

Company Registration Number: 07547023 (England & Wales)

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 18
Statement of Trustees' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 23
Independent Reporting Accountant's Report on Regularity	24 - 25
Statement of Financial Activities Incorporating Income and Expenditure Account	26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 - 56

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members J Jackson
S Harrison
J Jackson
E Budd (appointed 13 December 2022)

Trustees E Heim^{1,4}
S Lawrence (resigned 31 December 2022)^{1,2,3}
S Harrison^{1,2,5}
J Hunt, Vice Chair^{1,2,3,5}
M Williams (resigned 31 December 2022)^{1,2,3,4,5}
D Tucker^{1,2}
N Laphorn, Chair²
J Jackson^{1,2,3,5}
J Woodland^{2,4}
J Jones⁴
M Walker (resigned 22 October 2022)²
L Jordan (appointed 21 February 2023)⁴
S Lambert (appointed 6 September 2022)
C J Mister (appointed 11 July 2023)

¹ Finance, Strategy and Personnel Committee

² Provision & Progress

³ Site and Buildings Committee

⁴ Well-being and Diversity

⁵ Pay Committee

**Company registered
number** 07547023

Company name Kingsmead Academy

**Principal and Registered
office** Hartswell
Wiveliscombe
Somerset
TA4 2NE

Company secretary R Trowbridge

Accounting Officer J Eddy

**Senior management
team** J Eddy, Head Teacher*
M Williams, Head Teacher (resigned 31/12/2022)*
R Trowbridge, Director of Finance and Operations
A Dunnett, Deputy Head Teacher (resigned)
A Cox, Assistant Head Teacher
C Pierce, Deputy Head Teacher*
E Newmarch, Assistant Head Teacher
J Webb, Deputy Head Teacher*
E Warwick, Assistant Head Teacher

* Key Management Personnel for disclosure purposes

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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

Bankers Lloyds Bank
31 Fore Street
Taunton
Somerset
TA1 1HN

Solicitors Browne Jacobson
1 Manor Court
Dix's Field
Exeter
EX1 1UP

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2023. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates a secondary academy for pupils aged 11 to 16 in Wiveliscombe. It has a pupil capacity of 945 and had a roll of 926 in the school census on October 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Kingsmead Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Kingsmead School.

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.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

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 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 £1,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

On 1st 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'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 Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 16 other Trustees.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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.
- up to 2 staff Trustees appointed by Trustee board.
- the Headteacher who is treated for all purposes as being an ex officio Governor.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. 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 Local Authority 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.

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 4 committees as follows;

- Finance, Strategy, Personnel, Risk and Audit 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 internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee, overseeing and approving the trust's programme of internal scrutiny to ensure that risks are being addressed appropriately through internal scrutiny and report to the board on the adequacy of the trust's internal control framework and management of risks. The committee ensures value for money and oversees site and estates safety and management.

The committee is responsible for 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 full governors.

- Provision & Progress. This meets at least six times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and examinations. It is also responsible for monitoring and evaluating the school's procedures for ensuring the quality of teaching and learning and to monitor the achievement of all students.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- **Well-being and Diversity.** 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 Annual 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 using budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Governors 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 Headteacher, five Assistant Heads and the Director of Finance & Operations. 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, The Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Head Teacher is the Accounting Officer.

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 Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and 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.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering the period starting from 1 April each year and as follows:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	1.8

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1.8
1%-50%	
51%-99%	
100%	

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£Nil
Provide the total pay bill	£4,913,908
Provide the percentage of the total pay on facility time calculated as: (total cost of facility time + total pay bill) × 100	0.0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0
--	---

Related Parties and other Connected Charities and Organisations

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 previously ran 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. This exchange has not been run for several years due to the COVID pandemic.

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 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.

The Academy also works closely with other schools within the Somerset Partnership, sharing resources and expertise. The Somerset Partnership is a formal alliance between 3 Secondary and 20 Primary schools that is focused on educational outcomes and opportunities. The ambition is that schools will retain the individual character and flavour that helps them serve their local communities, whilst at the same time providing them with the support structures necessary to deal with the many issues that we face currently.

All schools that have agreed to join the Partnership share a similar vision and values. Regardless of their current position, all have agreed to work on behalf of all of the children across the Partnership.

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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objective and activity of the Academy is to advance, for the public benefit, education in the United Kingdom, 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 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 extracurricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to continue 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 Academy 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's capacity to manage change, and
- to conduct the Academy'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.

Objectives, Strategies and Activities

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

- Complete a comprehensive curriculum review to ensure students have a broad and balanced experience that prepares them for life after school
- Develop greater consistency across subjects regarding assessment
- Develop the reporting structure and cycle to better inform parents and students of progress
- Develop and embed strategy for disciplinary literacy
- Improve whole school attendance figures
- Ensure that students with SEND needs are well supported in lessons and make appropriate progress
- Review timetable structures so that breadth is maintained while not having a negative impact on the ability to group students according to need.
- Create a more cohesive response to supporting students mental well being
- Monitor teacher workload and enhance well-being of staff.
- Review the emergent impact of the learning pathways for LPA, MPA and HPA groupings plus disadvantaged and AEN students to ensure an appropriate curriculum at an appropriate level is being delivered to all students.
- To ensure progress of students is greater than county average with aspirations to be above the national average with disadvantaged and SEN progress significantly improved.
- Pedagogy clearly meets the needs of all our students and allows them to reach their potential.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- Students are more aware of how to take responsibility for and impact on their own learning.

Behaviour & Attitudes

- Further develop the culture of positive behaviour for learning.
- Review, develop and enhance exemplary anti-bullying policies and practices.
- Further develop the pastoral support services including the impact of the Tutor, Head of Year, Welfare Officers and behaviour support staff, promoting the engagement of students in school life.

Personal Development

- Develop an already good safeguarding culture into an exemplary model of best practice.
- Further develop the PSHCE curriculum. Improve levels of attendance – especially the rates of persistent absence, and the attendance of vulnerable groups and students who live in rural areas.

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 Commissioner'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.

The school aims to continue to maintain and develop links with local schools and stakeholders for the benefit of students, families and the wider community.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Summer 2023 results were pleasing for those students with high prior attainment. Progress for this group, which had been a key focus area, was positive at 0.05. Overall, the P8 score for the school places it in the average category nationally but is an improvement in 2022. Equally, the progress of PP students also saw a significant improvement over the 2022 figures.

The numbers of students entering the EBacc remains very high as do those achieving the measure.

The school has returned to running a full range of extra-curricular visits across the year, culminating in Challenge Week in July. There are various sporting and musical events including a school production. Year 10 participate in Work Experience.

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 although there is currently no specific restriction. In the period under review, £508,962 was carried forward representing 9.6% of GAG.

As funding is based on student numbers this is also a key performance indicator. Student numbers for 2023/24 were 926, a decrease of 10 compared to the previous academic year, in line with Council forecasted pupil numbers. The school is working to raise their profile in the local area through effective marketing of opportunities and achievements.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

FINANCIAL REVIEW

Most of the Academy'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 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy 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's accounting policies.

During the year ended 31 August 2023, the Academy received total income of £6,548,413 and incurred total expenditure of £6,745,330.

At 31 August 2023 the net book value of fixed assets was £17,180,673 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.

The land and other assets were transferred to the Academy 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 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 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Regulations Manual which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings and Gifts and Hospitality.

The school performed well financially during year and presented a balance budget for 2023/24.

Reserves

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, 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.

The school leadership and Trustees will continue to regularly discuss the use of reserves in light of the increase this year. Unallocated carry forwards will be used towards school priorities and any agreed development plans, incorporating staffing, IT and premises requirements for future years.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust'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 Trust.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust'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 Trust.

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 Trust 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'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 is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that 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. All senior managers on the Leadership Team are Level 3 safeguarding trained.

Staffing - the success of the Academy 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 an Internal auditor 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.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Governing Body have actively strengthened their constitution by recruiting new governors who have specific skills and experience in estate management and health and safety, both in education and industry. This will also help to provide a direct link to the school leadership team regarding estate management and risk assurance.

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 23 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy can 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 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 however this has been on hold during the recent pandemic.

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 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 ongoing. It has provided joint training for staff. All other activities were postponed this year.

Governors continue to set a balanced budget despite fluctuation in student numbers, as well as uncertainty of Government funding and cost of living rises, ensuring a stable financial position moving forward. This has also enabled the school to increase reserves in line with the school reserves policy.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Priority Schools Building Programme which completed on 31 August 2022 has provided a new main block including hall, school kitchen, dining hall, changing rooms and classrooms. The academy has also developed the Music facilities to provide an enhanced learning environment for students. Works are continuing to develop the rest of the site and re-instate outdoor areas including netball and tennis facilities.

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 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 auditor is 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 auditor is 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, approved by order of the Board of Trustees, as the company directors, on _____ and signed on the board's behalf by:



**N Laphorn
Chair of Trustees**

Date: 14/12/2023

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

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 Head Teacher, 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 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Nicholas Laphorn	9	9
Judith Jackson	7	9
Eva Heim	8	9
Sue Harrison	8	9
Judy Jones	8	9
Stuart Lambert	4	9
Dave Tucker	6	9
Jane Woodland	9	9
Laura Jordan	2	3
Colin Mister	1	1
Mark Williams (Headteacher)	3	3
John Eddy (Headteacher)	6	6

Governance Review

The skills, experience and competencies of Governors and Trustees are regularly reviewed, and recruitment carried out to address any skills shortages. The most recent skills audit was completed by Governors in October 2021. The assessment was based on the National Governors Association pro-forma.

The Board of Trustees at Kingsmead has a wide range of skills and expertise which includes several trustees with business and education experience including an accountant who works with Academies. The board also includes a retired solicitor, retired local authority staff and several trustees with education experience.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Finance, Strategy, Personnel, Risk and Audit:

Finance, Strategy, Personnel, Risk and Audit 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 Internal Audit, 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:

Trustee	Meetings attended	Out of a possible
Nicholas Lapthorn	6	6
Judith Jackson	2	3
Eva Heim	5	6
Sue Harrison	5	6
Jane Woodland	5	6
Mark Williams (Headteacher)	2	2
John Eddy (Headteacher)	5	5

Provision & Progress:

Provision & Progress is a sub-committee of the main Board of Trustees. This committee meets at least six times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, quality of teaching & learning, achievement of students, target setting and assessment and examinations. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Nicholas Lapthorn	6	6
Eva Heim	4	6
Sue Harrison	6	6
Jane Woodland	6	6
Mark Williams (Headteacher)	1	2
John Eddy (Headteacher)	4	4

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Culture and Ethos:

Culture and Ethos is a sub-committee of the main Board of Trustees. This committee meets at least six times a year to establish, monitor and evaluate the pastoral systems to ensure they aid teaching and learning and to monitor attendance. Senior students attend for part of this meeting. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Nicholas Laphorn	2	4
Judith Jackson	5	6
Eva Heim	5	6
Judy Jones	3	6
Stuart Lambert	3	6
Jane Woodland	5	6
Laura Jordan	3	3
Mark Williams (Headteacher)	1	2
John Eddy (Headteacher)	2	4

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust 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 online 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.

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 the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kingsmead for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This includes an external independent review conducted by Education Support Services.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Strategic Development Sub 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 Education Support Services to conduct an independent review.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included financial operations, procurements, payroll, income and risk management.

On a quarterly basis the auditor would normally report to the Board of Trustees, through the Audit Committee/Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

There were no material control issues arising as a result of the peer review.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the external auditor
- The work of the Independent Review
- The work of the Director of Finance & Operations and Finance Officer within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

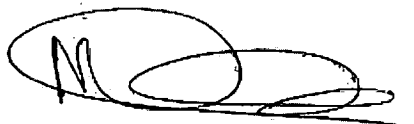
**KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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

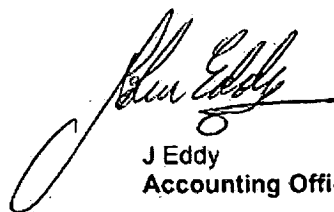
Approved by order of the Trustees of the Board of Trustees on

and signed on its behalf by:



**N Lapthorn
Chair of Trustees**

Date: 14/12/2023



**J Eddy
Accounting Officer**

Date: 14/12/2023

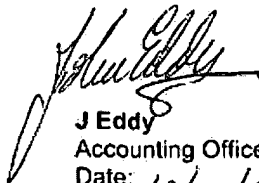
**KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2022.

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.



J Eddy
Accounting Officer

Date: 19/12/23

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on
and signed on its behalf by:



N Lapthorn
Chair of Trustees

Date: 14/12/2023

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

**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 2023 which comprise the Statement of Financial Activities (incorporating income and expenditure account), 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the ESFA.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 (including 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 including the Strategic 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 Trustees' Responsibilities Statement, 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 (CONTINUED)**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the Academy ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

We also obtained an understanding of the legal and regulatory frameworks that the Academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation, Charities SORP 2019 and FRS 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

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

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

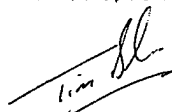
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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: 19/12/2023

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

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

In accordance with the terms of our engagement letter dated 15 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingsmead Academy during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kingsmead Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kingsmead Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kingsmead Academy and 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's funding agreement with the Secretary of State for Education dated 1 April 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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.

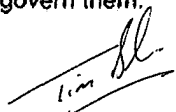
In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

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

**INDEPENDENT REPORTING ACCOUNTANT'S 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 19/12/2023

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	3,926	98,426	67,377	169,729	13,707,006
Other trading activities		25,041	-	-	25,041	105,910
Investments	6	93	-	-	93	100
Charitable activities		195,812	6,157,738	-	6,353,550	5,722,521
Total income		224,872	6,256,164	67,377	6,548,413	19,535,537
Expenditure on:						
Raising funds		20,327	-	-	20,327	16,218
Charitable activities		228,643	6,024,492	471,868	6,725,003	12,823,829
Total expenditure		248,970	6,024,492	471,868	6,745,330	12,840,047
Net (expenditure)/income		(24,098)	231,672	(404,491)	(196,917)	6,695,490
Transfers between funds	16	-	(24,683)	24,683	-	-
Net movement in funds before other recognised gains/(losses)		(24,098)	206,989	(379,808)	(196,917)	6,695,490
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	23	-	700,000	-	700,000	3,915,000
Net movement in funds		(24,098)	906,989	(379,808)	503,083	10,610,490
Reconciliation of funds:						
Total funds brought forward		345,687	(1,234,027)	17,497,763	16,609,423	5,998,933
Net movement in funds		(24,098)	906,989	(379,808)	503,083	10,610,490
Total funds carried forward		321,589	(327,038)	17,117,955	17,112,506	16,609,423

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 56 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	17,180,673	17,562,025
		<u>17,180,673</u>	<u>17,562,025</u>
Current assets			
Debtors	14	205,279	233,678
Cash at bank and in hand		1,019,678	772,603
		<u>1,224,957</u>	<u>1,006,281</u>
Creditors: amounts falling due within one year	15	(457,124)	(533,883)
Net current assets		<u>767,833</u>	<u>472,398</u>
Net assets excluding pension liability		<u>17,948,506</u>	<u>18,034,423</u>
Defined benefit pension scheme liability	23	(836,000)	(1,425,000)
Total net assets		<u><u>17,112,506</u></u>	<u><u>16,609,423</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	17,117,955	17,497,763
Restricted income funds	16	508,962	190,973
		<u>17,626,917</u>	<u>17,688,736</u>
Restricted funds excluding pension asset	16	17,626,917	17,688,736
Pension reserve	16	(836,000)	(1,425,000)
Total restricted funds	16	<u>16,790,917</u>	<u>16,263,736</u>
Unrestricted income funds	16	<u>321,589</u>	<u>345,687</u>
Total funds		<u><u>17,112,506</u></u>	<u><u>16,609,423</u></u>

The financial statements on pages 26 to 56 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



N Lapthorn
Chair of Trustees Date: 14/12/2023

The notes on pages 29 to 56 form part of these financial statements.

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	18	271,620	392,273
Cash flows from investing activities	19	(24,545)	(245,760)
Change in cash and cash equivalents in the year		247,075	146,513
Cash and cash equivalents at the beginning of the year		772,603	626,090
Cash and cash equivalents at the end of the year	20, 21	1,019,678	772,603

The notes on pages 29 to 56 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 and have concluded that the Academy 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 2023**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

• **Grants**

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

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

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

The Academy is benefiting from the ESFA's Priority Schools Building Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Academy controls through ownership the site where a development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

• **Donated fixed assets (excluding transfers on conversion or into the Academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies. The Trust has been the recipient of a new school building, through the Priority Schools Building Programme (PSBP), this income is shown within restricted fixed asset donations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

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**

This 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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long term leasehold land and buildings	- 2% Straight line/Term of the lease
Furniture and equipment	- 20% 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 and reclassified to freehold or leasehold land and buildings.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

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.

1.8 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

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 bases 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.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15.

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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.11 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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 the 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.

1.13 OPERATING LEASES

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	3,926	98,426	-	102,352	13,687,599
Capital Grants	-	-	67,377	67,377	19,407
TOTAL 2023	3,926	98,426	67,377	169,729	13,707,006
TOTAL 2022	17,389	98,733	13,590,884	13,707,006	

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the Academy's educational operations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
EDUCATION				
DFE/ESFA GRANTS				
General Annual Grant	-	5,320,074	5,320,074	5,030,535
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	173,908	173,908	158,445
Rates	-	24,474	24,474	-
Mainstream Schools Additional Grant	-	80,514	80,514	-
Catering FSM	-	137,368	137,368	21,813
School Supplementary Grant	-	159,647	159,647	87,783
	-	5,895,985	5,895,985	5,298,576
OTHER GOVERNMENT GRANTS				
High Needs	-	128,526	128,526	74,513
Other	-	64,968	64,968	111,975
	-	193,494	193,494	186,488
OTHER INCOME FROM EDUCATIONAL OPERATIONS	195,812	-	195,812	196,650
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Other ESFA Covid Income	-	68,259	68,259	38,969
	-	68,259	68,259	38,969
COVID-19 ADDITIONAL FUNDING (NON-DFE/ESFA)				
Other COVID Income	-	-	-	1,838
	-	-	-	1,838
TOTAL EDUCATION	195,812	6,157,738	6,353,550	5,722,521
	195,812	6,157,738	6,353,550	5,722,521
TOTAL 2022	196,650	5,525,871	5,722,521	

During the year, the Academy received £43,608 of Recovery Premium. Expenditure incurred in the year in respect of this grant totalled £43,608 and was fully spent at the year end.

During the year, the Academy received £24,651 of School Led Tutoring funding. Expenditure incurred in the year in respect of this grant totalled £24,651 and was fully spent at the year end.

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
External catering	4,939	4,939	91,582
Other	20,102	20,102	14,328
TOTAL 2023	25,041	25,041	105,910
TOTAL 2022	105,910	105,910	

6. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	93	93	100
TOTAL 2022	100	100	

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. EXPENDITURE

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Expenditure on fundraising trading activities:	-	-	20,327	20,327	16,218
EDUCATION:					
Direct costs	3,945,617	327,321	647,644	4,920,582	11,047,525
Support costs	968,291	188,512	647,618	1,804,421	1,776,304
TOTAL 2023	4,913,908	515,833	1,315,589	6,745,330	12,840,047
TOTAL 2022	5,015,824	524,069	7,300,154	12,840,047	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	4,920,582	1,804,421	6,725,003	12,823,829
TOTAL 2022	11,047,525	1,776,304	12,823,829	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Total funds 2023 £	Total funds 2022 £
Pension finance cost	59,000	83,000
Staff costs	3,851,754	3,697,202
Depreciation	426,030	275,156
Educational supplies	265,427	213,655
Examination fees	86,307	83,753
Staff development	8,481	7,102
Other costs	129,720	138,413
Supply teachers	93,863	155,489
Impairment to property not in use	-	6,393,755
TOTAL 2023	4,920,582	11,047,525

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2023 £	Total funds 2022 £
Staff costs	968,291	1,163,133
Depreciation	47,337	32,238
Other costs	17,057	5,990
Recruitment and support	28,307	34,169
Maintenance of premises and equipment	83,592	66,356
Cleaning	33,302	22,163
Rent and rates	44,494	30,264
Energy costs	127,162	56,807
Insurance	22,015	19,701
Security and transport	11,590	12,409
Catering	200,485	184,242
Technology costs	122,581	82,473
Office overheads	6,510	11,732
Legal and professional	49,930	15,558
Bank interest and charges	5,002	4,901
Governance	36,766	34,168
TOTAL 2023	1,804,421	1,776,304

9. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2023 £	2022 £
Operating lease rentals	43,909	24,771
Depreciation of tangible fixed assets	327,321	307,394
Auditors' remuneration for:		
- audit	13,500	11,500
- other services	2,415	2,825

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	3,603,571	3,380,691
Social security costs	347,003	342,521
Pension costs	868,603	1,137,123
	<u>4,819,177</u>	<u>4,860,335</u>
Agency staff costs	93,863	155,489
Staff restructuring costs	868	-
	<u>4,913,908</u>	<u>5,015,824</u>

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	868	-
	<u>868</u>	<u>-</u>

b. STAFF NUMBERS

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

	2023 No.	2022 No.
Teachers	59	55
Administration and support	60	54
Senior leadership team	10	9
	<u>129</u>	<u>118</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. STAFF (CONTINUED)

b. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	48	51
Administration and support	45	46
Senior leadership team	10	9
	<u>103</u>	<u>106</u>

c. HIGHER PAID STAFF

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	3	-
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy 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 £344,470 (2022: £385,993).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 August 2023, expenses totalling £NIL were reimbursed to no Trustees (2022 - £NIL).

The Headteacher only receives remuneration in respect of services they provide undertaking their roles of headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. The value of Trustees' remuneration and other benefits was as follows: M Williams: Remuneration £30,000 - £35,000 (2022: £85,000 - £90,000), Employer's pension contributions £5,000 - £10,000 (2022: £20,000 - £25,000) and J Eddy: Remuneration £60,000 - £65,000 (2022: £Nil), Employer's pension contributions £10,000 - £15,000 (2022: £Nil).

Other related party transactions involving the Trustees are set out in note 27.

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy has opted into the Department of 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 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.

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2022	26,428,079	285,061	336,419	19,627	27,069,186
Additions	26,086	18,094	47,835	-	92,015
Disposals	(6,393,755)	-	-	-	(6,393,755)
At 31 August 2023	20,060,410	303,155	384,254	19,627	20,767,446
DEPRECIATION					
At 1 September 2022	8,991,747	246,810	248,977	19,627	9,507,161
Charge for the year	386,364	17,241	69,762	-	473,367
On disposals	(6,393,755)	-	-	-	(6,393,755)
At 31 August 2023	2,984,356	264,051	318,739	19,627	3,586,773
NET BOOK VALUE					
At 31 August 2023	17,076,054	39,104	65,515	-	17,180,673
At 31 August 2022	17,436,332	38,251	87,442	-	17,562,025

Included in land and buildings is the disposal of £6,393,755 which relates to the old school building which has now been demolished. This was fully impaired in the previous financial year and therefore this has no impact on the balance sheet in the year ended 31 August 2023.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

14. DEBTORS

	2023 £	2022 £
DUE WITHIN ONE YEAR		
Trade debtors	59,908	28,674
Other debtors	25,109	10,841
Prepayments and accrued income	76,390	69,788
VAT recoverable	43,872	124,375
	<u>205,279</u>	<u>233,678</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	99,398	270,002
Other taxation and social security	84,904	77,666
Other creditors	122,791	119,451
Accruals and deferred income	150,031	66,764
	<u>457,124</u>	<u>533,883</u>

	2023 £	2022 £
DEFERRED INCOME		
Deferred income at 1 September 2022	5,137	10,615
Resources deferred during the year	6,871	5,137
Amounts released from previous periods	(5,137)	(10,615)
Deferred Income at 31 August 2023	<u>6,871</u>	<u>5,137</u>

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

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. STATEMENT OF FUNDS

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
General funds	281,425	224,872	(247,426)	-	-	258,871
Unrestricted fixed assets	64,262	-	(1,544)	-	-	62,718
	<u>345,687</u>	<u>224,872</u>	<u>(248,970)</u>	<u>-</u>	<u>-</u>	<u>321,589</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	183,236	5,320,074	(4,969,665)	(24,683)	-	508,962
Free school meals	-	137,368	(137,368)	-	-	-
Pupil premium	-	181,059	(181,059)	-	-	-
High needs	-	128,526	(128,526)	-	-	-
External visits	7,737	98,426	(106,163)	-	-	-
Other government grants	-	311,314	(311,314)	-	-	-
COVID catch up premium	-	21,873	(21,873)	-	-	-
Other COVID grants & support	-	16,949	(16,949)	-	-	-
PFSA	-	40,575	(40,575)	-	-	-
Pension reserve	(1,425,000)	-	(111,000)	-	700,000	(836,000)
	<u>(1,234,027)</u>	<u>6,256,164</u>	<u>(6,024,492)</u>	<u>(24,683)</u>	<u>700,000</u>	<u>(327,038)</u>

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	1,259,787	-	(323,149)	-	-	936,638
Fixed assets purchased from GAG	397,199	-	(97,260)	24,683	-	324,622
Academy Capital Maintenance Grant	1,471,739	-	(2,218)	-	-	1,469,521
Devolved Capital grant	60,544	57,377	(40,841)	-	-	77,080
Local authority - classroom build	729,992	-	(1,972)	-	-	728,020
Donations	7,025	10,000	(6,428)	-	-	10,597
Priority School Building Programme	13,571,477	-	-	-	-	13,571,477
	<u>17,497,763</u>	<u>67,377</u>	<u>(471,868)</u>	<u>24,683</u>	<u>-</u>	<u>17,117,955</u>
TOTAL RESTRICTED FUNDS	<u>16,263,736</u>	<u>6,323,541</u>	<u>(6,496,360)</u>	<u>-</u>	<u>700,000</u>	<u>16,790,917</u>
TOTAL FUNDS	<u>16,609,423</u>	<u>6,548,413</u>	<u>(6,745,330)</u>	<u>-</u>	<u>700,000</u>	<u>17,112,506</u>

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

Unrestricted funds

General funds - Funds freely available for general purposes.

Unrestricted fixed assets - Fixed assets purchased from unrestricted funds.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. STATEMENT OF FUNDS (CONTINUED)

Free School Meals - Income received from the ESFA to cover costs to provide free school meals for pupils.

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.

External visits - Funds raised for student trips.

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.

COVID catch up premium - Funding to support children to catch up on missed learning caused by coronavirus.

Other COVID grants and support - Funding received from to cover exceptional costs incurred during the coronavirus pandemic.

PFSA -

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

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 school assets.

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

Donations - These were received from third parties for direct expenditure on fixed asset projects.

Priority School Building Programme - This represents a donated building completed under the ESFA Priority School Building Programme.

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

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. STATEMENT OF FUNDS (CONTINUED)

Other Information

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General funds	254,987	320,049	(293,611)	-	-	281,425
Unrestricted fixed assets	65,761	-	(1,499)	-	-	64,262
	<u>320,748</u>	<u>320,049</u>	<u>(295,110)</u>	<u>-</u>	<u>-</u>	<u>345,687</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	141,554	5,030,535	(4,762,865)	(225,988)	-	183,236
Free school meals	-	21,813	(21,813)	-	-	-
Pupil premium	-	154,928	(154,928)	-	-	-
High needs	-	74,513	(74,513)	-	-	-
External visits	35,484	98,733	(126,480)	-	-	7,737
Other government grants	-	182,011	(182,011)	-	-	-
COVID catch up premium	45,606	20,909	(66,515)	-	-	-
Other COVID grants & support	-	41,162	(41,162)	-	-	-
Pension reserve	(4,925,000)	-	(415,000)	-	3,915,000	(1,425,000)
	<u>(4,702,356)</u>	<u>5,624,604</u>	<u>(5,845,287)</u>	<u>(225,988)</u>	<u>3,915,000</u>	<u>(1,234,027)</u>

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	7,830,645	-	(6,570,858)	-	-	1,259,787
Fixed assets purchased from GAG	241,832	-	(70,621)	225,988	-	397,199
Academy Capital Maintenance Grant	1,514,244	-	(42,505)	-	-	1,471,739
Devolved Capital grant	48,010	19,407	(6,873)	-	-	60,544
Local authority - classroom build	731,964	-	(1,972)	-	-	729,992
Donations	13,846	-	(6,821)	-	-	7,025
Priority School Building Programme	-	13,571,477	-	-	-	13,571,477
	<u>10,380,541</u>	<u>13,590,884</u>	<u>(6,699,650)</u>	<u>225,988</u>	<u>-</u>	<u>17,497,763</u>
TOTAL RESTRICTED FUNDS	<u>5,678,185</u>	<u>19,215,488</u>	<u>(12,544,937)</u>	<u>-</u>	<u>3,915,000</u>	<u>16,263,736</u>
TOTAL FUNDS	<u><u>5,998,933</u></u>	<u><u>19,535,537</u></u>	<u><u>(12,840,047)</u></u>	<u><u>-</u></u>	<u><u>3,915,000</u></u>	<u><u>16,609,423</u></u>

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	62,718	-	17,117,955	17,180,673
Current assets	715,995	508,962	-	1,224,957
Creditors due within one year	(457,124)	-	-	(457,124)
Defined benefit pension scheme liability	-	(836,000)	-	(836,000)
TOTAL	321,589	(327,038)	17,117,955	17,112,506

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	64,262	-	17,497,763	17,562,025
Current assets	311,675	694,606	-	1,006,281
Creditors due within one year	(30,250)	(503,633)	-	(533,883)
Defined benefit pension scheme liability	-	(1,425,000)	-	(1,425,000)
TOTAL	345,687	(1,234,027)	17,497,763	16,609,423

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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

	2023 £	2022 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(196,917)	6,695,490
ADJUSTMENTS FOR:		
Depreciation	473,367	307,394
Capital grants from DfE and other capital income	(67,377)	(19,407)
Interest receivable	(93)	(100)
Defined benefit pension scheme cost less contributions payable	52,000	332,000
Defined benefit pension scheme finance cost	59,000	83,000
Decrease/(increase) in debtors	28,399	(93,608)
Increase/(decrease) in creditors	(76,759)	265,226
Impairment to asset no longer in use	-	6,393,755
Donated assets under the Priority School Building Programme	-	(13,571,477)
NET CASH PROVIDED BY OPERATING ACTIVITIES	271,620	392,273

19. CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £	2022 £
Interest receivable	93	100
Purchase of tangible fixed assets	(92,015)	(265,267)
Capital grants from DfE Group	67,377	19,407
NET CASH USED IN INVESTING ACTIVITIES	(24,545)	(245,760)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand and at bank	1,019,678	772,603
TOTAL CASH AND CASH EQUIVALENTS	1,019,678	772,603

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	772,603	247,075	1,019,678
	772,603	247,075	1,019,678

22. CAPITAL COMMITMENTS

	2023 £	2022 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	4,179	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2019.

Contributions amounting to £92,541 were payable to the schemes at 31 August 2023 (2022 - £89,097) and are included within creditors.

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.60% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027.

The employer's pension costs paid to TPS in the year amounted to £578,682 (2022 - £544,999).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £301,000 (2022 - £291,000), of which employer's contributions totalled £239,000 (2022 - £233,000) and employees' contributions totalled £ 62,000 (2022 - £58,000). The agreed contribution rates for future years are 24.4 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

	2023	2022
	%	%
Rate of increase in salaries	4.40	4.50
Rate of increase for pensions in payment/inflation	2.90	3.00
Discount rate for scheme liabilities	5.35	4.25
Inflation assumption (CPI)	2.90	3.00

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

	2023	2022
	Years	Years
RETIRING TODAY		
Males	21.1	21.4
Females	22.9	23.2
RETIRING IN 20 YEARS		
Males	22.3	22.6
Females	24.3	24.6

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

	2023 £000	2022 £000
Discount rate +0.1%	(89)	(114)
Discount rate -0.1%	91	116
Mortality assumption - 1 year increase	151	166
Mortality assumption - 1 year decrease	(147)	(161)
CPI rate +0.1%	89	110
CPI rate -0.1%	(87)	(108)

SHARE OF SCHEME ASSETS

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

	At 31 August 2023 £	At 31 August 2022 £
Equities and gilts	3,496,000	2,998,000
Gilts	145,000	163,000
Other bonds	472,000	365,000
Property	367,000	370,000
Cash	133,000	181,000
TOTAL MARKET VALUE OF ASSETS	4,613,000	4,077,000

The actual return on scheme assets was £69,000 (2022 - £(225,000)).

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

	2023 £	2022 £
Current service cost	(291,000)	(565,000)
Interest income	174,000	66,000
Interest cost	(233,000)	(149,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(350,000)	(648,000)

KINGSMEAD ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. PENSION COMMITMENTS (CONTINUED)

Changes in the present value of the defined benefit obligations were as follows:

	2023 £	2022 £
Opening defined benefit obligation	(3,577,000)	-
Current service cost	291,000	565,000
Interest cost	233,000	149,000
Employee contributions	-	58,000
Actuarial losses/(gains)	(524,000)	(4,140,000)
Benefits paid	-	(209,000)
Closing defined benefit obligation	(3,577,000)	(3,577,000)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2023 £	2022 £
Opening fair value of scheme assets	(77,000)	-
Interest income	-	69,000
Actuarial losses/gains	176,000	(225,000)
Employer contributions	239,000	233,000
Employee contributions	-	58,000
Benefits paid	-	(209,000)
Administrative expenses	-	(3,000)
Closing fair value of scheme assets	338,000	(77,000)

24. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	As restated 2022 £
Not later than 1 year	38,870	43,909
Later than 1 year and not later than 5 years	107,792	146,662
	146,662	190,571

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

25. 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.

26. GENERAL INFORMATION

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

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions

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