	15,010
Other DfE Group grants	-	91,918	-	91,918	67,941
	<u>-</u>	<u>818,722</u>	<u>-</u>	<u>818,722</u>	<u>582,951</u>

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

31 AUGUST 2023

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets Funds £	Total funds 2022/23 £	Total Funds 2021/23 £
Other government grants					
Local authority Top up grants	-	1,789,577	-	1,789,577	1,631,764
Local authority other grants	-	-	-	-	-
Other income from the academy trust's educational operations	-	1,789,577	-	1,789,577	1,631,764
Covid-19 additional funding (DfE/ESFA)					
Catch up Premium/Recovery Premium	-	23,085	-	23,085	6,000
Other DfE/ESFA Covid-19 funding	-	4,712	-	4,712	14,441
Covid-19 additional funding (Non DfE/ESFA)					
Coronavirus Job Retention Scheme grant	-	-	-	-	-
Other Covid-19 funding	-	1,989	-	1,989	2,601
Total Funding for the academy trust Educational operations	-	2,638,085	-	2,638,085	2,237,757

Other DfE Group grants include Pupil Premium (£17,914), PE and Sports Grant (£16,200), Student Financial Support Funding (£704), Universal Infant Free School Meals (£4,572), Teachers Pay Grant (£19,396) and Teachers Pension Employer Contribution Grant (£33,132).

The academy received £23,085 of funding for Catch up Recovery premium against related costs of £23,100.

The income from Funding for the Academy Trust's educational operations was £2,638,085 (2022: £2,237,757) of which £nil was unrestricted (2022: £nil), £2,638,085 restricted (2022: £2,237,757) and £nil restricted fixed assets (2022: £nil).

5. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets Funds	Total Funds 2022/23 £	Total Funds 2021/22 £
Catering Income	33,331	-	-	33,331	31,037
Total Other Trading Activities	33,331	-	-	33,331	31,037

The unrestricted income from other trading activities was £33,331 (2022: £31,037).

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

31 AUGUST 2023

6. EXPENDITURE

	Staff cost £	Premises £	Other £	Total 2022/23, £	Total 2021/22 £
Expenditure on raising funds					
Direct costs	-	-	4,399	4,399	3,740
Allocated support cost	-	-	-	-	-
Academy's educational operations					
Direct costs	2,322,759	222,695	260,919	2,806,373	2,795,821
Allocated support cost	82,019	40,107	483,596	605,722	586,474
Other expenditure					
Free school project costs	-	-	-	-	-
Allocated support cost	-	-	-	-	-
Total Expenditure	2,404,778	262,802	748,914	3,416,494	3,386,036

Net Expenditure for the period includes:

	2022/23 £	2021/22 £
Depreciation	418,072	405,689
Amortisation	1,500	1,500
Fees payable to auditors for:		
Audit	7,800	10,000
Other services	1,752	2,500

7. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2022/23 £	Total 2021/22 £
Academy's educational operations					
Direct costs	-	2,806,373	-	2,806,373	2,795,821
Allocated support cost	36,960	149,191	419,571	605,722	586,474
Total Charitable Activities	36,960	2,955,564	419,571	3,412,095	3,382,295

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

31 AUGUST 2023

Analysis of support costs

	Academy's educational operations Unrestricted Funds £	Academy's educational operations Restricted Funds £	Academy's educational Restricted Fixed Asset Funds £	Total 2022/23 £	Total 2021/22 £
Support staff costs	-	82,019	-	82,019	85,074
Technology costs	-	8,026	-	8,026	5,173
Premises costs	-	40,107	-	40,107	34,342
Other support costs	36,960	17,273	-	54,233	52,750
Other support costs (Pension Interest)	-	305	-	305	-
Governance costs	-	1,460	-	1,460	1,946
Amortisation/Depreciation	-	-	419,572	419,572	407,189
Total Support costs	<u>36,960</u>	<u>149,190</u>	<u>419,572</u>	<u>605,722</u>	<u>586,474</u>

8. OTHER EXPENDITURE

	Restricted Fixed Assets Funds Total 2022/23 £	Restricted Fixed Assets Funds Total 2021/2022 £
Free School project costs		
Direct costs	-	-
Allocated support cost	-	-
Total Other Expenditure	<u>-</u>	<u>-</u>

9. STAFF

a. Total staff costs during the period were:

	2022/23 £	2021/22 £
Wages and salaries	1,416,094	1,193,638
Social security costs	130,340	115,402
Pension costs	323,893	565,106
	<u>1,870,327</u>	<u>1,874,146</u>
Agency staff costs	534,451	538,100
Staff restructuring costs	0	54,783
Total Staff costs	<u>2,404,778</u>	<u>2,467,029</u>

KISHARON ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2023

Staff numbers:

	2022/23	2021/22
Teachers	No 11	No 11
Teachers Assistants	37	37
Therapists	5	4
Admin and Support Management	7 3	7 2
Total Staff numbers	<u>63</u>	<u>61</u>

b. Higher paid staff:

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

	2022/23	2021/22
£60,000 to £70,000	No -	No -
£70,001 to £80,000	-	1
£80,001 to £90,000	-	-
£90,001 to £100,000	-	-
£100,000 to £110,000	1	1
Total higher paid staff	<u>1</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 £287,139 (2021: £271,326).

10. TRUSTEE REMUNERATION AND EXPENSES

No trustees received any remuneration during the year (2022: £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.

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

31 AUGUST 2023

12. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
At 1 September 2022	
Additions	4,500
At 31 August 2023	<u>4,500</u>
Amortisation	
At 1 September 2022	
Charge in year	3,000
At 31 August 2023	<u>1,500</u>
Carrying Amount	
At 31 st August 2023	-
At 31 st August 2022	<u>1,500</u>

13. TANGIBLE FIXED ASSETS

	Freehold Building £	F & F and Equipment £	Computer/IT Equipment £	Motor Vehicle £	Total 2022/23 £
Cost					
At 1 st Sept 2022	11,678,662	277,313	321,844	46,866	12,324,686
Additions	50,754	19,372	22,479	-	92,605
Disposals	-	-	-	-	-
At 31st August 2023	<u>11,729,417</u>	<u>296,685</u>	<u>344,323</u>	<u>46,866</u>	<u>12,417,292</u>
Depreciation					
At 1 st Sept 2022	465,928	105,409	213,484	9,373	794,194
Charge in year	234,588	59,337	114,774	9,373	418,072
Disposals	-	-	-	-	-
At 31st August 2023	<u>700,516</u>	<u>164,746</u>	<u>328,258</u>	<u>18,746</u>	<u>1,212,266</u>
Net Book Value					
At 31 st August 2023	<u>11,028,901</u>	<u>131,939</u>	<u>16,066</u>	<u>28,120</u>	<u>11,205,026</u>
At 31 st August 2022	<u>11,212,738</u>	<u>171,904</u>	<u>108,359</u>	<u>37,493</u>	<u>11,530,494</u>

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

31 AUGUST 2023

14. DEBTORS

	2022/23	2021/22
	£	£
Trade debtors & Local authorities' debtors	47,801	60,218
VAT recoverable	60,642	128,525
Other debtors	-	66,652
Prepayments & accrued income	29,004	30,923
Total Debtors	<u><u>137,447</u></u>	<u><u>286,318</u></u>

15. CREDITORS: Amounts falling due within one year

	2022/23	2021/22
	£	£
Trade creditors	62,620	117,356
Other taxation and social security	31,897	34,234
Pension	20,418	17,019
Other Creditors	114,693	119,161
Accruals and deferred income	26,251	38,197
Total Creditors	<u><u>255,879</u></u>	<u><u>325,968</u></u>

16. ANALYSIS OF FUNDS

Restricted Fixed Asset Funds (Building Project)

	At 1 September 2022	Income	Expenditure	Gains, losses & transfers	Balance at 31st Aug 2023
	£	£	£	£	£
DfE group capital grants	2,944,366	5,329	-	-	2,949,695
Private sector capital	8,574,639	15,987	419,571	-	8,171,055
Total Restricted Fixed Assets Funds	<u><u>11,519,005</u></u>	<u><u>21,316</u></u>	<u><u>419,571</u></u>	<u><u>-</u></u>	<u><u>11,120,750</u></u>

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Restricted General Funds

	At 1 September 2022 £	Income £	Expenditure £	Gains, losses & transfers £	Balance at 31 st Aug 2023 £
General Annual Grant (GAG)	-	720,000	720,000	-	-
Local Authority Top Up Fees	-	1,789,577	1,789,577	-	-
Pupil Premium & Other	-	98,722	98,722	-	-
Covid-19 Catch up/Recovery Premium	-	4,712	4,712	-	-
Covid19 Other DfE/ESFA Grants	-	23,085	23,085	-	-
Covid19 JRS Grant	-	-	-	-	-
Covid19 Other non DfE/ESFA Grants	-	1,989	1,989	-	-
Other donations and grants	-	100,758	100,758	-	-
Pension Reserves	(39,000)	-	(1,000)	(19,000)	(57,000)
Educational Operation	-	-	222,120	222,120	-
Total Restricted General Funds	(39,000)	2,738,843	2,959,963	203,120	(57,000)
Total Restricted Funds	11,480,005	2,760,159	3,379,534	203,120	11,063,750
Total Unrestricted Funds	-	259,080	36,960	(222,120)	-
Total Funds	11,480,005	3,019,239	3,416,494	(19,000)	11,063,750

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

	At 1 September 2021 £	Income £	Expenditure £	Gains, losses & transfers £	At 31 August 2022 £
Restricted Fixed Asset Funds (Building Project)	11,892,034	34,160	(407,189)	0	11,519,005
Restricted Funds (Pension Reserves)	(559,000)	2,324,027	(2,941,867)	1,137,840	(39,000)
Total Funds	11,333,034	2,358,187	(3,349,056)	1,137,840	11,480,005

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2023 £
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	11,205,026	11,205,026
Current assets	-	-	171,603	171,603
Creditors less than 1 year	-	-	(255,879)	(255,879)
Pension scheme liability	-	(57,000)	-	(57,000)
Total Net Assets	-	(57,000)	11,120,750	11,063,750

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

	Unrestricted £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2022 £
Intangible fixed assets	-	-	1,500	1,500
Tangible fixed assets	-	-	11,530,494	11,530,494
Current assets	8,740	-	304,238	312,978
Creditors less than 1 year	(8,740)	-	(317,227)	(325,967)
Pension scheme liability	-	(39,000)	-	(39,000)
Total Net Assets	-	(39,000)	11,519,005	11,480,005

18. CAPITAL COMMITMENTS

	2023 £	2022 £
Contracted for, but not provided in the financial statements	-	-
Total Capital Commitments	-	-

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

	2022/23	2021/22
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(397,255)	(682,029)
Adjusted for:		
Depreciation	419,572	407,189
Defined Pension Benefit cost payable	(1,000)	309,000
(Increase)/decrease in debtors	148,872	(75,050)
(Increase)/decrease in creditors	(70,088)	97,865
Net cash provided by / (used in) Operating Activities	100,101	56,975

20. CASH FLOWS FROM INVESTING

	2022/23	2021/22
	£	£
Purchase of tangible fixed assets	(92,605)	(138,594)
Net cash provided by / (used in) Investing Activities	(92,605)	(138,594)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022/23	2021/22
	£	£
Cash in hand and at bank	34,156	26,660
Total cash and cash equivalents	34,156	26,660

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 2024

The employer's pension costs paid to TPS in the period amounted to £134,436 (2021/22: £110,877).

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

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

Local Government Pension Scheme (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 2023 was £234,000 (2021/22: £161,000), of which employer's contribution totalled £188,000 (2021/22: £162,000) and employees' contribution totalled £46,000 (2021/22: £40,000). 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

Principal actuarial assumptions	2023	2022
Rate of increase in salaries	2.95%	3.05%
Discount rate for scheme liabilities	3.95%	3.75%
Inflation assumption (CPI)	5.20%	4.25%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males	Females
Current Pensioners	21.4 years	24.2 years
Future Pensioners*	22.2 years	25.9 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:

Current Pensioners	Future Pensioners
CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.

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23. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different to those used to value the Obligations in the Employer's Opening Position. A commutation allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits. All other demographic assumptions are as per the latest funding valuation of the Employer.

Sensitivity Analysis

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

Change in Assumption at 31st Aug 2023	Approximate % increase to Defined Benefit Obligation	Approximate monetary (£000)
0.1% decrease in Real Discount Rate	4%	28
1 year increase in member life expectancy	4%	32
0.1% increase in Salary Increase Rate	0%	-
0.1% increase in the Pension Increase Rate (CPI)	4%	28

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 31st August 2023 was:

Period Ended	31st August 2023	31st August 2022
Equities	61%	69%
Bonds	29%	24%
Property	6%	6%
Cash	4%	1%

The return on the Fund in market value terms for the period to 31 August 2023 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 st Oct 2022 to 30 th June 2023	7.2%
Total Returns from 1 st Sept 2022 to 31 st Aug 2023	0.5%

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23. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Balance sheet, P&L, OCI disclosures as at 31 August 2023

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 August 2022

Period Ended 31st Aug 2023	Assets (£000)	Obligations (£000)	Net (liabilities)/assets (£000)
Fair value of plan assets	545		545
Present value of funded liabilities		584	(584)
Present value of unfunded liabilities	545	584	(39)
Opening Position as at 31 August 2022			
Service cost:			
Current service cost*		185	(185)
Past service cost (including curtailments)		-	-
Effect of settlements	-	-	-
Total Service Cost	-	185	(185)
Net interest:			
Interest income on plan assets	28		28
Interest cost on defined benefit obligation		30	(30)
Total net interest	28	30	(2)
Total defined benefit cost recognised in Profit or (Loss)	28	215	(187)
Cash flow			
Participants' contributions	46	46	-
Employer contributions	188	-	188
Estimated benefits paid	(1)	(1)	-
Estimated unfunded benefits paid	-	-	-
Estimated contributions in respect of unfunded benefits paid	-	-	-
Effect of business combinations and disposals	-	-	-
Expected closing position	806	844	(38)
Remeasurements:			
Changes in financial assumptions		(353)	353
Changes in demographic assumptions		(28)	28
Other experience	(43)	332	(375)
Return on assets excluding amounts included in net interest	(25)		(25)
Total remeasurements recognised in Other Comprehensive Income (OC)	(68)	(49)	(19)
Fair value of plan assets	738		738
Present value of funded liabilities		795	(795)
Present value of unfunded liabilities**		-	-
Closing position as at 31 August 2023	738	795	(57)

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 2022

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 August 2022

Period Ended 31 st Aug 2022	Assets (£000)	Obligations (£000)	Net (liabilities)/assets (£000)
Fair value of plan assets	368	-	368
Present value of funded liabilities	-	927	(927)
Present value of unfunded liabilities	-	-	-
Opening Position as at 31 August 2021	368	927	(559)
Service cost:			
Current service cost*	-	460	(460)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
Total Service Cost	-	460	(460)
Net interest:			
Interest income on plan assets	8		8
Interest cost on defined benefit obligation		19	(19)
Total net interest	8	19	(11)
Total defined benefit cost recognised in Profit or (Loss)	8	479	(471)
Cash flow			
Participants' contributions	40	40	-
Employer contributions	162	-	162
Estimated benefits paid	-	-	-
Estimated unfunded benefits paid	-	-	-
Estimated contributions in respect of unfunded benefits paid	-	-	-
Effect of business combinations and disposals	-	-	-
Expected closing position	578	1,446	(868)
Remeasurements:			
Changes in financial assumptions	-	(863)	863
Changes in demographic assumptions	-	(2)	2
Other experience	-	3	(33)
Return on assets excluding amounts included in net interest	(33)		829
Total remeasurements recognised in Other Comprehensive Income (OC)	(33)	(862)	829
Fair value of plan assets	545	-	545
Present value of funded liabilities	-	584	(584)
Present value of unfunded liabilities	-	-	-
Closing position as at 31 August 2022	545	584	(39)

* 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 (resigned as Kisharon Academy Trust chair of trustee 17/10/2023) is also a trustee.

Other Creditors include £114,693 (2021/22: £66,652 debtor) due to Kisharon Ltd. The movement in the year includes a revenue donation of £225,749 (2021/22 £314,782) from Kisharon to meet the deficit on the educational operation.

Kisharon also provided administrative services as in-kind support during the period, amounting to £84,000 (2021/22: £80,000). These in-kind services were not accounted for in the financial statements.