



The Kassia Academy and Support Services (TKAS)

Part of **KINGS ACADEMY TRUST**

STATEMENT OF ACCOUNTING

The Kassia Academy and Support Services (TKAS)

Last Reviewed	January 2021
For Review	January 2022

Basis of Preparation

The financial statements have been prepared in accordance with the applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities', the Academies Accounts Direction issued by the EFA and the Companies Act 2018/19. A summary of the principal accounting policies which have been applied consistently, except where noted, is set out below.

Going Concern

The Trust assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trust make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognized when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants Receivable**
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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.
- **Donations**
Donations are recognized on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- **Other Income**
Other income, including the hire of facilities, is recognized in the period it is receivable and to the extent the goods have been provided or on completion of the service.
- **Donated Services and Gifts in Kind**
The value of donated services and gifts in kind provided to the Trust are recognized at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policy.
- **Investment Income – Interest receivable**
Interest receivable is included within the Statement of Financial Activities on a receivable basis.
- **Activities for Generating Funds**
Income is received from lettings to private organisations outside school time.

This is accounted for on a recoverable basis.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of the resource and depreciation charges allocated on the portion of the asset's use.

- **Costs of Generating Funds**
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable Activities**
These are costs incurred on the Trust educational operations.
- **Governance Costs**
These include the costs attributable to the Trust compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

See the Fixed Asset and Depreciation Policy

Investments

The Trust has no investments other than in the agreed bank accounts held in the United Kingdom.

Stock

Stock comprises school uniforms held for resale. Stocks are held at the lower of cost or net realizable value.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2011 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, are

contracted out of the State Earnings Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognized as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognized immediately in the Statement of Financial Position if the benefits have vested. If the benefits have not vested immediately, the costs are recognized over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognized immediately in other gains and losses.

Teachers' Pension Scheme

Full time and part time teaching staff members employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme. The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education. As the Trust is unable to identify its share of the underlying assets and liabilities of the scheme, the Trust has taken advantage of the exemption in Financial Reporting Standard 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Trust in the accounting period.

Local Government Pension Scheme

Non-teaching members of staff are offered membership of the LGPS. The LGPS is a defined benefit pension scheme and is able to identify the Trust's share of assets and liabilities and the requirements of Financial Reporting Standard 17, Retirement Benefits, have been followed. The Trust's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis. The net of these two figures is recognized as an asset or liability on the balance sheet. Any movements in the asset or liability between balance sheet dates is reflected in the Statement of Financial Position.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.