

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



**KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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**KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

J Jackson
S Harrison

Trustees

S Harrison^{1,2,6}
E Heim^{1,2,5}
J Hunt, Vice Chair^{2,3,4}
J Jackson, Chair^{1,3,4,6}
D Tucker^{1,4}
K Davies (resigned 10 October 2017)⁵
I Payne (resigned 17 October 2017)⁵
M Griffin (resigned 31 August 2018)^{1,2,3,4,5}
G Turner (resigned 31 August 2018)^{1,2,3,4,5}
T Wardell (resigned 31 August 2018)^{1,6}
P Stevens (appointed 8 September 2017)^{3,5}
S Lawrence (appointed 8 December 2017)^{1,2,3}
J Iredale (appointed 7 February 2018)^{4,5}
D Tilley (appointed 15 May 2018)⁵
N Laphorn (appointed 15 May 2018)
P Hopkins (appointed 4 September 2018)

¹ Finance, Strategy and Personnel Committee

² Curriculum Committee

³ Site and Buildings Committee

⁴ Achievement, Teaching and Learning

⁵ Personal Development, Behaviour and Welfare

⁶ Pay Committee

**Company registered
number**

07547023

Company name

Kingsmead Academy

**Principal and Registered
office**

Hartswell
Wiveliscombe
Somerset
TA4 2NE

Company secretary

E Pow

Accounting Officer

M Williams

**Senior management
team**

M Williams, Acting Head Teacher (from 1 September 2018)*
M Griffin, Head Teacher (to 31 August 2018)*
B Lewis, Senior Deputy Head Teacher*
A Dunnett, Deputy Head Teacher*
R Porter, Assistant Head Teacher
P Stephenson, Assistant Head Teacher
C Pierce, Assistant Head Teacher
M Colley, Assistant Head Teacher
L Pow, Business Manager*

* Key Management Personnel for disclosure purposes

**KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
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Bankers	Lloyds Bank 31 Fore Street Taunton Somerset TA1 1HN
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Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter EX1 1UP
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**KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 16 in Wiveliscombe, Somerset. It has a pupil capacity of 1,023 and had a roll of 879 in the school census on 31 January 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Kingsmead Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Kingsmead Academy.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they cease to be a member.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	3.48

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	4
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£ -
Total pay bill	£3,979,052
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000.

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 cover up to £500,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 April 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, up to 2 Staff Trustees (providing that the total number of Trustees, including the Head Teacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 16 other Trustees.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 13 Trustees who are appointed by members.
- up to 2 Parent Trustees who are elected by Parents of registered pupils at the Academy Trust.
- up to 2 staff Trustees appointed by members.
- the Head Teacher who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Head Teacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Solicitors, Accountants, Taunton Teaching Alliance and other bodies.

There are three Trustees' open days each year when Trustees spend a day in school observing teaching and learning and meeting staff.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 6 committees as follows:

- Finance, Strategy & Personnel Committee. This meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. Monitoring, evaluating and reviewing all recruitment procedures and for determining a pay policy for all staff within the approved budget and ensure arrangements are in place for effective performance. It is also responsible for setting the strategic direction of the school through the SEF and strategic development plans. It reviews the plans and reports back to Trustees.
- Curriculum Committee. This meets at least six times a year to monitor, evaluate and review Academy Trust policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and examinations.
- Achievement, Teaching & Learning. This meets at least six times per year to monitor and evaluate the school's procedures for ensuring the quality of teaching and learning and to monitor the achievement of all students.
- Site and Buildings. This meets at least six times a year to develop and maintain buildings, grounds, furniture, fixtures and equipment.
- Personal Development, Behaviour and Welfare. This meets at least six times a year to establish, monitor and evaluate the pastoral systems to ensure they aid teaching and learning. Senior students attend for part of this meeting.
- Pay Committee. Meets when required to review the Head Teacher's performance and set targets. On an annual basis, reviews teaching staff Performance Management documents and agrees progression up the pay scales.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the School Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, two Deputy Headteachers, four Assistant Heads and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is responsible for the appointment of staff, though appointment panels for teaching post always include a Trustee.

The Headteacher is the Accounting Officer.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Academy on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year for their role as Trustee.

Details of Trustees' related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually by the pay committee taking in to account the Pay Policy, and the Teachers Pay and Conditions document. Performance management documents will indicate if targets have been met and performance has been good.

Connected Organisations, including Related Party Relationships

The Kingsmead Trust for International Education is a charity linked to the Academy. Staff and students raise funds to support an exchange with schools in Zambia. The exchange runs over two years. 12 Zambian students and 4 staff visit Kingsmead in the first year and 12 Kingsmead students and 4 staff visit Zambia in the second year.

The Academy has strong collaborative links with most of our feeder primary schools which form part of the Tone Valley Partnership. All but 5 of the primary schools and Kingsmead Academy have signed a Charter. The joint vision is to provide the best possible and most rewarding education for all children and young people in the collaboration as they progress through the schools. This will improve their life chances by delivering improved results (academic and non-academic) offer broader horizons to all and enable them to make sustainable life choices.

There are no related parties which either control or significantly influence the decisions and operations of Kingsmead Academy. There are no sponsors associated with the Academy. There is a formal Parent Teacher Association associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2018 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve five 9 -5 grades including English and Maths.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with industry and commerce.
- to develop the Academy Trust's capacity to manage change, and
- to conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

At Kingsmead we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Development Plan which is available from the Academy Trust Office. Improvement focuses identified for this year include:

Leadership

- Improve the impact of leaders by ensuring that planning for improvement focuses sharply on the progress of all groups of students so that leaders can evaluate the impact of teaching more effectively and swiftly adjust their programmes of support where necessary
- Ensure the performance of all staff is at least good, often outstanding and exceptional. Improve the consistency of good and outstanding teaching
- Ensure appraisal is robust and leads to yet more secure outcomes for students
- Provide CPD specific to middle leaders and aspiring middle and senior leaders Achievement, Teaching and Learning
- Consolidate high quality pedagogy in all areas of the school.
- Development of Lesson observations
- Focus on development of differentiation
- Further develop the quality of written feedback
- Develop a more efficient approach to sharing expertise amongst staff
- Lead County initiatives in Teaching and Learning, showcasing the best practice taking place within the TVP

Personal Development, Behaviour & Welfare

- Improve opportunities for students to take an active role in activities outside of the taught curriculum – including student engagement in the local, national and international issues through the tutor/ house/ PSHCE systems.
- Fully implement the new behaviour policy, reviewing and adapting as appropriate to promote a culture and ethos of positive behaviour for learning and a supportive restorative approach to managing behaviour in school.
- Maintain and further improve the effectiveness of student support structures and safeguarding practices in order to provide exemplary care and support for students.
- Ensure that all students attendance at school is at least good.

Curriculum

- Further review and update the curriculum model. Implement changes in line with the timetable for new GCSEs and the National Curriculum.
- Explore: Review the impact on students and across departments. Agree and implement the research question for 2018.
- Further improve the timetable to meet the diverse needs of learners and provide appropriate timings for the core and option subjects and Personal, Social, Health, Citizenship and Economic Awareness.
- Renew focus on Sex Relationships Education in line with DfE guidance.
- Review and begin to implement the timings of subjects in KS3 to provide a quality experience in preparation for studies in KS4.
- Impact of the 'New Build' on the timetable & curriculum.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

Results in 2017/18 were amongst the best achieved by the school. The Year 11 cohort had a prior attainment of -0.6 compared to National figures. However, results indicate a P8 score of +0.14 which indicates good progress with students on average achieving more than half a grade above expectation. It is anticipated that with a slightly stronger year group the results in 2019 will be maintained.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Once again, the sports teams were very successful, particularly in athletics where the school teams and individuals had success at District, County and National events.

Students have been involved in a wide range of Extra Curricular activities including; Duke of Edinburgh Bronze Award, Arts events, overseas visits, the bi-annual exchange with schools in Zambia and entry into local and national academic events.

The student council has expanded its scope and senior students continue to contribute to the Senior Leadership team and Governor's strategy sub committee

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention - £0 was carried forward representing 0% of GAG.

As funding is based on student numbers this is also a key performance indicator. Student numbers for 2017/18 were 839, an increase of 12 over 2016/17. However, in September 2017 our student numbers were 871. This was due to a large Year 7 joining and a small Year 11 leaving in July 2017.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy 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.

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies.

During the year ended 31 August 2018, excluding restricted Fixed Asset funds and pension reserves, the Academy received total income of £4,440,365 (2017: £4,192,886) and incurred total expenditure of £4,637,565 (2017: £4,337,956). The excess of expenditure over income for the year was £192,200 (2017: £145,070).

At 31 August 2018 the net book value of fixed assets was £11,122,647 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The land, buildings and other assets were transferred to the Academy Trust upon conversion. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

included Charges and Lettings.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

Trustees consider reserves should cover 1 month's average expenditure. This figure would be approximately £400,000.

Our student numbers are rising year on year which leaves us with an issue of lag funding. In order to support the high standard of teaching by maintaining staffing levels, and to continue to provide a curriculum offer which includes practical subjects, a decision has been made to use the Academy Trust's reserves to reduce the deficit budget, therefore current free reserves are £43,606. A recovery plan has been submitted to the ESFA to support a cash flow issue and an allocation of £130,000 has been received. An additional allocation of £30,000 can be drawn down in February 2019 if required. These funds will have to be paid back to the ESFA on a monthly basis from September 2019. Trustees will endeavour to increase the reserves up to the stated level over the next few years.

The Trustees have reviewed the future plans of the Academy Trust and have set designated reserves as follows:

- £10,000 Maintenance contingency to cover mechanical breakdown of the main school boilers or other maintenance issues that would cause the school to shut for a period of time.
- £17,000 has been set aside to provide Equipment and Furniture for the new building. Trustees have agreed to set aside the Devolved Capital Fund from the ESFA over the next 2 financial years. The new building is due to open in September 2020.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

Investment Policy

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The majority of fundraising for the Academy is carried out by the Parent Teacher Association. Events such as raffles, music and social events, selling second hand uniform and tea and coffee at school events all contribute towards raising funds. The funds are then donated to the school to purchase equipment and furniture for the benefit of the students.

Fundraising events are advertised through posters, newsletters and the school website. No direct targeting of individuals is used to raise funds.

Kingsmead Academy Trust has a Zambian Exchange programme which runs over 2 years. 12 of our students and their families raise funds for our students to visit Zambia and 12 Zambian students to visit the UK. The programme is run through the Kingsmead Trust for International Education. A registered charity in its own right. Fundraising is carried out in numerous ways and no direct targeting of individuals is used to raise funds.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community. The collaboration between Kingsmead and our feeder primary schools in the Tone Valley Partnership is on going. It has provided joint training for staff, a joint procurement meeting to ensure best value to all schools, and an opportunity for students to visit their old Primary Schools in order to support a literacy project.

The funding received from the ESFA through the submission of a recovery plan will be paid back in the 2019/20 financial year. Projections show that by 2020/21 the school will once again have a balanced budget and will be building up a surplus. Our student number continues to rise year on year and the number on role over the next 5 years could rise to 1050.

The Priority Schools Building Programme which will provide a new main block including hall, school kitchen, dining hall, changing rooms and classrooms, has been delayed. Completion of the new block is due in September 2020.

Full details of our plans for the future are given in our Academy Development Plan, which is available on our website or from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

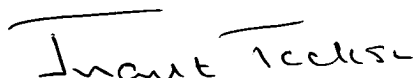
AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company'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.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as company directors, on 11 December 2018 and signed on the board's behalf by:



J Jackson
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Kingsmead Academy has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 Kingsmead Academy 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 7 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
S Harrison	6	7
E Heim	5	7
J Hunt, Vice Chair	6	7
J Jackson, Chair	5	7
D Tucker	6	7
K Davies	1	2
I Payne	0	0
M Griffin	7	7
G Turner	7	7
T Wardell	7	7
P Stevens	4	7
S Lawrence	7	7
J Iredale	3	3
D Tilley	2	2
N Laphorn	2	2
P Hopkins	0	0

Three new Trustees joined the Board of Trustees this year: Judy Iredale (Jones), community Trustee, in February 2018, Nick Laphorn and Daimon Tilley, elected parent Trustees, in May 2018.

The addition of these trustees has strengthened the skills of the Board and include experience in education - a retired teacher, management of an outside education centre and member of the Geographical Association, with extensive experience in an environment education charity, and a retired Chief Constable and managing director of a training company and a medical research charity.

The Board were concerned that they were having difficulty recruiting new Trustees, however, with the addition of the Trustees above, feel assured that the skills and experience the board is broad and balanced.

In January 2018 the Board used Annex C of the Academies Financial Handbook to assess their competencies. The Board issued this statement after this exercise 'Trustees are satisfied that they understood and complied with the 'musts' in Annex C of the Academies Financial Handbook as they apply to Kingsmead Academy, and that adequate controls, procedures and policies are in place to ensure future compliance'.

The Board of Trustees has 5 sub committees, as detailed in the Organisational Structure section of the Trustees' Report. The full board meet 7 times per year. During this meeting, the minutes from the sub committees are reviewed and discussed in detail if required.

The Senior Leadership Team (SLT) attend the full board meetings and each member of SLT service a sub-committee. The information provided includes the following:

GOVERNANCE STATEMENT (continued)

- data on exam results, including comparisons with Somerset school's data and national statistics
- the curriculum
- assessment, teaching and learning
- attendance and exclusion data
- financial reports
- health and safety
- site and buildings

The broad range of experience contained within the board ensures the data is scrutinised and understood and the information shared with the whole board.

Governance Review

The Board of Trustees at Kingsmead has a wide range of skills and expertise which includes several trustees with business experience including a retired managing director and a local farmer with property management experience. The board also includes a retired solicitor, retired local authority staff and several trustees with education experience. Finally, a director of a local Accountancy firm, with experience of Academy accounts is a member of the board and our Responsible Officer.

Finance, Strategy and Personnel is a sub-committee of the main Board of Trustees. This committee meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It monitors all Personnel matters. It is also responsible for setting the strategic direction of the school through the SEF and strategic development plans. It reviews the plans and reports back to full governors. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Griffin	6	6
S Harrison	6	6
E Heim	5	6
J Jackson	5	6
S Lawrence	5	6
G Turner	5	6
T Wardell	6	6
D Tucker	1	1

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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'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 appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Robust financial governance and budget management. Three year budget plans are produced and scrutinised by Finance governors to ensure informed decision making.
- Value for money purchasing. Quotes are obtained for higher cost goods and services. Staff research the best value for goods and services. Governors acknowledge that it is not necessarily the cheapest quote that offers the best value for money. School credit cards are used to enable goods to be purchased from on line suppliers. Robust procedures are in place to ensure security of these transactions.
- Using comparative data from the DfE's Benchmarking website. Graphs are looked at in detail and the information used to aid budget preparation and to compare the annual expenditure with schools of a similar size and location.

GOVERNANCE STATEMENT (continued)

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Kingsmead Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy 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 ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Strategy and Personnel 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, the Trustees have appointed D Tucker, 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's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of the recording of income

On a quarterly basis, the reviewer reports to the board of trustees through the 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 Headteacher 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 who have responsibility for the development and maintenance of the internal control framework.

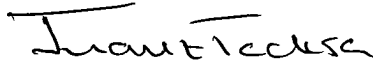
The Accounting Officer has been advised of the implications of the result of their review of the system of internal

**KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

control by the Finance, Strategy and Personnel Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 December 2018 and signed on their behalf, by:



**J Jackson
Chair of Trustees**



**M Williams
Accounting Officer**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Kingsmead Academy I have considered my responsibility to notify the Academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



**M Williams
Accounting Officer**

Date: 11 December 2018

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

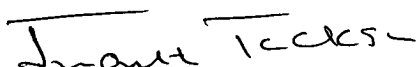
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

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



**J Jackson
Chair of Trustees**

Date: 11 December 2018

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSMEAD ACADEMY**

OPINION

We have audited the financial statements of Kingsmead Academy (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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'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 Auditors' Report 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.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSMEAD ACADEMY**

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.

OPINION 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 (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy 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'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 or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSMEAD ACADEMY**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date:

20 Dec 2018

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO KINGSMEAD ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 October 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingsmead Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kingsmead Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kingsmead Academy 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 Kingsmead Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF KINGSMEAD ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Kingsmead Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO KINGSMEAD ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

20 December 2018

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	6,618	25,142	18,074	49,834	58,288
Charitable activities	3	183,614	4,104,754	-	4,288,368	4,129,174
Other trading activities	4	119,997	-	-	119,997	22,833
Investments	5	240	-	-	240	395
TOTAL INCOME		310,469	4,129,896	18,074	4,458,439	4,210,690
EXPENDITURE ON:						
Raising funds		22,287	-	-	22,287	24,968
Charitable activities		493,217	4,395,391	270,926	5,159,534	4,841,019
TOTAL EXPENDITURE	6	515,504	4,395,391	270,926	5,181,821	4,865,987
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	(205,035)	(265,495)	(252,852)	(723,382)	(655,297)
		-	(1,505)	1,505	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(205,035)	(267,000)	(251,347)	(723,382)	(655,297)
Actuarial gains on defined benefit pension schemes	22	-	573,000	-	573,000	717,000
NET MOVEMENT IN FUNDS		(205,035)	306,000	(251,347)	(150,382)	61,703
RECONCILIATION OF FUNDS:						
Total funds brought forward		328,502	(3,010,000)	11,294,130	8,612,632	8,550,929
TOTAL FUNDS CARRIED FORWARD		123,467	(2,704,000)	11,042,783	8,462,250	8,612,632

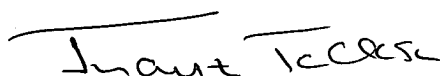
The notes on pages 26 to 47 form part of these financial statements.

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07547023

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		11,122,647		11,380,321
CURRENT ASSETS					
Debtors	14	125,192		139,109	
Cash at bank and in hand		290,972		309,204	
		416,164		448,313	
CREDITORS: amounts falling due within one year	15	(242,561)		(203,066)	
NET CURRENT ASSETS			173,603		245,247
TOTAL ASSETS LESS CURRENT LIABILITIES			11,296,250		11,625,568
CREDITORS: amounts falling due after more than one year	16		(130,000)		(2,936)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			11,166,250		11,622,632
Defined benefit pension scheme liability	22		(2,704,000)		(3,010,000)
NET ASSETS			8,462,250		8,612,632
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
Restricted funds excluding pension reserve		11,042,783		11,294,130	
Pension reserve		(2,704,000)		(3,010,000)	
Total restricted funds			8,338,783		8,284,130
Unrestricted funds	18		123,467		328,502
TOTAL FUNDS			8,462,250		8,612,632

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:



J Jackson
Chair of Trustees

The notes on pages 26 to 47 form part of these financial statements.

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	20	<u>(139,785)</u>	<u>(281,689)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		240	395
Purchase of tangible fixed assets		(20,889)	(17,884)
Capital grants from DfE Group		18,074	17,804
Net cash (used in)/provided by investing activities		<u>(2,575)</u>	<u>315</u>
Cash flows from financing activities:			
Repayments of borrowings		(5,872)	(5,872)
Cash inflows from new borrowing		130,000	-
Net cash provided by/(used in) financing activities		<u>124,128</u>	<u>(5,872)</u>
Change in cash and cash equivalents in the year		<u>(18,232)</u>	<u>(287,246)</u>
Cash and cash equivalents brought forward		309,204	596,450
Cash and cash equivalents carried forward	21	<u><u>290,972</u></u>	<u><u>309,204</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kingsmead Academy constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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. The Academy is budgeting to have an overall deficit in August 2019, however with the ESFA loan they will not have a cash deficit. Surpluses are budgeted for subsequent years, therefore Trustees 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's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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 grant are reflected in the balance 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.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it can be reliably measured.

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods and services.

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land and buildings	-	2% Straight line/Term of the lease
Furniture and fixtures	-	20% Straight line
Motor vehicles	-	25% Straight line
Computer equipment	-	33% Straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the Local Authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

1.6 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.7 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.8 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.9 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.10 TAXATION

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy 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 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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. As stated in note 22, 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 relate.

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 net income/expenditure 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.

1.12 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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 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, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

1.14 OPERATING LEASES

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	6,618	25,142	-	31,760	40,484
Capital Grants	-	-	18,074	18,074	17,804
	<u>6,618</u>	<u>25,142</u>	<u>18,074</u>	<u>49,834</u>	<u>58,288</u>
Total 2017	<u>1,670</u>	<u>38,814</u>	<u>17,804</u>	<u>58,288</u>	

KINGSMEAD ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	3,714,266	3,714,266	3,678,797
Other Dfe/ESFA grants	-	218,142	218,142	169,610
	-	3,932,408	3,932,408	3,848,407
Other Government grants				
Other government grants non capital	-	126,249	126,249	95,016
High Needs	-	46,097	46,097	82,216
	-	172,346	172,346	177,232
Other funding				
Internal catering income	142,971	-	142,971	59,264
Income for hosting trainee teachers	-	-	-	2,150
Other	25,973	-	25,973	17,959
School and travel fund income	14,670	-	14,670	24,162
	183,614	-	183,614	103,535
	183,614	4,104,754	4,288,368	4,129,174
Total 2017	103,535	4,025,639	4,129,174	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	4,530	-	4,530	7,805
External catering	97,921	-	97,921	2,210
Other	16,346	-	16,346	12,818
Consultancy	1,200	-	1,200	-
	119,997	-	119,997	22,833
Total 2017	22,833	-	22,833	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income - local cash	240	-	240	395
Total 2017	395	-	395	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading	-	-	22,287	22,287	24,968
Activities:					
Direct costs	3,311,898	249,530	355,866	3,917,294	3,828,043
Support costs	727,569	180,338	334,333	1,242,240	1,012,976
	4,039,467	429,868	712,486	5,181,821	4,865,987
Total 2017	3,882,059	401,542	582,386	4,865,987	

7. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	78,000	77,000
Educational supplies	152,269	124,771
Examination fees	60,768	64,188
Staff development	7,650	12,850
Other costs	56,003	74,109
Supply teachers	60,415	30,201
(Profit) / Loss on disposal of fixed assets	1,176	-
Wages and salaries	2,419,615	2,388,982
National insurance	245,978	244,918
Pension cost	585,890	559,896
Depreciation	249,530	251,128
	3,917,294	3,828,043
Total 2017	3,828,043	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Other costs	4,976	6,535
Recruitment and support	9,863	10,233
Maintenance of premises and equipment	47,811	28,837
Cleaning	28,070	25,581
Rent and rates	38,240	34,800
Energy costs	38,491	33,293
Insurance	19,678	17,932
Security and transport	11,346	9,557
Catering	128,180	49,712
Technology costs	54,659	47,251
Office overheads	35,523	23,175
Legal and professional	33,763	11,397
Bank interest and charges	3,335	1,811
(Profit) / Loss on disposal of fixed assets	131	-
Irrecoverable VAT	5,965	-
Governance	26,914	26,897
Wages and salaries	581,971	531,749
National insurance	35,534	34,537
Pension cost	110,064	91,776
Depreciation	27,726	27,903
	<u>1,242,240</u>	<u>1,012,976</u>
Total 2017	<u>1,012,976</u>	

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	277,256	279,031
Auditors' remuneration - audit	7,785	7,400
Auditors' remuneration - other services	1,310	2,325
Operating lease rentals	38,646	43,378

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,001,586	2,920,731
Social security costs	281,512	279,455
Pension costs	695,954	651,672
	<u>3,979,052</u>	<u>3,851,858</u>
Agency staff costs	60,415	30,201
	<u><u>4,039,467</u></u>	<u><u>3,882,059</u></u>

b. Staff numbers

The average number of persons employed by the Academy during the year was as follows:

	2018 No.	2017 No.
Teachers	49	46
Administration and support	64	66
Senior leadership team	5	6
	<u>118</u>	<u>118</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	45	43
Administration and support	48	50
Senior leadership team	5	6
	<u>98</u>	<u>99</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on Page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £416,916 (2017: £482,439).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

As staff trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 August 2018, expenses totalling £1,235 (2017: £814) were reimbursed to 2 Trustees (2017: 2).

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: M Griffin: Remuneration £90,000 - £95,000 (2017: £90,000 - £95,000), Employer's pension contribution £15,000 - £20,000 (2017: £15,000 - £20,000); K Davies: Remuneration £5,000 - £10,000 (2017: £45,000 - £50,000), Employer's pension contributions £0 - £5,000 (2017: £5,000 - £10,000).

Other related party transactions involving the Trustees are set out in note 26.

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TANGIBLE FIXED ASSETS

	Long term leasehold land and buildings £	Motor vehicles £	Furniture and fittings £	Computer equipment £	Total £
COST					
At 1 September 2017	12,732,048	19,627	233,200	229,860	13,214,735
Additions	-	-	1,736	19,153	20,889
Disposals	-	-	(15,813)	(83,311)	(99,124)
At 31 August 2018	12,732,048	19,627	219,123	165,702	13,136,500
DEPRECIATION					
At 1 September 2017	1,408,976	16,027	192,217	217,194	1,834,414
Charge for the year	237,305	1,200	23,116	15,635	277,256
On disposals	-	-	(15,565)	(82,252)	(97,817)
At 31 August 2018	1,646,281	17,227	199,768	150,577	2,013,853
NET BOOK VALUE					
At 31 August 2018	11,085,767	2,400	19,355	15,125	11,122,647
At 31 August 2017	11,323,072	3,600	40,983	12,666	11,380,321

14. DEBTORS

	2018 £	2017 £
Trade debtors	20,440	15,399
VAT recoverable	20,888	26,731
Other debtors	4,187	4,013
Prepayments and accrued income	79,677	92,966
	125,192	139,109

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
ESFA loans	2,936	5,872
Trade creditors	34,456	31,955
Other taxation and social security	78,570	73,123
Other creditors	62,203	62,061
Accruals and deferred income	64,396	30,055
	242,561	203,066

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	16,819	19,523
Resources deferred during the year	29,118	16,819
Amounts released from previous years	(16,819)	(19,523)
	<u>29,118</u>	<u>16,819</u>
Deferred income at 31 August 2018	<u>29,118</u>	<u>16,819</u>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips, locker keys and school meals.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
ESFA loans	<u>130,000</u>	<u>2,936</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
BETWEEN ONE AND TWO YEARS		
ESFA loans	<u>130,000</u>	<u>2,936</u>

The ESFA loan is repayable in instalments over one year from September 2019. No interest is charged on this loan.

17. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost	<u>65,975</u>	<u>65,716</u>
Financial liabilities measured at amortised cost	<u>131,937</u>	<u>107,252</u>

Financial assets measured at amortised cost comprise trade debtors and accrued income within one year.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals due within one year.

KINGSMEAD ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	242,311	310,469	(509,174)	-	-	43,606
Unrestricted fixed assets	86,191	-	(6,330)	-	-	79,861
	<u>328,502</u>	<u>310,469</u>	<u>(515,504)</u>	<u>-</u>	<u>-</u>	<u>123,467</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	3,760,728	(3,759,223)	(1,505)	-	-
Other government grants	-	126,249	(126,249)	-	-	-
Free school meals	-	18,087	(18,087)	-	-	-
Pupil Premium	-	153,592	(153,592)	-	-	-
High Needs	-	46,097	(46,097)	-	-	-
External visits	-	25,143	(25,143)	-	-	-
Pension reserve	(3,010,000)	-	(267,000)	-	573,000	(2,704,000)
	<u>(3,010,000)</u>	<u>4,129,896</u>	<u>(4,395,391)</u>	<u>(1,505)</u>	<u>573,000</u>	<u>(2,704,000)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	8,539,057	-	(177,103)	-	-	8,361,954
Fixed assets purchased from GAG	265,633	-	(9,159)	1,505	-	257,979
Academy Capital Maintenance Grant	1,690,059	-	(48,300)	-	-	1,641,759
Devolved Capital grant	29,277	18,074	(19,266)	-	-	28,085
Local authority - classroom build	767,904	-	(15,998)	-	-	751,906
PTA donation	2,200	-	(1,100)	-	-	1,100
	<u>11,294,130</u>	<u>18,074</u>	<u>(270,926)</u>	<u>1,505</u>	<u>-</u>	<u>11,042,783</u>
Total restricted funds	<u>8,284,130</u>	<u>4,147,970</u>	<u>(4,666,317)</u>	<u>-</u>	<u>573,000</u>	<u>8,338,783</u>
Total of funds	<u>8,612,632</u>	<u>4,458,439</u>	<u>(5,181,821)</u>	<u>-</u>	<u>573,000</u>	<u>8,462,250</u>

The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds

Unrestricted fixed asset fund - this represents the net book value of fixed assets purchased with unrestricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

Other Government Grants - Funding received by the Local Authority to fund further support for students with additional needs, this includes funding for the Parent and Family Support Advisor.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy Trust to address the current inequalities between those children and their wealthier peers.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pension Reserve – This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme.

External visits - Funds raised for student trips.

Fixed Asset Restricted Funds

Fixed assets transferred on conversion – This represents the buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG - This represents the NBV of assets bought under GAG.

Academy Maintenance Capital grants – These funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts.

Devolved formula capital - This represents funding from the ESFA to cover the maintenance and purchase of the schools assets.

Local authority - classroom build - This represents specific funding from the Local Authority for the construction of new classrooms.

PTA Donation - This represents the NBV of assets purchased using a fixed asset donation from the PTA.

OTHER INFORMATION

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
GENERAL FUNDS						
General funds	387,462	128,433	(273,584)	-	-	242,311
Unrestricted fixed assets	92,522	-	(6,331)	-	-	86,191
	<u>479,984</u>	<u>128,433</u>	<u>(279,915)</u>	<u>-</u>	<u>-</u>	<u>328,502</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	-	3,681,527	(3,681,446)	(81)	-	-
Other government grants	-	95,016	(95,016)	-	-	-
Free school meals	-	25,991	(25,991)	-	-	-
Pupil Premium	-	140,889	(140,889)	-	-	-
High Needs	-	82,216	(82,216)	-	-	-
External visits	-	38,814	(38,814)	-	-	-
Pension reserve	(3,478,000)	-	(249,000)	-	717,000	(3,010,000)
	<u>(3,478,000)</u>	<u>4,064,453</u>	<u>(4,313,372)</u>	<u>(81)</u>	<u>717,000</u>	<u>(3,010,000)</u>

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	8,716,160	-	(177,103)	-	-	8,539,057
Fixed assets purchased from GAG	278,868	-	(13,316)	81	-	265,633
Academy Capital Maintenance Grant	1,738,359	-	(48,300)	-	-	1,690,059
Devolved Capital grant	28,356	17,804	(16,883)	-	-	29,277
Local authority - classroom build	783,902	-	(15,998)	-	-	767,904
PTA donation	3,300	-	(1,100)	-	-	2,200
	<u>11,548,945</u>	<u>17,804</u>	<u>(272,700)</u>	<u>81</u>	<u>-</u>	<u>11,294,130</u>
Total restricted funds	<u>8,070,945</u>	<u>4,082,257</u>	<u>(4,586,072)</u>	<u>-</u>	<u>717,000</u>	<u>8,284,130</u>
Total of funds	<u>8,550,929</u>	<u>4,210,690</u>	<u>(4,865,987)</u>	<u>-</u>	<u>717,000</u>	<u>8,612,632</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	79,863	-	11,042,783	11,122,646
Current assets	43,604	372,561	-	416,165
Creditors due within one year	-	(242,561)	-	(242,561)
Creditors due in more than one year	-	(130,000)	-	(130,000)
Pension scheme liability	-	(2,704,000)	-	(2,704,000)
	<u>123,467</u>	<u>(2,704,000)</u>	<u>11,042,783</u>	<u>8,462,250</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	86,191	-	11,294,130	11,380,321
Current assets	242,311	206,002	-	448,313
Creditors due within one year	-	(203,066)	-	(203,066)
Creditors due in more than one year	-	(2,936)	-	(2,936)
Provisions for liabilities and charges	-	(3,010,000)	-	(3,010,000)
	<u>328,502</u>	<u>(3,010,000)</u>	<u>11,294,130</u>	<u>8,612,632</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(723,382)	(655,297)
Adjustment for:		
Depreciation charges	277,256	279,031
Interest receivable	(240)	(395)
(Proceeds)/loss on the disposal of fixed assets	1,307	-
Decrease/(increase) in debtors	13,917	(31,902)
Increase/(decrease) in creditors	42,431	(104,322)
Capital grants from DfE and other capital income	(18,074)	(17,804)
Defined benefit pension scheme cost less contributions payable	189,000	172,000
Defined benefit pension scheme finance cost	78,000	77,000
Net cash used in operating activities	<u>(139,785)</u>	<u>(281,689)</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	290,972	309,204
	<u>290,972</u>	<u>309,204</u>

22. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Somerset County Council. Both are multi-employer Defined Benefit Pension Schemes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £62,099 were payable to the schemes at 31 August 2018 (2017: £61,957) and are included within creditors.

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.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £325,830 (2017: £323,644).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £233,000 (2017: £196,000), of which employer's contributions totalled £182,000 (2017: £149,000) and employees' contributions totalled £51,000 (2017: £47,000). The agreed contribution rates for future years are 20.9% for employers and 5.5 - 8.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	24	23.9
Females	25.2	25.1
Retiring in 20 years		
Males	26.3	26.2
Females	27.5	27.4

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	110,000	110,000
Discount rate -0.1%	(112,000)	(112,000)
Mortality assumption - 1 year increase	(178,000)	(178,000)
Mortality assumption - 1 year decrease	172,000	172,000
CPI rate +0.1%	(98,000)	(92,000)
CPI rate -0.1%	96,000	90,000

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities and gilts	1,992,000	1,757,000
Debt instruments	233,000	228,000
Property	229,000	206,000
Cash	122,000	100,000
	<u>2,576,000</u>	<u>2,291,000</u>
Total market value of assets	<u>2,576,000</u>	<u>2,291,000</u>

The actual return on scheme assets was £101,000 (2017: £232,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(371,000)	(321,000)
Interest income	60,000	37,000
Interest cost	(138,000)	(114,000)
	<u>(449,000)</u>	<u>(398,000)</u>
Total	<u>(449,000)</u>	<u>(398,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	5,301,000	5,153,000
Current service cost	371,000	321,000
Interest cost	138,000	114,000
Employee contributions	51,000	47,000
Actuarial gains	(534,000)	(312,000)
Benefits paid	(47,000)	(22,000)
	<u>5,280,000</u>	<u>5,301,000</u>
Closing defined benefit obligation	<u>5,280,000</u>	<u>5,301,000</u>

KINGSMEAD ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	2,291,000	1,675,000
Interest income	62,000	39,000
Actuarial losses	39,000	405,000
Employer contributions	182,000	149,000
Employee contributions	51,000	47,000
Benefits paid	(47,000)	(22,000)
Administrative expenses	(2,000)	(2,000)
	<u>2,576,000</u>	<u>2,291,000</u>
Closing fair value of scheme assets	<u>2,576,000</u>	<u>2,291,000</u>

23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	33,638	40,104
Between 1 and 5 years	7,481	17,573
Total	<u>41,119</u>	<u>57,677</u>

24. MEMBERS' LIABILITY

Each member of the Charitable Company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

25. GENERAL INFORMATION

Kingsmead Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Hartswell, Wiveliscombe, Somerset, TA4 2NE.

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11.