

REGISTERED COMPANY NUMBER: 08604799 (England and Wales)

**KALEIDOSCOPE LEARNING TRUST
TRUSTEES' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2020**

KALEIDOSCOPE LEARNING TRUST

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FOR THE YEAR ENDED 31 AUGUST 2020**

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KALEIDOSCOPE LEARNING TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020**

MEMBERS

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

TRUSTEES

A J Larkin (Principal and Accounting office)
H M Madeley
J M Pennington
J A Szostek
J J E Swaffield (Chair of Trustees)
K Hay
M Taylor

COMPANY SECRETARY

J M Evans

SENIOR MANAGEMENT TEAM

R Newton (Vice Principal)
J M Evans (Director of Finance/CFO)
A J Larkin (Executive Principal)
S Howarth (Vice Principal)

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

SOLICITORS

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

KALEIDOSCOPE LEARNING TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020**

BANK

Lloyds Bank
Altrincham Branch
PO Box 1000
BX1 1LT

KALEIDOSCOPE LEARNING TRUST (REGISTERED NUMBER: 08604799)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

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 2020. 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

Cloughwood is a high-achieving Specialist Academy. Our pupils have increasingly complex needs mainly around the areas associated with social emotional and mental health. Many pupils have diagnosed co-morbid conditions such as ADHD, pervasive developmental disorder, autism, Asperger's, attachment and sensory needs.

Our Academy caters for pupils from the ages of 8 (yr4) to 16 (yr11) and we have separate departments and teams for Primary and Secondary pupils. A number of pupils from Yr4 to Yr9 enjoy the opportunity to board for up to two nights per week and take advantage of the 24-hour curriculum that we provide, delivered in the evenings by a the Care and Boarding Team.

Our priorities over the past year have included the development of Academy-wide strategies for Nurture, quality teaching and learning, personalised learning, learning support and recovery and the identification of bespoke learning and development flightpaths for all pupils. Flightpaths begin in y4 or on later admission and culminate in our innovative Futures Curriculum in Yr11. This is designed to enable our pupils to go on to further education, work or training in a lasting, meaningful way on leaving Cloughwood. One very positive outcome of this last year, which was a success attributed to the inclusion of the Futures Curriculum, was the increase in our overall attendance figure. Previously, we had struggled to maintain good attendance in Yr11 due to high drop-out rates and disengagement but the inclusion of a bespoke, multifaceted curriculum in Yr11 has encouraged more pupils to engage and attend well and our figure for the year now stands at 85%. This is an increase of 7% on the previous year. The signs are that even in this most difficult year with all the problems of the pandemic, this trend is set to continue.

KALEIDOSCOPE LEARNING TRUST (REGISTERED NUMBER: 08604799)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

ACHIEVEMENT AND PERFORMANCE

We now offer a broader range of attainment and accreditation options throughout the Academy and this last year has seen increasing numbers of pupils gaining awards for Entry Level and Functional Skills, BTEC, Cambridge National Computer Science 1 and 2, GCSE and NCFE, not to mention SATs success and other awards such as D of E Bronze and Silver

Establishing a broad, highly stimulating curriculum alongside a diverse, daily enrichment session for all pupils sees our offer grow each year. To enable our hardest-to-reach pupils to achieve their best we provide in-school and home-tutoring and online opportunities are developing and will continue to grow via Google Classrooms in this coming year.

Our commissioned place increase to 70 places this year has seen our Academy continue to expand and grow. This is an increase of 10 places on the previous 12 months and the trend here is also set to continue.

The overwhelming majority of our pupils make exceptional progress from their starting points. We seek to develop confident, highly competent young people who are able to stand on their own two feet having left school. To this end, we measure our pupils' success at acquiring life skills as described in the 21st Century Competencies. Over the past year we have built a solid foundation which allows us to help our pupils develop personally and academically as well as vocationally and this has placed us in a position of further strengthening the scope and range of academic skills and occupational opportunities and accreditation on offer.

We are confident that these developments will continue and that more and more of our pupils will choose the right pathway to take themselves confidently, purposefully and successfully into young adulthood.

In 2019/20 we offered many things, including:

Nurturing/enabling curriculum at KS2.

Successful transition through all phases.

Residential experiences for KS2 and KS3 pupils.

A focus on personal development, academic and vocational success.

A rich and varied curriculum at KS3 including daily engaging enrichment activities.

After school activities. A focus on physical activity.

Outdoor learning.

A pastoral support team to support all pupils.

Special Educational Needs Department to support learning.

Emotional support.

High quality teaching and learning.

Attendance and learning weekly awards.

Outstanding outcomes from low starting points.

A bespoke careers programme.

An innovative Futures Curriculum at Yr11 which includes skills training, sports leadership, First Aid and safeguarding qualification, work experience, work placements and D of E bronze and silver awards.

KALEIDOSCOPE LEARNING TRUST (REGISTERED NUMBER: 08604799)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

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 Finance and Audit 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 2020 the Trust received total income of £1,923,215 (2019 £1,875,214) resulting in a deficit of £45,595 (2019 surplus £50,730) before non cash charges in respect of the Local Government Pension Scheme. The operating deficit after the pension charge was £210,595 (2019 £46,270).

The total reserves at 31 August 2020 before the Local Government Pension Scheme liability were £5,680,174 (2019 £5,725,769). Excluding fixed assets and the pension scheme liability the reserves were £563,151 (2019 £568,120).

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.

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.

KALEIDOSCOPE LEARNING TRUST (REGISTERED NUMBER: 08604799)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

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 (Finance & Audit, Standards & Outcomes, Pay, Principal's Performance Management) and appoints trustees to serve on these throughout the year.

The Finance & Audit 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.

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.

KALEIDOSCOPE LEARNING TRUST (REGISTERED NUMBER: 08604799)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 9 December 2020 and signed on its behalf by:

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J J E Swaffield - Chair of Trustees

KALEIDOSCOPE LEARNING TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

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
A J Larkin	11	11
H M Madeley	11	11
J M Pennington	8	9
J A Szostek	9	9
J J E Swaffield	7	9
K Hay	6	6
M Taylor	4	5

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 2019 to 31 August 2020 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 2019 - 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of the trustees;

KALEIDOSCOPE LEARNING TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

The Risk and Control Framework

- regular reviews by the Finance & Audit 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 reviewed the need for a specific internal audit function and appointed Haines Watts to carry out the internal scrutiny function..

The reviewer's role includes an audit of compliance, systems and controls within the Trust.

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

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 Finance & Audit 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 9 December 2020 and signed on its behalf by:

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J J E Swaffield

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J J E Swaffield - Chair of Trustees

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A Larkin

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A Larkin - Accounting Officer

KALEIDOSCOPE LEARNING TRUST

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2020**

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 2019.

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 2019.

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.

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A Larkin - Accounting Officer

9 December 2020

KALEIDOSCOPE LEARNING TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020;
- 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 9 December 2020 and signed on its behalf by:

DocuSigned by:

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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 2020 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 2019 to 2020 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 2020 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 2019 to 2020.

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.

DocuSigned by:

Mike Benson

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

9 December 2020

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 2019 to 2020, 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 2019 to 31 August 2020 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DocuSigned by:

Murray Smith LLP

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Murray Smith LLP

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

9 December 2020

KALEIDOSCOPE LEARNING TRUST**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

				2020	2019	
	Notes	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities						
Donations and capital grants	2	-	211	-	211	2,469
Funding for the academy's educational operations						
	3	-	1,597,231	6,261	1,603,492	1,561,161
Provision of boarding activities	18	-	285,310	-	285,310	285,310
Other trading activities	4	8,243	25,124	-	33,367	25,138
Investment income	5	-	835	-	835	1,136
Total		8,243	1,908,711	6,261	1,923,215	1,875,214
EXPENDITURE ON						
Charitable activities						
Academy's educational operations						
		-	1,741,487	116,632	1,858,119	1,645,370
Provision of boarding activities	18	-	275,691	-	275,691	276,114
Total	6	-	2,017,178	116,632	2,133,810	1,921,484
NET INCOME/(EXPENDITURE)						
		8,243	(108,467)	(110,371)	(210,595)	(46,270)
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes						
		-	503,000	-	503,000	(558,000)
Net movement in funds		8,243	394,533	(110,371)	292,405	(604,270)
RECONCILIATION OF FUNDS						
Total funds brought forward		132,094	(974,732)	5,065,407	4,222,769	4,827,039
TOTAL FUNDS CARRIED FORWARD		140,337	(580,199)	4,955,036	4,515,174	4,222,769

The notes form part of these financial statements

KALEIDOSCOPE LEARNING TRUST (REGISTERED NUMBER: 08604799)**BALANCE SHEET
AT 31 AUGUST 2020**

				2020	2019	
	Notes	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total funds £	Total funds £
FIXED ASSETS						
Tangible assets	11	-	161,987	4,955,036	5,117,023	5,157,649
CURRENT ASSETS						
Debtors	12	-	61,326	-	61,326	97,049
Cash at bank and in hand		140,337	443,258	-	583,595	555,281
		<u>140,337</u>	<u>504,584</u>	-	<u>644,921</u>	<u>652,330</u>
CREDITORS						
Amounts falling due within one year	13	-	(81,770)	-	(81,770)	(84,210)
NET CURRENT ASSETS		<u>140,337</u>	<u>422,814</u>	-	<u>563,151</u>	<u>568,120</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		140,337	584,801	4,955,036	5,680,174	5,725,769
PENSION LIABILITY	16	-	(1,165,000)	-	(1,165,000)	(1,503,000)
NET ASSETS		<u>140,337</u>	<u>(580,199)</u>	<u>4,955,036</u>	<u>4,515,174</u>	<u>4,222,769</u>
FUNDS						
Unrestricted funds	15				140,337	132,094
Restricted funds:						
Restricted Fund					(580,199)	(974,732)
Restricted fixed asset fund					4,955,036	5,065,407
					<u>4,374,837</u>	<u>4,090,675</u>
TOTAL FUNDS					<u>4,515,174</u>	<u>4,222,769</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 9 December 2020 and were signed on its behalf by:

DocuSigned by:


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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 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	101,362	109,349
Net cash provided by (used in) operating activities		<u>101,362</u>	<u>109,349</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(80,144)	(107,334)
Capital grants from DfE/ESFA		6,261	15,092
Interest received		835	1,136
Net cash provided by (used in) investing activities		<u>(73,048)</u>	<u>(91,106)</u>
Change in cash and cash equivalents in the reporting period		<u>28,314</u>	<u>18,243</u>
Cash and cash equivalents at the beginning of the reporting period		<u>555,281</u>	<u>537,038</u>
Cash and cash equivalents at the end of the reporting period		<u><u>583,595</u></u>	<u><u>555,281</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 2020****1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(210,595)	(46,270)
Adjustments for:		
Depreciation	120,770	119,154
Capital grants from DfE/ESFA	(6,261)	(15,092)
Interest received	(835)	(1,136)
Decrease/(increase) in debtors	35,723	(8,956)
Decrease in creditors	(2,440)	(35,351)
Difference between pension charge and cash contributions	165,000	97,000
	<u>101,362</u>	<u>109,349</u>
Net cash provided by (used in) operating activities	<u>101,362</u>	<u>109,349</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank and in hand	555,281	28,314	583,595
	<u>555,281</u>	<u>28,314</u>	<u>583,595</u>
Total	<u>555,281</u>	<u>28,314</u>	<u>583,595</u>

KALEIDOSCOPE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 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 2020. 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.

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****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.

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****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 2020****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 £	2020 Total funds £	2019 Total funds £
Donations	-	211	211	2,469

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	602,369	602,369	600,000
Other ESFA Grants	-	122,586	122,586	75,017
	-	724,955	724,955	675,017
DfE/ESFA capital grant				
Capital grants	-	6,261	6,261	15,092
Other government grant				
Local Authority Grants	-	872,276	872,276	871,052
	-	1,603,492	1,603,492	1,561,161

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Rental income	-	4,164	4,164	3,420
Lettings income	6,312	-	6,312	8,598
Staff insurance income	-	-	-	6,633
Catering income	1,931	-	1,931	1,401
Sales of other goods and services	-	1,308	1,308	1,164
Other income	-	19,652	19,652	3,922
	<u>8,243</u>	<u>25,124</u>	<u>33,367</u>	<u>25,138</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Deposit account interest	-	835	835	1,136
	<u>-</u>	<u>835</u>	<u>835</u>	<u>1,136</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure		2020 Total £	2019 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	1,183,351	-	95,875	1,279,226	1,070,969
Allocated support costs	179,458	280,262	119,173	578,893	574,401
Provision of boarding activities					
Direct costs	209,622	-	-	209,622	213,704
Allocated support costs	-	62,801	3,268	66,069	62,410
	<u>1,572,431</u>	<u>343,063</u>	<u>218,316</u>	<u>2,133,810</u>	<u>1,921,484</u>

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

	2020 £	2019 £
Auditors' remuneration	7,150	6,780
Auditors' remuneration for non audit work	1,000	1,270
Depreciation - owned assets	120,770	119,154
Hire of plant and machinery	-	8,662
	<u>-</u>	<u>8,662</u>

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****7. CHARITABLE ACTIVITIES**

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Direct costs - academy's educational operations	-	1,279,226	1,279,226	1,070,969
Direct costs - provision of boarding activities	-	209,622	209,622	213,704
Support costs - academy's educational operations	-	578,893	578,893	574,401
Support costs - provision of boarding activities	-	66,069	66,069	62,410
	<u>-</u>	<u>2,133,810</u>	<u>2,133,810</u>	<u>1,921,484</u>

	Academy's educational operations £	Provision of boarding activities £	Teaching schools £	2020 Total £	2019 Total £
Analysis of support costs					
Support staff costs	179,458	-	-	179,458	155,890
Depreciation	33,682	-	-	33,682	32,066
Technology costs	29,171	-	-	29,171	18,075
Premises costs	261,084	62,298	-	323,382	299,033
Other support costs	48,170	3,268	-	51,438	63,700
Governance costs	27,328	503	-	27,831	68,047
Total support costs	<u>578,893</u>	<u>66,069</u>	<u>-</u>	<u>644,962</u>	<u>636,811</u>

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:

		2020 £	2019 £
Mr A Larkin, Principal	Remuneration	105,000 - 110,000	100,000 - 105,000
	Pension contributions paid	20,000 - 25,000	15,000 - 20,000

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 (£0 31 August 2019)

Trustees' and officers' insurance

The Trust has joined the government backed Risk Protection Arrangement which provides insurance cover for trustees and officers.

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****9. KEY MANAGEMENT PERSONNEL**

	2020	2019
	£	£
Wages and salaries	1,076,523	1,035,495
Social security costs	105,388	82,014
Operating costs of defined benefit pension schemes	390,520	252,491
	<u>1,572,431</u>	<u>1,370,000</u>

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

	2020	2019
Teachers	13	11
Support staff	21	21
Management	4	4
	<u>38</u>	<u>36</u>

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

	2020	2019
£100,001 - £110,000	<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 £346,114 (2019 - £299,042)

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	2,469	-	-	2,469
Charitable activities				
Funding for the academy's educational operations	-	1,546,069	15,092	1,561,161
Provision of boarding activities	-	285,310	-	285,310
Other trading activities	25,138	-	-	25,138
Investment income	1,136	-	-	1,136
Total	<u>28,743</u>	<u>1,831,379</u>	<u>15,092</u>	<u>1,875,214</u>
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	1,526,216	119,154	1,645,370
Provision of boarding activities	-	276,114	-	276,114
Total	<u>-</u>	<u>1,802,330</u>	<u>119,154</u>	<u>1,921,484</u>

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total funds £
NET INCOME/(EXPENDITURE)	28,743	29,049	(104,062)	(46,270)
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	(558,000)	-	(558,000)
Net movement in funds	28,743	(528,951)	(104,062)	(604,270)
RECONCILIATION OF FUNDS				
Total funds brought forward	103,351	(445,781)	5,169,469	4,827,039
TOTAL FUNDS CARRIED FORWARD	<u>132,094</u>	<u>(974,732)</u>	<u>5,065,407</u>	<u>4,222,769</u>

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****11. TANGIBLE FIXED ASSETS**

	Long leasehold £	Improvements to property £	Fixtures and fittings £
COST			
At 1 September 2019	4,955,593	740,621	33,364
Additions	-	72,955	-
At 31 August 2020	<u>4,955,593</u>	<u>813,576</u>	<u>33,364</u>
DEPRECIATION			
At 1 September 2019	522,528	54,923	14,604
Charge for year	87,088	15,535	6,308
At 31 August 2020	<u>609,616</u>	<u>70,458</u>	<u>20,912</u>
NET BOOK VALUE			
At 31 August 2020	<u>4,345,977</u>	<u>743,118</u>	<u>12,452</u>
At 31 August 2019	<u>4,433,065</u>	<u>685,698</u>	<u>18,760</u>

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2019	30,419	50,828	5,810,825
Additions	4,000	3,189	80,144
At 31 August 2020	<u>34,419</u>	<u>54,017</u>	<u>5,890,969</u>
DEPRECIATION			
At 1 September 2019	28,503	32,618	653,176
Charge for year	2,298	9,541	120,770
At 31 August 2020	<u>30,801</u>	<u>42,159</u>	<u>773,946</u>
NET BOOK VALUE			
At 31 August 2020	<u>3,618</u>	<u>11,858</u>	<u>5,117,023</u>
At 31 August 2019	<u>1,916</u>	<u>18,210</u>	<u>5,157,649</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	4,548	40,843
VAT recoverable	17,964	16,415
Prepayments and accrued income	38,814	39,791
	<u>61,326</u>	<u>97,049</u>

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	37,183	50,734
Social security and other taxes	26,286	24,065
Accruals and deferred income	18,301	9,411
	<u>81,770</u>	<u>84,210</u>

14. LEASING AGREEMENTS

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

	2020	2019
	£	£
Within one year	13,868	15,334
Between one and five years	22,332	10,373
	<u>36,200</u>	<u>25,707</u>

15. MOVEMENT IN FUNDS

	At 1.9.19	Net movement in funds	At 31.8.20
	£	£	£
Unrestricted funds			
General fund	132,094	8,243	140,337
Restricted funds			
Restricted Fund	(974,732)	394,533	(580,199)
Restricted fixed asset fund	5,065,407	(110,371)	4,955,036
	<u>4,090,675</u>	<u>284,162</u>	<u>4,374,837</u>
TOTAL FUNDS	<u>4,222,769</u>	<u>292,405</u>	<u>4,515,174</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	8,243	-	-	8,243
Restricted funds				
Restricted Fund	1,908,711	(2,017,178)	503,000	394,533
Restricted fixed asset fund	6,261	(116,632)	-	(110,371)
	<u>1,914,972</u>	<u>(2,133,810)</u>	<u>503,000</u>	<u>284,162</u>
TOTAL FUNDS	<u>1,923,215</u>	<u>(2,133,810)</u>	<u>503,000</u>	<u>292,405</u>

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****15. MOVEMENT IN FUNDS - continued****Comparatives for 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><u>4,827,039</u></u>	<u><u>(604,270)</u></u>	<u><u>4,222,769</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	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><u>1,875,214</u></u>	<u><u>(1,921,484)</u></u>	<u><u>(558,000)</u></u>	<u><u>(604,270)</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 2020****16. PENSION AND SIMILAR OBLIGATIONS
- continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Present value of funded obligations	(3,460,000)	(3,526,000)
Fair value of plan assets	2,295,000	2,023,000
	<u>(1,165,000)</u>	<u>(1,503,000)</u>
Deficit	<u>(1,165,000)</u>	<u>(1,503,000)</u>
Liability	<u><u>(1,165,000)</u></u>	<u><u>(1,503,000)</u></u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	237,000	172,000
Net interest from net defined benefit asset/liability	66,000	75,000
Past service cost	-	11,000
	<u>303,000</u>	<u>258,000</u>
Actual return on plan assets	<u><u>158,000</u></u>	<u><u>122,000</u></u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Defined benefit obligation	3,526,000	2,586,000
Current service cost	237,000	172,000
Past service cost	-	11,000
Contributions by scheme participants	29,000	29,000
Interest cost	66,000	75,000
Actuarial losses/(gains)	(345,000)	680,000
Benefits paid	(53,000)	(27,000)
	<u><u>3,460,000</u></u>	<u><u>3,526,000</u></u>

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****16. PENSION AND SIMILAR OBLIGATIONS
- continued**

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

	Defined benefit pension plans	
	2020	2019
	£	£
Fair value of scheme assets	2,023,000	1,738,000
Contributions by employer	101,000	111,000
Contributions by scheme participants	29,000	29,000
Interest income on plan assets	37,000	50,000
Actuarial gains/(losses)	158,000	122,000
Benefits paid	(53,000)	(27,000)
	<u>2,295,000</u>	<u>2,023,000</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Actuarial gains/(losses)	(345,000)	680,000
	<u>(345,000)</u>	<u>680,000</u>

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

	Defined benefit pension plans	
	2020	2019
Equities	45%	43%
Bonds	41%	47%
Property	10%	8%
Cash	4%	2%

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

	2020	2019
Discount rate	1.7%	1.8%
Future salary increases	2.9%	2.6%
Future pension increases	2.2%	2.3%

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 2020	At 31 August 2019
Retiring today		
Males	21.2	22.3
Females	23.6	24.5
Retiring in 20 years		
Males	21.9	23.9
Females	25.0	26.5

KALEIDOSCOPE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020****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 2020

	2020 £	2019 £
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	209,622	213,203
Educational supplies	-	501
	<u>209,622</u>	<u>213,704</u>
Indirect costs		
Rent and rates	5,073	3,667
Energy costs	17,059	12,313
Insurance	4,000	3,810
Security and transport	10,843	9,540
Catering	3,268	7,200
Other support costs	25,826	25,880
	<u>66,069</u>	<u>62,410</u>
Total operating costs	<u>275,691</u>	<u>276,114</u>
Net surplus on boarding	9,619	9,196
Surplus brought forward	-	-
Surplus carried forward	<u>9,619</u>	<u>9,196</u>