

REGISTERED COMPANY NUMBER: 08604799 (England and Wales)

**KALEIDOSCOPE LEARNING TRUST
TRUSTEES' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2019**

KALEIDOSCOPE LEARNING TRUST

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FOR THE YEAR ENDED 31 AUGUST 2019**

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KALEIDOSCOPE LEARNING TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019**

MEMBERS

J Whiston
D Glenn
H M Madeley
J J E Swaffield
R A Haffenden

TRUSTEES

R A Haffenden (resigned 10.10.18)
A J Larkin (Principal and Accounting office)
H M Madeley
R L Orme (resigned 5.12.18)
J M Pennington (appointed 5.12.18)
D J Snowden (Staff Trustee) (resigned 5.12.18)
P Young (resigned 5.12.18)
J A Szostek
J J E Swaffield (Chair of Trustees)
K Hay (appointed 26.3.19)
M Taylor (appointed 18.7.19)

COMPANY SECRETARY

J M Evans

REGISTERED OFFICE

Cloughwood Academy
Stones Manor Lane
Northwich
Cheshire
CW8 1NU

REGISTERED COMPANY NUMBER

08604799 (England and Wales)

AUDITORS

Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2019. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's objective is to advance for the public benefit education for pupils aged 8 to 16 by establishing, maintaining, carrying on, managing and developing schools specially organized to make special educational provision for pupils with Special Educational Needs. Cloughwood Academy, the school operated by the Trust, was the first Special School in Cheshire West and Chester Local Authority to convert to academy status because of the autonomy and greater freedom this offered. The trustee's aims are to:

- Enable the learners to make rapid and sustained progress by accessing an innovative curriculum and outstanding facilities.
- Work in partnership with local schools and the community to offer a wide range of learning and life experiences.
- Continue to offer an outstanding residential experience to as many students as possible to enable better independence and personal development.
- Provide safe, first class facilities that are fit for purpose and support excellence.
- Promote a positive, holistic, child centred ethos which prepares our students for successful, fulfilled lives, in which they are able to make a full and positive contribution to society.

Public benefit

In addition to its prime objective of public benefit education, the Trust promotes the use of the Academy premises by the surrounding community. The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Fundraising

The Trust ensures that all fundraising activities are carried out in a transparent and up-front manner and that "proof of donations" are displayed for staff, visitors and pupils to see after all fundraising activities. The use of funds obtained through fundraising activities is tracked by Academy's senior leadership teams and reports are completed by the School Business Manager.

ACHIEVEMENT AND PERFORMANCE

Throughout the period from 1 September 2018 until 31 August 2019 the Academy regards its principal achievements as expanding vocational opportunities and addressing engagement difficulties by entering pupils early for GCSEs at the end of Year 10.

Key performance indicators

The trustees have elected to use the following key performance indicators to analyse the Academy's performance over the 12 months to 31 August 2019:

KPI	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Number on Roll	68	67	64	63	58	57
% Free School Meals	58.8	41.4	62.5	39.7	39.3	33.3
% Looked After Children	14.7	12.9	14.1	11.1	15.3	15.8
% Attendance	72	77	78	81.9	80.7	87.2
No of GCSEs (or equivalent) offered (note)	8	9	7	7	8	7
% Students achieving 5 9-1 GCSE	40	100	80	100	90.9	92.3
Staff number FTE	31.7	30.6	30.8	30.2	31.4	29.3
% expenditure spent on staffing	69.5	67.7	68.4	68.1	59.8	62.1
% Good and Outstanding Lesson Observations	90	75	100	90	90	87.5

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

ACHIEVEMENT AND PERFORMANCE

Note: moved to vocational curriculum from September 2018 (English/Maths/Science/PE/Art/CIDA/NCFE/Public Services)

FINANCIAL REVIEW

Financial position

The principal financial management policies adopted in the year are as laid down by the Academies Financial Handbook published by the ESFA. The Trust's financial position is monitored by regular reviews of income and expenditure versus planned budgets at Leadership & Management committee meetings.

The principal sources of funding are: High Needs and Grant Income from the ESFA; High Needs top-up funding from the placing authorities (predominantly Cheshire West and Chester); Residential funding from Cheshire West and Chester.

Expenditure on staffing costs and premises improvements has fully supported the Trust's objectives.

In the year ended 31 August 2019 the Trust received total income of £1,875,214 (2018 £1,798,315) generating a surplus of £50,730 (2018 £77,974) before non cash charges in respect of the Local Government Pension Scheme. The operating deficit after the pension charge was £46,270 (2018 £30,845).

The total reserves at 31 August 2019 before the Local Government Pension Scheme liability were £5,725,769 (2018 £5,675,039). Excluding fixed assets the reserves were £568,120 (2018 £505,570).

Investment policy and objectives

All investments are made in line with the Trust's Treasury Policy. The Trust's funds are currently held with Lloyds Bank plc and in a 30 day deposit account with Santander UK plc.

Reserves policy

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies. All academies are to ensure that they hold back at least 2 months operational expenditure as ringfenced reserves to deal with unexpected or emergency expenditure. Academies can also carry forward a level of free reserves for the purposes of capital investment and school improvement subject to compliance with the scheme of financial delegation.

The Trust believes this level of reserves is appropriate, given the instability regarding future funding and funding cuts at local level to High Needs funding. Central reserves are to be held for the purposes of central costs and to enable the Trust to run projects and interventions across its academies. Free reserves can be utilised for continuous improvements and for the repair and replacement of educational equipment and materials. Free reserves may also be allocated to the repair, replacement and upgrading of the Academy's buildings, vehicles, ICT, equipment and contents, subject to necessary authorisation from the Trust.

A strategic capital plan has been prepared and reviewed by the trustees in order that reserves can be prioritised and spent according to the needs to the Academy.

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 accounting policies.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

FUTURE PLANS

The Trust has the following plans:

- approaches to be made to identified schools to convert and join the KLT MAT.
- to increase the number of commissioned places at Cloughwood Academy further by filling the primary department with the agreement of the Local Authority and the ESFA.
- to continue the planned maintenance programme to improve the facilities.
- to further improve teaching and learning in relation to literacy and numeracy skills.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The Academy Trust is a charitable 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 Kaleidoscope Learning Trust are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the year are included in the Reference and Administrative details on page 1.

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice, the Academy has purchased professional indemnity insurance to protect the trustees and officers from claims arising from negligence, errors or omissions whilst on Academy business.

Recruitment and appointment of new trustees

The members of the Trust are responsible for the appointment of trustees except for at least two parent trustees who will be appointed through an election process directed by the Board. Staff trustees will be appointed through such process as determined by the trustees, as long as the number of staff trustees does not exceed one third of the total number of trustees.

Trustees are appointed based on the skills that they will bring to the Board of Trustees, or based on a proposal to the Board by representative groups. On appointment, trustees receive an induction pack with information relating to the Academy Trust and the role of trustees. The Academy buys into a Service Level Agreement with Cheshire West and Chester Governance Services for training provision; throughout the year all trustees are offered, and encouraged to undertake, training relevant to their role.

Organizational structure

The governance of the Trust is defined in the Memorandum and Articles of Association. All trustees are members of the full Board which meets at least termly to monitor progress of the Academy's strategic objectives and receive the Principal's report. The Board also has responsibility for setting the budget and appointing the Principal.

The trustees have established four committees (Leadership & Management; Teaching, Learning, Curriculum & Standards; Pay; Principal's Performance Management) and appoints trustees to serve on these throughout the year.

The Leadership & Management Committee meets at least termly and discusses all matters pertaining to finance, staffing and premises. This committee receives regular financial reports from the Accounting Officer (the Principal) and Chief Financial Officer (Vice Principal - Business Management).

Day-to-day management of the Academy is delegated to the Principal who meets regularly with the Senior Management Team.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Arrangements for setting pay and remuneration of key management personnel

The Trust's Pay Policy is reviewed every summer and takes into consideration the pay scales in the latest School Teachers' Pay and Conditions Document (for teaching staff) and guidance from Cheshire West and Chester Council (support staff).

The Pay Committee then meets in the Autumn to review the Principal's pay recommendations for staff, and to review the Principal's pay. The Board is notified of any decisions at the next available opportunity.

Related parties

The Trust is not connected to any other charities or organizations as defined by the Charities SORP. The members, directors, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The Trust does not hold any assets on behalf of others.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trust has adopted a Risk Management Policy and has undertaken a comprehensive review of all the risks to which the Academy has been exposed. Significant risks (predominantly that senior staff may not have the necessary skills to lead and teaching staff may not have the necessary skills to work strategically) have been highlighted to the Board and any actions have been delegated to committee or individual level. The risk register is reviewed annually in the Spring term.

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 2 December 2019 and signed on its behalf by:

J J E Swaffield - Chair of Trustees

KALEIDOSCOPE LEARNING TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Kaleidoscope Learning 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 of loss.

The board of the 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 Kaleidoscope Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
R A Haffenden	1	1
A J Larkin	6	6
H M Madeley	6	6
R L Orme	1	2
J M Pennington	1	3
D J Snowden	1	2
P Young	2	2
J A Szostek	6	6
JJE Swaffield	5	6
K Hay	2	3
M Taylor	1	1

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, including the use of benchmarking data where available.

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 Kaleidoscope Learning Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 - 31 August 2019 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:

KALEIDOSCOPE LEARNING TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019

The Risk and Control Framework

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, during the year the Trustees appointed Mr J Szostek, a Trustee, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On a termly basis, the reviewer reports to the board of trustees through the Leadership and Management Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Responsible Officer has delivered his schedule of work as planned, and no material control issues have been 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 reviewer
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Leadership and Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 2 December 2019 and signed on its behalf by:

J J E Swaffield - Chair of Trustees

A Larkin - Accounting Officer

KALEIDOSCOPE LEARNING TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Kaleidoscope Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding 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 2018.

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 2018.

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.

A Larkin - Accounting Officer

2 December 2019

KALEIDOSCOPE LEARNING TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who act as governors of Kaleidoscope Learning Trust and 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 issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those 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 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust 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 academy trust 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 the ESFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 2 December 2019 and signed on its behalf by:

J J E Swaffield - Chair of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KALEIDOSCOPE LEARNING TRUST

Opinion

We have audited the financial statements of Kaleidoscope Learning Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 academy trust'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KALEIDOSCOPE LEARNING TRUST

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 returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

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

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

Our 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 a Report of the Independent Auditors 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.

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

Use of our report

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

Michael Benson (Senior Statutory Auditor)
for and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

2 December 2019

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KALEIDOSCOPE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kaleidoscope Learning Trust during the period 1 September 2018 to 31 August 2019 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 Kaleidoscope Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kaleidoscope Learning Trust and the 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 Kaleidoscope Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kaleidoscope Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kaleidoscope Learning Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by the 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.

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 period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Murray Smith LLP
Chartered Accountants
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

2 December 2019

KALEIDOSCOPE LEARNING TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

				2019	2018	
	Notes	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	2,469	-	-	2,469	2,537
Charitable activities						
Funding for the academy's educational operations	3	-	1,546,069	15,092	1,561,161	1,477,757
Provision of boarding activities	18	-	285,310	-	285,310	285,310
Other trading activities	4	25,138	-	-	25,138	31,971
Investment income	5	1,136	-	-	1,136	740
Total		<u>28,743</u>	<u>1,831,379</u>	<u>15,092</u>	<u>1,875,214</u>	<u>1,798,315</u>
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		-	1,526,216	119,154	1,645,370	1,523,801
Provision of boarding activities	18	-	276,114	-	276,114	305,359
Total	6	<u>-</u>	<u>1,802,330</u>	<u>119,154</u>	<u>1,921,484</u>	<u>1,829,160</u>
NET INCOME/(EXPENDITURE)						
		28,743	29,049	(104,062)	(46,270)	(30,845)
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(558,000)	-	(558,000)	209,000
Net movement in funds		<u>28,743</u>	<u>(528,951)</u>	<u>(104,062)</u>	<u>(604,270)</u>	<u>178,155</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>103,351</u>	<u>(445,781)</u>	<u>5,169,469</u>	<u>4,827,039</u>	<u>4,648,884</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>132,094</u></u>	<u><u>(974,732)</u></u>	<u><u>5,065,407</u></u>	<u><u>4,222,769</u></u>	<u><u>4,827,039</u></u>

The notes form part of these financial statements

KALEIDOSCOPE LEARNING TRUST (REGISTERED NUMBER: 08604799)

**BALANCE SHEET
AT 31 AUGUST 2019**

				2019	2018	
	Notes	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total funds £	Total funds £
FIXED ASSETS						
Tangible assets	11	-	92,242	5,065,407	5,157,649	5,169,469
CURRENT ASSETS						
Debtors	12	-	97,049	-	97,049	88,093
Cash at bank and in hand		132,094	423,187	-	555,281	537,038
		<u>132,094</u>	<u>520,236</u>	-	<u>652,330</u>	<u>625,131</u>
CREDITORS						
Amounts falling due within one year	13	-	(84,210)	-	(84,210)	(119,561)
NET CURRENT ASSETS		<u>132,094</u>	<u>436,026</u>	-	<u>568,120</u>	<u>505,570</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		132,094	528,268	5,065,407	5,725,769	5,675,039
PENSION LIABILITY	16	-	(1,503,000)	-	(1,503,000)	(848,000)
NET ASSETS		<u>132,094</u>	<u>(974,732)</u>	<u>5,065,407</u>	<u>4,222,769</u>	<u>4,827,039</u>
FUNDS						
Unrestricted funds	15				132,094	103,351
Restricted funds:						
Restricted Fund					(974,732)	(445,781)
Restricted fixed asset fund					5,065,407	5,169,469
					<u>4,090,675</u>	<u>4,723,688</u>
TOTAL FUNDS					<u>4,222,769</u>	<u>4,827,039</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 2 December 2019 and were signed on its behalf by:

J J E Swaffield -Chair of Trustees

The notes form part of these financial statements

KALEIDOSCOPE LEARNING TRUST**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	109,349	168,747
Net cash provided by (used in) operating activities		<u>109,349</u>	<u>168,747</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(107,334)	(114,857)
Capital grants from DfE/ESFA		15,092	5,890
Interest received		1,136	740
Net cash provided by (used in) investing activities		<u>(91,106)</u>	<u>(108,227)</u>
Change in cash and cash equivalents in the reporting period		<u>18,243</u>	<u>60,520</u>
Cash and cash equivalents at the beginning of the reporting period		<u>537,038</u>	<u>476,518</u>
Cash and cash equivalents at the end of the reporting period		<u><u>555,281</u></u>	<u><u>537,038</u></u>

The notes form part of these financial statements

KALEIDOSCOPE LEARNING TRUST

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

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

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(46,270)	(30,845)
Adjustments for:		
Depreciation	119,154	112,676
Capital grants from DfE/ESFA	(15,092)	(5,890)
Interest received	(1,136)	(740)
Increase in debtors	(8,956)	(25,834)
(Decrease)/increase in creditors	(35,351)	8,380
Difference between pension charge and cash contributions	97,000	111,000
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	109,349	168,747
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Kaleidoscope Learning Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees assess whether the use of the going concern basis is appropriate, ie 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 these financial statements.

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects the results from the latest full actuarial valuation performed at 31 March 2016 has been used in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The long term leasehold land and buildings within the accounts relates to the Academy premises which were donated to the Academy on conversion on a 125 year lease from Cheshire West and Chester Council. The leasehold land and buildings were valued using the ESFA valuation. No annual charge is being made for the use of the land and buildings (except for depreciation) under the term of the lease as management are not able to reliably measure the open market value.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES - continued

Grants

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

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

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donated goods, facilities and services

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

Donated fixed assets

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

All 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long-term leasehold land	- 125 years straight line
Long-term leasehold buildings	- 50 years straight line
Fixtures and fittings	- 5 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 7 years straight line
Buildings improvements	- 50 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure by 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 exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

KALEIDOSCOPE LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the costs of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they related.

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

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Donations	2,469	-	2,469	2,537
	<u>2,469</u>	<u>-</u>	<u>2,469</u>	<u>2,537</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	600,000	600,000	614,600
Other ESFA Grants	-	75,017	75,017	61,627
	<u>-</u>	<u>675,017</u>	<u>675,017</u>	<u>676,227</u>
DfE/ESFA capital grant				
Capital grants	-	15,092	15,092	5,890
Other government grant				
Local Authority Grants	-	871,052	871,052	795,640
	<u>-</u>	<u>871,052</u>	<u>871,052</u>	<u>795,640</u>
	<u>-</u>	<u>1,561,161</u>	<u>1,561,161</u>	<u>1,477,757</u>

KALEIDOSCOPE LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Rental income	3,420	-	3,420	3,420
Lettings income	8,598	-	8,598	6,512
Staff insurance income	6,633	-	6,633	-
Catering income	1,401	-	1,401	486
Sales of other goods and services	1,164	-	1,164	4,624
Other income	3,922	-	3,922	16,929
	<u>25,138</u>	<u>-</u>	<u>25,138</u>	<u>31,971</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Deposit account interest	<u>1,136</u>	<u>-</u>	<u>1,136</u>	<u>740</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure		2019 Total £	2018 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	1,000,907	-	70,062	1,070,969	992,535
Allocated support costs	155,890	308,380	110,131	574,401	531,266
Provision of boarding activities					
Direct costs	213,203	-	501	213,704	254,509
Allocated support costs	-	50,650	11,760	62,410	50,850
	<u>1,370,000</u>	<u>359,030</u>	<u>192,454</u>	<u>1,921,484</u>	<u>1,829,160</u>

Net income/(expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Auditors' remuneration	6,780	6,100
Other non-audit services	1,270	3,025
Depreciation - owned assets	119,154	112,676
Hire of plant and machinery	<u>8,662</u>	<u>21,428</u>

KALEIDOSCOPE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019

7. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Direct costs - academy's educational operations	-	1,070,969	1,070,969	992,535
Direct costs - provision of boarding activities	-	213,704	213,704	254,509
Support costs - academy's educational operations	-	574,401	574,401	531,266
Support costs - provision of boarding activities	-	62,410	62,410	50,850
	<u>-</u>	<u>1,921,484</u>	<u>1,921,484</u>	<u>1,829,160</u>

	Academy's educational operations £	Provision of boarding activities £	Teaching schools £	2019 Total £	2018 Total £
Analysis of support costs					
Support staff costs	155,890	-	-	155,890	123,782
Depreciation	32,066	-	-	32,066	25,588
Technology costs	18,075	-	-	18,075	16,233
Premises costs	248,383	50,650	-	299,033	302,733
Other support costs	51,940	11,760	-	63,700	104,655
Governance costs	68,047	-	-	68,047	9,125
Total support costs	<u>574,401</u>	<u>62,410</u>	<u>-</u>	<u>636,811</u>	<u>582,116</u>

KALEIDOSCOPE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2019

8. TRUSTEES' REMUNERATION AND BENEFITS

One of more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles as Trustees. The value of Trustees' remuneration and other benefits were as follows:

		2019	2018
		£	£
Mr A Larkin, Principal	Remuneration	100,000 - 105,000	95,000 - 100,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Mrs R Orme, Staff Trustee	Remuneration	30,000 - 35,000	25,000 - 30,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000
Mr D Snowden, Staff Trustee	Remuneration	35,000 - 40,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2019 (£44 paid 31 August 2018)

Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides up to £10,000,000 cover on any one claim and the cost for the year ended 31 August 2019 was £1,200 (2018 - £1,200)

KALEIDOSCOPE LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019**

9. KEY MANAGEMENT PERSONNEL

	2019 £	2018 £
Wages and salaries	1,035,495	998,913
Social security costs	82,014	72,999
Operating costs of defined benefit pension schemes	252,491	228,082
	<u>1,370,000</u>	<u>1,299,994</u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2019	2018
Teachers	11	9
Support staff	21	23
Management	4	4
	<u>36</u>	<u>36</u>

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

	2019	2018
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>1</u>

The key management personnel of the 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) received by key management personnel for their services to the academy trust was £299,042 (2018 - £280,943)

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	2,537	-	-	2,537
Charitable activities				
Funding for the academy's educational operations	-	1,471,867	5,890	1,477,757
Provision of boarding activities	-	285,310	-	285,310
Other trading activities	31,971	-	-	31,971
Investment income	740	-	-	740
Total	<u>35,248</u>	<u>1,757,177</u>	<u>5,890</u>	<u>1,798,315</u>

KALEIDOSCOPE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total funds £
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	35,248	1,375,877	112,676	1,523,801
Provision of boarding activities	-	305,359	-	305,359
Total	35,248	1,681,236	112,676	1,829,160
NET INCOME/(EXPENDITURE)	-	75,941	(106,786)	(30,845)
Transfers between funds	-	(108,967)	108,967	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	209,000	-	209,000
Net movement in funds	-	175,974	2,181	178,155
RECONCILIATION OF FUNDS				
Total funds brought forward	103,351	(621,755)	5,167,288	4,648,884
TOTAL FUNDS CARRIED FORWARD	103,351	(445,781)	5,169,469	4,827,039

KALEIDOSCOPE LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019**

11. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £
COST			
At 1 September 2018	4,955,593	653,351	29,589
Additions	-	87,270	3,775
At 31 August 2019	<u>4,955,593</u>	<u>740,621</u>	<u>33,364</u>
DEPRECIATION			
At 1 September 2018	435,440	40,982	7,970
Charge for year	87,088	13,941	6,634
At 31 August 2019	<u>522,528</u>	<u>54,923</u>	<u>14,604</u>
NET BOOK VALUE			
At 31 August 2019	<u>4,433,065</u>	<u>685,698</u>	<u>18,760</u>
At 31 August 2018	<u>4,520,153</u>	<u>612,369</u>	<u>21,619</u>

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2018	30,419	34,539	5,703,491
Additions	-	16,289	107,334
At 31 August 2019	<u>30,419</u>	<u>50,828</u>	<u>5,810,825</u>
DEPRECIATION			
At 1 September 2018	24,157	25,473	534,022
Charge for year	4,346	7,145	119,154
At 31 August 2019	<u>28,503</u>	<u>32,618</u>	<u>653,176</u>
NET BOOK VALUE			
At 31 August 2019	<u>1,916</u>	<u>18,210</u>	<u>5,157,649</u>
At 31 August 2018	<u>6,262</u>	<u>9,066</u>	<u>5,169,469</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	40,843	11,517
VAT recoverable	16,415	23,299
Prepayments and accrued income	39,791	53,277
	<u>97,049</u>	<u>88,093</u>

KALEIDOSCOPE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	50,734	48,439
Social security and other taxes	24,065	22,448
Other creditors	-	22,782
Accruals and deferred income	9,411	25,892
	<u>84,210</u>	<u>119,561</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	15,334	21,372
Between one and five years	10,373	46,563
In more than five years	-	10,807
	<u>25,707</u>	<u>78,742</u>

15. MOVEMENT IN FUNDS

	At 1.9.18	Net movement in funds	At 31.8.19
	£	£	£
Unrestricted funds			
General fund	103,351	28,743	132,094
Restricted funds			
Restricted Fund	(445,781)	(528,951)	(974,732)
Restricted fixed asset fund	5,169,469	(104,062)	5,065,407
	<u>4,723,688</u>	<u>(633,013)</u>	<u>4,090,675</u>
TOTAL FUNDS	<u>4,827,039</u>	<u>(604,270)</u>	<u>4,222,769</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	28,743	-	-	28,743
Restricted funds				
Restricted Fund	1,831,379	(1,802,330)	(558,000)	(528,951)
Restricted fixed asset fund	15,092	(119,154)	-	(104,062)
	<u>1,846,471</u>	<u>(1,921,484)</u>	<u>(558,000)</u>	<u>(633,013)</u>
TOTAL FUNDS	<u>1,875,214</u>	<u>(1,921,484)</u>	<u>(558,000)</u>	<u>(604,270)</u>

KALEIDOSCOPE LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019**

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted Funds				
General fund	103,351	-	-	103,351
Restricted Funds				
Restricted Fund	(621,755)	284,941	(108,967)	(445,781)
Restricted fixed asset fund	5,167,288	(106,786)	108,967	5,169,469
	<u>4,545,533</u>	<u>178,155</u>	<u>-</u>	<u>4,723,688</u>
TOTAL FUNDS	<u><u>4,648,884</u></u>	<u><u>178,155</u></u>	<u><u>-</u></u>	<u><u>4,827,039</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	35,248	(35,248)	-	-
Restricted funds				
Restricted Fund	1,757,177	(1,681,236)	209,000	284,941
Restricted fixed asset fund	5,890	(112,676)	-	(106,786)
	<u>1,763,067</u>	<u>(1,793,912)</u>	<u>209,000</u>	<u>178,155</u>
TOTAL FUNDS	<u><u>1,798,315</u></u>	<u><u>(1,829,160)</u></u>	<u><u>209,000</u></u>	<u><u>178,155</u></u>

16. PENSION AND SIMILAR OBLIGATIONS

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Local government pension scheme

KALEIDOSCOPE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019

16. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Present value of funded obligations	(3,526,000)	(2,586,000)
Fair value of plan assets	2,023,000	1,738,000
	<u>(1,503,000)</u>	<u>(848,000)</u>
Deficit	<u>(1,503,000)</u>	<u>(848,000)</u>
Liability	<u><u>(1,503,000)</u></u>	<u><u>(848,000)</u></u>

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

	Defined benefit pension plans	
	2019	2018
	£	£
Current service cost	172,000	201,000
Net interest from net defined benefit asset/liability	75,000	65,000
Past service cost	11,000	-
	<u>258,000</u>	<u>266,000</u>
Actual return on plan assets	<u><u>122,000</u></u>	<u><u>18,000</u></u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Defined benefit obligation	2,586,000	2,515,000
Current service cost	172,000	201,000
Past service cost	11,000	-
Contributions by scheme participants	29,000	29,000
Interest cost	75,000	65,000
Actuarial losses/(gains)	680,000	(191,000)
Benefits paid	(27,000)	(33,000)
	<u><u>3,526,000</u></u>	<u><u>2,586,000</u></u>

KALEIDOSCOPE LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. PENSION AND SIMILAR OBLIGATIONS
- continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Fair value of scheme assets	1,738,000	1,569,000
Contributions by employer	111,000	114,000
Contributions by scheme participants	29,000	29,000
Interest income on plan assets	50,000	41,000
Actuarial gains/(losses)	122,000	18,000
Benefits paid	(27,000)	(33,000)
	<u>2,023,000</u>	<u>1,738,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Actuarial gains/(losses)	680,000	(191,000)
	<u>680,000</u>	<u>(191,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
Equities	43%	48%
Bonds	47%	43%
Property	8%	8%
Cash	2%	1%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2019	2018
Discount rate	1.8%	2.8%
Future salary increases	2.6%	2.7%
Future pension increases	2.3%	2.4%

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	22.3	22.3
Females	24.5	24.5
Retiring in 20 years		
Males	23.9	23.9
Females	26.5	26.5

KALEIDOSCOPE LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2019**

17. RELATED PARTY DISCLOSURES

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 Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account

18. ACADEMY BOARDING TRADING ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	2019 £	2018 £
Income		
General Annual Grant(GAG)	285,310	285,310
	<u>285,310</u>	<u>285,310</u>
Expenditure		
Direct costs		
Teaching and educational support staff	213,203	254,509
Educational supplies	501	-
	<u>213,704</u>	<u>254,509</u>
Indirect costs		
Rent and rates	3,667	4,785
Energy costs	12,313	9,379
Insurance	3,810	2,000
Security and transport	9,540	5,976
Catering	7,200	7,237
Other support costs	25,880	21,473
	<u>62,410</u>	<u>50,850</u>
Total operating costs	<u>276,114</u>	<u>305,359</u>
Net surplus/(deficit) on boarding	9,196	(20,049)
Surplus brought forward	-	-
Surplus/(deficit) carried forward	<u>9,196</u>	<u>(20,049)</u>