

Company Registration No. 07702460 (England and Wales)

KENSINGTON ALDRIDGE ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020



KENSINGTON ALDRIDGE ACADEMY

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KENSINGTON ALDRIDGE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Sir R Aldridge
B Thomas
M May - Chair of Governors
Cllr E Will
R Benton (appointed 14 October 2020)

Governors

M May (Chair of Governors)
Sir R Aldridge
A Balon
D Benson (Accounting Officer)
N Boujettef
J Brown
Sir M Cockell (RBKC Co-Sponsor)
D Hadley (Chair Education Committee)
S Harrison
L Morris
R Oyewole
M Paulson (Chair Business Committee)
S Smith (Resigned 23 September 2020)
J Weerasinghe (Resigned 9 December 2019)
Cllr E Will (RBKC Co-Sponsor)

Senior leadership team

D Benson - Principal
R Bernard - Assistant Principal
J Clayton - Assistant Principal
N Dumigan - Assistant Principal
C Fisher - Assistant Principal (resigned 18 April 2020)
L Weeks - Finance Director
A Jordan - Senior Vice Principal
B Malik - Assistant Principal (resigned 31 August 2020)
R Pavey - Vice Principal (resigned 31 August 2020)

Company secretary

L Weeks

Company registration number

07702460 (England and Wales)

Registered office

Kensington Aldridge Academy
1 Silchester Road
London
W10 6EX

KENSINGTON ALDRIDGE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Azets Audit Services
5th Floor
Ashford Commercial Quarter
1 Dover Place
Ashford
Kent
TN23 1FB

Bankers

Lloyds Bank PLC
39 Piccadilly
Mayfair
London
W1J 0AA

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in North Kensington.

These financial statements cover the sixth year of operation with the school now covering all seven year groups totalling approximately 1,150 pupils.

The academy trust is sponsored by Aldridge Education. The Co-Sponsors are the Royal Borough of Kensington & Chelsea. In addition, the academy trust has four education partners: Charterhouse School, Godolphin and Latymer School, The Royal Academy of Dance and The London Academy of Music and Dramatic Art.

Structure, governance and management

Constitution

The Academy trust is a company limited by guarantee with no share capital (registration no. 7702460) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy trust. The Governors act as the directors of the limited company known as Kensington Aldridge Academy and are also the trustees for the charitable company.

The Academy trust opened in 2014 and its first student intake was on 1 September 2014.

The Governors are the trustees of Kensington Aldridge Academy and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

In accordance with normal commercial practice, the Academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy trust business. The insurance provides cover up to £1,000,000 on any one claim.

Method of recruitment and appointment or election of Governors

The Lead Sponsor (Aldridge Education) may appoint up to four Lead Sponsor Governors and may appoint itself as a Sponsor Governor. The Royal Borough of Kensington & Chelsea as Co-Sponsor may appoint up to two Governors. Up to 2 staff governors may be appointed. Up to 1 LA governor may be appointed. Up to two parent Governors shall be elected by parents of the registered pupils at the Academy. The Principal is treated for all purposes as being an ex-officio Governor.

The term of office for any Governor shall be four years, this shall not apply to the principal or the Lead Sponsor (during any period that the Lead Sponsor is a Governor). Every person nominated to become a member of the trust shall either sign a written consent to become a member or shall sign the register of members.

Policies and procedures adopted for the induction and training of Governors

The Chair of Governors and representatives of the Lead Sponsor meet with all new Governors to discuss their roles and responsibilities at the Academy prior to appointment. Appointments are made based on skills and competencies aligned to the Academy's requirements. All governors are given an induction plan which includes the online GEL training and additional training as required.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The Board of Governors has ultimate responsibility for the Academy's finances and delegates elements of these to the Business Committee and Education Committee as set out in the Academy Financial Regulations and Scheme of Delegation.

The Business Committee terms of reference, which serves as the Audit and Risk Committee for the Trust, include consideration of strategic direction of the Academy and advises the Board accordingly. It is responsible for monitoring the financial performance and operational plans of the Academy. It also directs the internal scrutiny activities of the Trust and regularly reviews the risk register.

The Education Committee terms of reference includes monitoring the quality of the curriculum delivery, safeguarding and educational outcomes for pupils.

The Principal is the designated Accounting Officer and is responsible to the Business Committee and Sponsors' representatives for ensuring the financial administration of the Academy's affairs in accordance with the Funding Agreement and Scheme of Delegation.

The day to day financial administration is the responsibility of the Finance Director who is responsible to the Principal. The Finance Director will advise vice-principals and curriculum leaders on the financial systems operating within their departments and has the authority to delegate operational processes to the finance team. The vice-principals are responsible for the delivery of the curriculum within their subject areas and are accountable to the Principal.

Decisions are made at Senior Leadership Team (SLT) meetings and reported to the Board of Governors via sub-committees for approval. The Senior Leadership Team (SLT) consists of Principal, 1 Senior Vice Principal, 1 Vice Principal, 5 Assistant Principals and Finance Director.

The Extended Senior Leadership includes Directors of Learning for each year group, and the Directors of English, Maths and Science.

Arrangements for setting pay and remuneration of key management personnel

All personnel are subject to the KAA performance management process which includes half yearly reviews to assess performance against objectives and to determine any changes to pay. The governors' pay review committee – a sub-committee of the academy's business committee - reviews recommendations from the Principal and approves all pay increases for staff as part of the annual review cycle. Pay for key management personnel is benchmarked against national pay and conditions for teachers and school leaders and the school pay scales broadly mirror national pay scales.

Related parties and other connected charities and organisations

The Academy is connected to Aldridge Education by virtue of the Trust's sponsorship of the Academy as well as the Royal Borough of Kensington & Chelsea who are co-sponsors.

Objectives and activities

Objects and aims

KAA is a relatively new school with very high ambitions. We aim to become one of the top academies in the UK by delivering an outstanding education to all our students so that, irrespective of their starting points, they can go on to excellent achievement at GCSE and post-16.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, strategies and activities

At KAA we aim to:

- Create a culture of high aspirations, high motivation and high achievement for all
- Build a strong community based on fairness and personal responsibility
- Welcome, value and respect all who come in the school
- Be reflective and committed to our ongoing development as teachers and leaders, in our continuous strive for excellence
- Promote positive dialogue and partnership with our community

Core Values

Excellence: We aspire to greatness not only in academics, but in everything we do. Whether it be sport, music, drama, or simply our general attitude and behaviour – we aim to be the best we can be.

Resilience: We love a challenge, and understand that setbacks and mistakes are just opportunities to improve. Our abilities aren't fixed – some things take more time to learn but we will master them eventually.

Creativity: In lessons, new learning is always presented as a problem to be solved, and creativity and original thinking is rewarded. We encourage students to ask questions and develop a range of creative talents across the curriculum.

Citizenship: We put the needs of others before our own, knowing that a strong community spirit will benefit us all. Together we are greater than the sum of our parts.

KAA is committed to provide employment equality to all, irrespective of:

- Gender, marital, civil partnership or family status
- Pregnancy or maternity leave
- Sexual orientation
- Gender reassignment
- Racial group (to include colour, race, nationality, ethnic or national origin)
- Age
- Disability
- Trade union membership or non-membership
- Criminal record (a person's criminal record will be seen within the context of the post, the ability to do the job and the employers responsibility for child protection, for the care of funds, resources, the public and other employees. Only offences relevant to the post in question will be considered.)
- Religious belief and political opinion

KAA is committed to encouraging and achieving a working environment which is underpinned by fairness, where equality and diversity are recognised, encouraged and valued and the concept of individual responsibility is accepted by all.

Selection for employment and advancement will be on the basis of suitability, qualifications and aptitude to carry out the duties of the post. Eligibility criteria for all posts will reflect the ethos of the academy.

The Governing Body will positively promote and rigorously observe the objectives and principles set out in this statement and are committed to implementing policies to promote equality of opportunity within the academy.

The Governing Body recognise that the provision of equal opportunities within the work place is not only good management practice but also makes sound business sense.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities.

In particular, the members consider how planned activities will contribute to the aims and objectives they have set. As an academy, we have a duty to support other schools. We support these schools through use of our premises and specialist skills in a wide range of curriculum areas, data assessment and inclusion.

The Academy is a community school and follows the standard admissions policy within the Royal Borough of Kensington and Chelsea. 90% of places are non-selective and 10% of places are given through an aptitude test for performing and creative arts..

The Academy is supporting the Local Authority and local community by making its building available for lettings during evenings, weekend and school holidays where KAA hosts a wide range of activities including sports clubs, faith groups and holiday play schemes for younger children.

Strategic report

Achievements and performance

Kensington Aldridge Academy opened to students in September 2014 and as at September 2019 had around 1,150 students.

It is located in North Kensington, West London and serves a diverse community. In June 2017, the local community was badly affected by the fire at the Grenfell tower which is located immediately next to the school. Four current pupils and one former pupil died in the fire and dozens of students and school staff living in and around the tower were displaced from their homes.

Due to its proximity to the tower, the school building was closed for a full academic year and the school was temporarily relocated to a site approximately a mile from its North Kensington base. The building of the temporary school was undertaken by the Department for Education in conjunction with the Education and Skills Funding Agency (ESFA). The school received displacement funding from the ESFA to support additional necessary expenditure to open the new school, deliver summer activity programmes and make counselling and therapy services available for all staff, students and students' families.

The Board of Governors took the decision to return to the main school building in July 2018. During July and August, the school moved back home and re-opened for students on 5 September 2018.

The school was inspected by Ofsted in December 2017 and was rated 'Outstanding' in all categories.

In June 2018, the school was named TES Secondary School of the Year and received the Special Services to Education Award.

Outcomes at GCSE and A Level are consistently strong and further information about the school performance can be found on the KAA or DfE websites.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Implications of Covid 19

Following the national lock-down announcement KAA was closed to most students from 23 March 2020. The school had been preparing for this situation over the preceding weeks and a high quality system of on line learning, "Kaa@Home", for all students was already in place and ready to be made operational.

KAA had a large quantity of lap-tops in stock as a result of gifts made following the Grenfell Tower fire. Over 500 lap-tops were temporarily loaned to students who did not have a suitable device at home. We also received around 40 lap-tops from a Department of Education scheme, although these were only received after students had been at home for several weeks. We also implemented a scheme whereby short term broadband contracts were set up for families without access at home. This was generously funded by Latymer Upper School.

A small contingency school was set up in line with government guidance to cater for the children of key-workers and some vulnerable students. To start with numbers were low but they expanded as the programme went on until we had up to 50 vulnerable/SEN/key worker children in school each day.

During the second half of the summer term we also had a programme of face to face learning in school for year 12 and year 10 students. This was very well attended with over 90% eligible students attending. This meant that at total of between 100 and 150 students were in school in June and July (approx 10% of the overall number) – all with social distancing and other COVID secure measures.

During the summer holidays we also ran programmes for students in areas such as PE, Art, Drama and personal well- being, together with some academic catch up sessions. These summer programmes were only possible due to funding from KIT as well as a donation from the John Lyon's Charity. Attendance was high and they helped students re-accustom themselves with attending school.

Although the programme of online learning was high quality and comprehensive and teachers worked very hard to ensure all students engaged with the learning, it was clearly no substitute for normal teaching. Many of our students live in small, sometimes over- crowded, homes without suitable space and resources to do home learning. Most students did their best but inevitably there were some who did not engage in the way we would have hoped.

From September 2020 we reopened our temporary site as Scrubs Lane (KAA2) and moved the whole of year 7 and year 8 to this building. This move maximises social distancing and effective zoning both in the main school and in KAA2, and is making a massive difference to the smooth and safe operation of the academy this academic year. This move is expected to cost around £350k in 2020-21. This is being funded, with ESFA approval, from part of the insurance settlement that the school received after Grenfell.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

The key performance indicators reviewed at Governing Body meetings include Financial and Quality metrics. The Business Committee monitors income from the ESFA, budgets, forecasts, cash flow and capital expenditure. Financial KPIs form part of the monthly management accounts. Educational KPIs are monitored on an ongoing basis by the SLT and the Education Committee.

In December 2017, Ofsted conducted their first inspection of the school since opening in 2014 and judged the academy to be 'Outstanding' in all areas. Below is a summary of key findings:

"Leaders, governors and staff have the highest ambitions for pupils. Together, they have created a school where pupils are happy, safe and making excellent progress. What the school has achieved and sustained is remarkable".

"Senior leaders consistently review priorities, ensuring that subject leaders have the knowledge and skills to secure high standards in their own subjects. As a result, the quality of leadership at all levels is exceptional".

"Leaders have created a culture where the school's motto, 'Intrepidus' is at the heart of everything. It means to be bold, fearless and undaunted. In the words of a pupil, 'Intrepidus is a lifeline for us all, for our future lives'".

"Pupils live up to the school motto. They are hard-working, resilient and confident young people who are being fully prepared for life in modern Britain".

"Pupils' behaviour is excellent. They take great pride in their work and have highly positive attitudes to learning".

"Staff morale is exceptionally high. Staff enjoy working at the school and benefit from high quality training. Teachers new to the profession feel very well supported in settling into the school quickly and developing their practice".

"The curriculum is carefully designed and reflects the school's performing arts specialism. Leaders do their best to ensure that the option subjects at key stage 4 reflect pupils' aspirations".

"The teaching of the curriculum ensures that pupils develop a deep understanding of what they are learning. The sixth form is outstanding. Students make excellent progress overall, including the most able. Students are full of praise for the sixth form, including enrichment activities, work experience and careers advice".

"Pupils make outstanding progress in nearly all subjects. This is because teachers use their excellent subject knowledge to plan effectively to meet pupils' different needs and abilities".

"Teachers fully support pupils to develop the skills needed to be successful in their different subjects. Leaders have identified the need to improve outcomes further in design technology and computing science".

"Leadership of special educational needs (SEN) and/or disabilities, including of the resource base, is highly effective. Leaders monitor and support pupils' academic and emotional development fully. Leaders are aware of the need to improve training for supporting adults to ensure that there is consistently high-quality support for all pupils".

In June 2019 the school participated, at Ofsted's request, in a full pilot inspection of the new Ofsted framework (launched September 2019). We were one of only two schools in London selected for this and, whilst a pilot inspection does not generate an official report, the inspectors' findings were very strong and consistent with the official inspection in December 2017.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Governing Body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 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 ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants 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 expected useful life of the assets concerned.

During the year ended 31 August 2020, all expenditure was authorised to enable the pupils to meet their targets, this includes support for our pupils in the Autism Unit and additional resources for our high level of SEN students. The total expenditure for the year was £11,358k (2019: £11,502k).

The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £332k (2019: £855k).

At 31 August 2020 the net book value of fixed assets was £39,924k (2019: £40,138k) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Royal Borough of Kensington and Chelsea Pension Fund, in which the Academy participates, showed a deficit of £1,387k (2019: £989k) at 31 August 2020, apportioned to the Academy.

Covid 19 – implications for school finances

Covid 19 bought some additional costs in enhanced cleaning, PPE and other similar equipment and adaptations. It also led to a loss of around £50k in external income from lettings. There was also £12k additional costs in providing free school meal vouchers before the national scheme was set up.

However, there were also areas where savings were made such as hire of external PE facilities, printing and reprographics, books and resources and agency staff. We also received refunds from the exam boards after the cancellation of exams.

Overall we estimate that the net saving to KAA was around £40k.

As such Covid 19 had no effect on the short or long term viability of the school or of its reserves policy. There may be implications for defined benefit pension liabilities over the long term given the fall in stock markets and general economic uncertainty, but currently it is too early to accurately quantify this.

Covid 19 bought an end to almost all of our externally funded enrichment. However, we expect this programme, largely funded by KIT, to resume in 2020-21 assuming wider restrictions are eased.

Reserves policy

The Governors 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. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified. The Academy are looking to establish relevant reserves to ensure that we can maintain educational outcomes for pupils and the infrastructure of the Academy including the quality of our building and specialist equipment.

The Governors have determined that the appropriate level of unrestricted reserves should be equivalent to four week's expenditure, approximately £790k (2019: £885k). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants, to provide for future capital investment and to provide for unexpected emergencies such as urgent maintenance. The Academy's current level of reserves is £285k (2019: £95k). The Academy will continually review their reserves on an annual basis.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Academy held fund balances at 31 August 2020 of £40,045k (2019: £40,637k) comprising £39,760k of restricted funds (2019: £40,542k) and £285k of unrestricted funds (2019: £95k). Of the restricted funds £39,924k is represented by tangible fixed assets (2019: £40,138k) and £1,223k of restricted income funds in respect of insurance and displacement funding (2019: £1,393k).

The pension reserve which is considered part of restricted funds was £1,387k in deficit (2019: £989k).

Investment policy

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities, financial sustainability and other operational areas of the Academy. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas including quality of teaching, financial management, safeguarding, health and safety, and bullying. The Governors have introduced systems, including operational procedures and internal controls in order to minimise risk. Where significant risk still remains they have ensured they have adequate systems and processes in place to mitigate these including insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 13. The main risks identified by the governing body are noted below:

Funding changes & financial viability

The main risk identified is the future level of funding per pupil which is subject to change as part of the national funding formula review being proposed by government.

KAA is preparing its strategic mid to long term financial plans anticipating lower funding levels and ensuring that additional income targets and spending plans are adjusted to reflect this and ensure the future viability of the school whilst continuing to deliver an outstanding programme of teaching and learning together with academic enrichment opportunities for all students.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Safeguarding of our students

KAA, its staff and Governors, are committed to safeguarding the welfare of our pupils and to providing a safe environment with robust systems to ensure the safety and healthy development of all our pupils within the academy and on related academy trips and other activities.

Everyone working for KAA shares the objective of helping to keep children and young people safe by ensuring that KAA provides an environment in which children and young people can learn and develop and identifying children and young people who are suffering or likely to suffer abuse and taking appropriate action with the aim of making sure that they are kept safe both at home and in school.

We recognise that some children may be especially vulnerable to abuse. We are committed to doing our best to identify such children and to working with the appropriate authorities to support and safeguard them. We are committed to providing all our pupils with a safe learning environment, free of bullying and other forms of harassment, and to teaching pupils to act safely in and outside Academy and on the internet. We will always take a considered and sensitive approach in order to support all our students.

Ofsted noted that:

"The arrangements for safeguarding are effective".

"Leaders know pupils well and the risks posed by the surrounding community, for example in relation to gang affiliation, knife crime and radicalisation. They think carefully about how best to educate pupils in relation to these risks. An example of this is the school's education package on female genital mutilation. Leaders educate pupils in all year groups about female genital mutilation in a sensitive, yet purposeful, way. As a result, pupils learn how to keep themselves safe and manage risks to their welfare. Parents agree that their children are safe at school and well looked after".

"Leaders have clear procedures for training staff and check that they have the knowledge to spot and report any concerns that they may have about a pupil. Leaders are quick to deal with these concerns, including following up promptly and where necessary with external agencies. A range of effective early help and counselling are used by the school to meet pupils' needs. Leaders' record-keeping of safeguarding concerns are fit for purpose".

"The challenges of helping pupils and staff manage the emotional and psychological consequences of the aftermath of the Grenfell Tower fire have been carefully managed. Counselling and therapeutic sessions for staff and pupils continue so as to ensure that effective support is provided".

Our People

The success of the Academy is dependent not only on having a highly motivated student population but also on attracting and retaining outstanding teaching and support staff.

To do this, KAA invests extensively in Continuing Professional Development (CPD) for all of our staff through internal and external training, observations and feedback together with robust performance management and active governing body membership.

Ofsted inspectors remarked that "Teachers have excellent subject knowledge. They use it to plan carefully and select activities that enable pupils to think deeply about their learning. As a result, pupils have a thorough understanding of the topics they study and use sophisticated subject terminology when they talk about their work".

COVID-19

The Covid-19 risk was upgraded from Moderate to High to reflect the ongoing challenging wider environment with regards to R-rates and focus on mitigating risks associated with the virus.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The Academy Trust does not employ professional fundraisers to raise funds on its behalf. However, in November 2017, a group of the school's governors established the KAA Intrepidus Trust (KIT) which aims to broaden the horizons of KAA pupils by providing opportunities which equal the best that can be found anywhere in the country through the delivery of an ambitious programme of performing and creative arts, life skills, academic and sporting enrichments.

In May 2019 KIT held a major fundraising event which raised a significant amount. These funds have been invested in a KIT Endowment fund to provide long term support to KAA for enrichment and other areas which cannot be met from the school's core funding.

Streamlined energy and carbon reporting

As the Academy trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for future periods

The Academy will continue striving to improve and develop its provision for students at all ages and will continue its efforts to ensure all students reach their full potential and achieve well above national expectations.

The principal strategic priorities for the academic year 2020/2021 are outlined below:

1. Ensure that pupil numbers continue to be at capacity to achieve maximum budget allocations.
2. Ensure that progress and attainment outcomes for all students in all Key Stages are outstanding.
3. Set clear and ambitious standards for Teaching and Learning to deliver 100% good or outstanding teaching.
4. Maintain and evolve our culture of enrichment.
5. Ensure that whole school attendance is in line with national expectations and maintain high expectations for behaviour.
6. Promote a safe environment for all staff and students with safeguarding and prevent strategies embedded effectively to support development.

Auditor

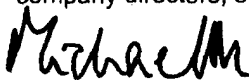
In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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.

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

On 7 September 2020 Group Audit Services Limited, trading as Wilkins Kennedy Audit Services, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 8/12/20 and signed on its behalf by:



.....
M May
Chair of Governors

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Kensington Aldridge 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 Governing Body has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kensington Aldridge Academy and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows. It should be noted that R Oyewole was on maternity leave during the year, hence her meeting attendance detailed below.

Governors	Meetings attended	Out of possible
M May (Chair of Governors)	4	4
Sir R Aldridge	3	4
A Balon	3	4
D Benson (Accounting Officer)	4	4
N Boujettef	3	4
J Brown	4	4
Sir M Cockell (RBKC Co-Sponsor)	3	4
D Hadley (Chair Education Committee)	4	4
S Harrison	3	4
L Morris	4	4
R Oyewole	0	4
M Paulson (Chair Business Committee)	4	4
S Smith (Resigned 23 September 2020)	2	4
J Weerasinghe (Resigned 9 December 2019)	0	0
Cllr E Will (RBKC Co-Sponsor)	2	4

During the year the Full Governing Body met four times. The Governing Body also delegates responsibilities to two committees: Education Committee and Business Committee, who are able to look in details at specific areas of the Academy's operations and report back to full Governors if required. Governors also have an annual strategy day. For this reason The Governing Body do not feel they need to meet for the recommended six times per year. The Governing Body also set up two ad hoc committees: Covid 19 working group and Succession Planning working group.

The Business Committee is a sub-committee of the main Governing Body. Its purpose is to:

- Receive and review three year financial plans together with in-year budgets and forecasts
- Receive and review monthly management accounts and key financial performance indicators
- Receive and review statutory financial accounts
- Receive and review internal and external audit report and risk register

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Sir R Aldridge	3	3
A Balon	3	3
D Benson (Accounting Officer)	3	3
J Brown	3	3
Sir M Cockell (RBKC Co-Sponsor)	2	3
M Paulson (Chair Business Committee)	3	3

Review of value for money

As accounting officer the Principal has responsibility for ensuring that the Academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the 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 when appropriate.

The accounting officer for the academy trust has delivered improved value for money during the year by:

- Negotiating discounts with regular suppliers
- Utilisation of partnerships through shared training and resources
- Tight budget control for all budget holders.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kensington Aldridge Academy for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Governors 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 Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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:

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Business 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 guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have utilised expertise available from the Academy's Lead Sponsor, Aldridge Education, to conduct an audit of financial systems and processes.

In September 2020, Buzzacott's were appointed as Internal Auditor.

Due to the Covid 19 restrictions a planned internal audit in summer term 2020 did not take place. However, an internal audit of key systems (payroll and supplier payments) did take place shortly after the year end in September 2020. In the previous year 2018-19 the school was subject to a review by an ESFA appointed School Resource Management Adviser.

No significant issues were highlighted during the internal audit visit held in September 2020.

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 lead sponsor;
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Governing Body on 8/12/20 and signed on its behalf by:


M May
Chair of Governors


D Benson
Accounting Officer

KENSINGTON ALDRIDGE ACADEMY

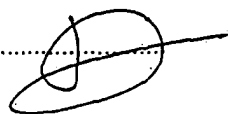
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Kensington Aldridge Academy, I have considered my responsibility to notify the Academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy trust's Governing Body are able to identify any material irregular or improper use of funds by the Academy trust, or material non-compliance with the terms and conditions of funding under the Academy trust's funding agreement and the Academies Financial Handbook 2019.

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

D Benson
Accounting Officer



KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Governors (who act as trustees for Kensington Aldridge Academy and are also the directors of Kensington Aldridge Academy for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 Governors to prepare accounts for each financial year. Under company law, the Governors must not approve the accounts 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 accounts, the Governors are required to:

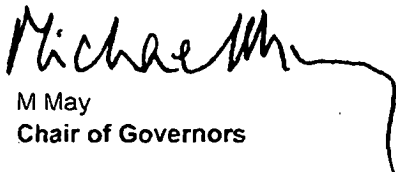
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 accounts 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 Governors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 8/12/20 and signed on its behalf by:


M May
Chair of Governors

KENSINGTON ALDRIDGE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENSINGTON ALDRIDGE ACADEMY

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Kensington Aldridge Academy for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The Governors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KENSINGTON ALDRIDGE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENSINGTON ALDRIDGE ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the Academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

KENSINGTON ALDRIDGE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENSINGTON ALDRIDGE ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

Michelle Wilkes FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

5 January 2021

5th Floor
Ashford Commercial Quarter
1 Dover Place
Ashford
Kent
TN23 1FB

KENSINGTON ALDRIDGE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 9 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kensington Aldridge Academy during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Kensington Aldridge Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kensington Aldridge Academy's funding agreement with the Secretary of State for Education dated 30 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

KENSINGTON ALDRIDGE ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KENSINGTON ALDRIDGE ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services Limited

Reporting Accountant

Azets Audit Services
5th Floor
Ashford Commercial Quarter
1 Dover Place
Ashford
Kent
TN23 1FB

Dated: ...5 January 2021

KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000's	Restricted funds: General Fixed asset £'000's £'000's	Total 2020 £'000's	Total 2019 £'000's
Income and endowments from:					
Donations and capital grants	4	8	183	24	215
Charitable activities:					
- Funding for educational operations	5	-	9,854	-	9,854
Other trading activities	6	351	310	-	661
Investments	7	5	-	-	5
Total		364	10,347	24	10,735
Expenditure on:					
Charitable activities:					
- Educational operations	9	174	10,869	315	11,358
Total	8	174	10,869	315	11,358
Net income/(expenditure)		190	(522)	(291)	(623)
Transfers between funds	18	-	(77)	77	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	31	-	31
Net movement in funds		190	(568)	(214)	(592)
Reconciliation of funds					
Total funds brought forward		95	404	40,138	40,637
Total funds carried forward		285	(164)	39,924	40,045

KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2019		funds	General	Fixed asset	2019
	Notes	£'000's	£'000's	£'000's	£'000's
Income and endowments from:					
Donations and capital grants	4	35	173	129	337
Charitable activities:					
- Funding for educational operations	5	-	9,133	-	9,133
Other trading activities	6	406	524	-	930
Investments	7	7	-	-	7
Total		448	9,830	129	10,407
Expenditure on:					
Charitable activities:					
- Educational operations	9	468	10,666	369	11,503
Total	8	468	10,666	369	11,503
Net expenditure					
		(20)	(836)	(240)	(1,096)
Transfers between funds	18	(87)	19	68	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(262)	-	(262)
Net movement in funds					
		(107)	(1,079)	(172)	(1,358)
Reconciliation of funds					
Total funds brought forward		201	1,483	40,310	41,994
Total funds carried forward		94	404	40,138	40,636

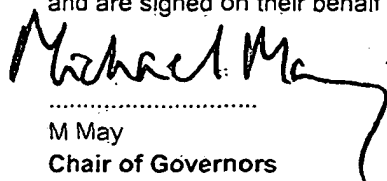
KENSINGTON ALDRIDGE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020	2019
	Notes	£'000's	£'000's
Fixed assets			
Tangible assets	13	39,924	40,138
Current assets			
Debtors	14	454	842
Investments	15	350	-
Cash at bank and in hand		1,513	1,484
		<u>2,317</u>	<u>2,326</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(809)	(839)
Net current assets		<u>1,508</u>	<u>1,487</u>
Net assets excluding pension liability		<u>41,432</u>	<u>41,625</u>
Defined benefit pension scheme liability	20	(1,387)	(989)
Total net assets		<u><u>40,045</u></u>	<u><u>40,636</u></u>
Funds of the Academy trust:			
Restricted funds	18		
- Fixed asset funds		39,924	40,138
- Restricted income funds		1,223	1,393
- Pension reserve		(1,387)	(989)
Total restricted funds		<u>39,760</u>	<u>40,542</u>
Unrestricted income funds	18	<u>285</u>	<u>94</u>
Total funds		<u><u>40,045</u></u>	<u><u>40,636</u></u>

The accounts on pages 23 to 46 were approved by the Governors and authorised for issue on 8/12/20 and are signed on their behalf by:


 M May
 Chair of Governors

Company Number 07702460

KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

		2020		2019
	Notes	£'000's	£'000's	£'000's
Cash flows from operating activities				
Net cash provided by/(used in) operating activities	21		450	(1,100)
Cash flows from investing activities				
Dividends, interest and rents from investments	5		7	
Capital grants from DfE Group	24		129	
Purchase of tangible fixed assets		(101)	(197)	
Purchase of investments		(350)	-	
Net cash used in investing activities			(422)	(61)
Net increase/(decrease) in cash and cash equivalents in the reporting period			28	(1,161)
Cash and cash equivalents at beginning of the year			1,484	2,645
Cash and cash equivalents at end of the year			1,512	1,484
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Figure should equal:			1,513	1,484

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Kensington Aldridge Academy is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

1.1 Basis of preparation

The accounts of the Academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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 period it is receivable and to the extent the Academy trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

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

Transfer of lease

On 1 September 2014 the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at 1 September 2014, the date of transfer. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy trust 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 trust's educational operations, including support costs and costs relating to the governance of the Academy trust apportioned to charitable activities.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Individual assets or a group of assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	Land not depreciated; buildings 2 -10%
Computer equipment	33%
Fixtures, fittings & equipment	25%

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.

1.6 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 trust 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.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 Investments

Current asset investments are stated at market value.

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

The Academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 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.

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The 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 are 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

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

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

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

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

LGPS

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 20, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy trust has not exceeded these limits during the year ended 31 August 2020.

4 Donations and capital grants

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2020 £'000's	Total 2019 £'000's
Capital grants	-	24	24	129
Other donations	8	183	191	208
	<u>8</u>	<u>207</u>	<u>215</u>	<u>337</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

5 Funding for the Academy trust's educational operations

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2020 £'000's	Total 2019 £'000's
DfE / ESFA grants				
General annual grant (GAG)	-	7,456	7,456	7,251
Other DfE group grants	-	1,550	1,550	1,302
	-	9,006	9,006	8,553
Other government grants				
Local authority grants	-	820	820	562
Other funding				
Other incoming resources	-	28	28	18
Total funding	-	9,854	9,854	9,133

6 Other trading activities

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2020 £'000's	Total 2019 £'000's
Hire of facilities	67	-	67	81
Catering income	174	-	174	222
Music tuition	17	-	17	15
Parental contributions	48	-	48	24
Insurance contributions	-	310	310	524
Other income	45	-	45	64
	351	310	661	930

7 Investment income

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2020 £'000's	Total 2019 £'000's
Short term deposits	5	-	5	7

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Expenditure

	Staff costs £'000's	Non-pay expenditure Premises £'000's	Other £'000's	Total 2020 £'000's	Total 2019 £'000's
Academy's educational operations					
- Direct costs	6,569	212	814	7,595	7,183
- Allocated support costs	1,917	1,226	620	3,763	4,320
	<u>8,486</u>	<u>1,438</u>	<u>1,434</u>	<u>11,358</u>	<u>11,503</u>
Net income/(expenditure) for the year includes:				2020 £'000's	2019 £'000's
Fees payable to auditor for:					
- Audit				8	10
- Other services				2	4
Depreciation of tangible fixed assets				315	369
Net interest on defined benefit pension liability				17	9
				<u></u>	<u></u>

9 Charitable activities

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2020 £'000's	Total 2019 £'000's
Direct costs				
Educational operations	-	7,595	7,595	7,183
Support costs				
Educational operations	174	3,589	3,763	4,320
	<u>174</u>	<u>11,184</u>	<u>11,358</u>	<u>11,503</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities

(Continued)

	2020 £'000's	2019 £'000's
Analysis of support costs		
Support staff costs	2,005	1,713
Depreciation	103	165
Premises costs	1,123	1,821
Legal costs	6	-
Other support costs	516	607
Governance costs	10	14
	<u>3,763</u>	<u>4,320</u>

10 Staff

Staff costs

Staff costs during the year were:

	2020 £'000's	2019 £'000's
Wages and salaries	6,220	5,909
Social security costs	648	611
Pension costs	1,459	993
	<u>8,327</u>	<u>7,513</u>
Staff costs - employees	8,327	7,513
Agency staff costs	159	176
Staff restructuring costs	-	19
	<u>8,486</u>	<u>7,708</u>
Staff development and other staff costs	135	175
	<u>8,621</u>	<u>7,883</u>
Total staff expenditure	<u>8,621</u>	<u>7,883</u>
Staff restructuring costs comprise:		
Redundancy payments	-	19
	<u>-</u>	<u>19</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	95	96
Administration and support	74	70
Management	9	10
	<u>178</u>	<u>176</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	1	2
£80,001 - £90,000	2	1
£140,001 - £150,000	1	1
	<u>8</u>	<u>8</u>

Key management personnel

The key management personnel of the Academy trust comprise the Governors 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 trust was £925k (2019: £991k).

11 Governors' remuneration and expenses

The Principal only receives remuneration in respect of services he provides undertaking his role of Principal and not in respect of his services as governor. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors. During the year, travel and subsistence payments totalling £609 (2019: £1,215) were reimbursed to the Principal (2019: 1 Governor, the Principal).

The value of Governors' remuneration, including pension contributions, was as follows:

D Benson (Principal):

- Remuneration £145,000 - £150,000 (2019: £145,000 - £150,000)
- Employer's pension contributions £30,000 - £35,000 (2019: £10,000 - £15,000)

R Oyewole (Staff governor):

- Remuneration £20,000 - £25,000 (2019: £10,000 - £15,000)
- Employer's pension contributions £Nil (2019: £Nil - £5,000)

Other related party transactions involving the Governors are set out within the related parties note.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Insurance for Governors and officers

In accordance with normal commercial practice, the Academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy trust business. The insurance provides cover up to £1m on any one claim and the cost for the year ended 31 August 2020 was £536 (2019: £536).

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000's	£'000's	£'000's	£'000's
Cost				
At 1 September 2019	40,935	1,345	305	42,585
Additions	76	8	17	101
At 31 August 2020	41,011	1,353	322	42,686
Depreciation				
At 1 September 2019	986	1,228	233	2,447
Charge for the year	212	73	30	315
At 31 August 2020	1,198	1,301	263	2,762
Net book value				
At 31 August 2020	39,813	52	59	39,924
At 31 August 2019	39,949	117	72	40,138

Land and building additions in the year relate to the replacement of balustrades and electrical work.

Land and buildings include land valued at £30,708,000.

14 Debtors

	2020 £'000's	2019 £'000's
Trade debtors	-	91
VAT recoverable	37	208
Other debtors	4	5
Prepayments and accrued income	413	538
	<u>454</u>	<u>842</u>

15 Current asset investments

Current asset investments relates to cash on deposit.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Creditors: amounts falling due within one year

	2020 £'000's	2019 £'000's
Trade creditors	286	316
Other taxation and social security	166	158
Other creditors	132	94
Accruals and deferred income	225	271
	<u>809</u>	<u>839</u>

17 Deferred income

	2020 £'000's	2019 £'000's
Deferred income is included within: Creditors due within one year	<u>166</u>	<u>101</u>
Deferred income at 1 September 2019	101	84
Released from previous years	(101)	(84)
Resources deferred in the year	<u>166</u>	<u>101</u>
Deferred income at 31 August 2020	<u>166</u>	<u>101</u>

At the balance sheet date the Academy Trust was holding funds received in advance for rates and unused donations.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

	Balance at 1 September 2019 £'000's	Income £'000's	Expenditure £'000's	Gains, losses and transfers £'000's	Balance at 31 August 2020 £'000's
Restricted general funds					
General Annual Grant (GAG)	-	7,456	(7,178)	(77)	201
Other DfE / ESFA grants	65	1,550	(1,551)	-	64
Other government grants	-	820	(820)	-	-
Other restricted funds	1,328	521	(891)	-	958
Pension reserve	(989)	-	(429)	31	(1,387)
	<u>404</u>	<u>10,347</u>	<u>(10,869)</u>	<u>(46)</u>	<u>(164)</u>
Restricted fixed asset funds					
DfE group capital grants	-	24	-	(24)	-
Fixed asset fund	40,138	-	(315)	101	39,924
	<u>40,138</u>	<u>24</u>	<u>(315)</u>	<u>77</u>	<u>39,924</u>
Total restricted funds	<u>40,542</u>	<u>10,371</u>	<u>(11,184)</u>	<u>31</u>	<u>39,760</u>
Unrestricted funds					
General funds	95	364	(174)	-	285
	<u>95</u>	<u>364</u>	<u>(174)</u>	<u>-</u>	<u>285</u>
Total funds	<u>40,637</u>	<u>10,735</u>	<u>(11,358)</u>	<u>31</u>	<u>40,045</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

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

General Annual Grant

Income received from the ESFA to cover the normal running costs of the Academy Trust.

Other DFE/ESFA grants

This includes the pupil premium, sports funding, the devolved formula capital grant, teacher's pay grant, teacher's pension grant and capital improvement grant funding for revenue expenditure.

Other Restricted Funds

This includes income of £Nil from the academy's insurers, Zurich, representing business interruption funding and damage repair claims (2019: £223k). The academy will return any excess funds to the Department for Education in part consideration for the provision of our temporary school in Scrubs Lane, London W12.

Other government grants

This includes the SEN funding, additional pupil premium and additional funding received from the Local Authority.

Other grants

Other grants funds include grant from The Aldridge Foundation and other charitable organisations to assist with refurbishment and improvement projects.

Transfer between funds

Transfers between funds represents the purchase of capital assets from GAG funding, the release of devolved capital funding and the under funding of educational activities.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

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

	Balance at 1 September 2018 £'000's	Income £'000's	Expenditure £'000's	Gains, losses and transfers £'000's	Balance at 31 August 2019 £'000's
Restricted general funds					
General Annual Grant (GAG)	59	7,251	(7,323)	13	-
Other DfE / ESFA grants	55	1,302	(1,229)	(63)	65
Other government grants	66	562	(628)	-	-
Other restricted funds	1,750	715	(1,206)	69	1,328
Pension reserve	(447)	-	(280)	(262)	(989)
	<u>1,483</u>	<u>9,830</u>	<u>(10,666)</u>	<u>(243)</u>	<u>404</u>
Restricted fixed asset funds					
DfE group capital grants	-	129	-	(129)	-
Fixed asset fund	40,310	-	(369)	197	40,138
	<u>40,310</u>	<u>129</u>	<u>(369)</u>	<u>68</u>	<u>40,138</u>
Total restricted funds	<u>41,793</u>	<u>9,959</u>	<u>(11,035)</u>	<u>(175)</u>	<u>40,542</u>
Unrestricted funds					
General funds	201	448	(468)	(87)	94
	<u>201</u>	<u>448</u>	<u>(468)</u>	<u>(87)</u>	<u>94</u>
Total funds	<u>41,994</u>	<u>10,407</u>	<u>(11,503)</u>	<u>(262)</u>	<u>40,636</u>

19 Analysis of net assets between funds

	Unrestricted Funds £'000's	Restricted funds: General £'000's	Fixed asset £'000's	Total Funds £'000's
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	39,924	39,924
Current assets	1,094	1,223	-	2,317
Creditors falling due within one year	(809)	-	-	(809)
Defined benefit pension liability	-	(1,387)	-	(1,387)
Total net assets	<u>285</u>	<u>(164)</u>	<u>39,924</u>	<u>40,045</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000's	Restricted funds: General £'000's	Fixed asset £'000's	Total Funds £'000's
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	40,138	40,138
Current assets	933	1,393	-	2,326
Creditors falling due within one year	(839)	-	-	(839)
Defined benefit pension liability	-	(989)	-	(989)
Total net assets	94	404	40,138	40,636

20 Pension and similar obligations

The Academy trust'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 Royal Borough of Kensington and Chelsea. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £128k (2019: £94k) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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 2023.

The pension costs paid to the TPS in the period amounted to £843k (2019: £566k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.1% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £211k (2019: £179k).

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.

Total contributions made	2020 £'000's	2019 £'000's
Employer's contributions	214	171
Employees' contributions	88	69
Total contributions	302	240
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.2	3.65
Rate of increase for pensions in payment/inflation	2.2	2.15
Discount rate for scheme liabilities	1.65	1.90
Inflation assumption (CPI)	2.2	2.15

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	23.4
- Females	24.4	24.8
Retiring in 20 years		
- Males	23.2	25.1
- Females	25.9	26.7

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020 £000s	2019 £000s
Discount rate + 0.1%	-109	-69
Discount rate - 0.1%	+113	+72
Mortality assumption + 1 year	+102	+69
Mortality assumption - 1 year	-98	-67
CPI rate + 0.1%	+1	+1
CPI rate - 0.1%	-1	-1
Pension increases + 0.1%	+111	+71
Pension increases - 0.1%	-107	-69

Defined benefit pension scheme net liability

Scheme assets	1,569	962
Scheme obligations	(2,956)	(1,951)
Net liability	(1,387)	(989)

The Academy trust's share of the assets in the scheme

	2020 Fair value £'000's	2019 Fair value £'000's
Equities	1,203	707
Cash	9	3
Absolute return portfolio	-	81
Property	79	34
Other assets	278	137
Total market value of assets	1,569	962

The actual return on scheme assets was £317,000 (2019: £71,000).

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities

	2020 £'000's	2019 £'000's
Current service cost	626	405
Past service cost	-	37
Interest income	(21)	(21)
Interest cost	38	30
	<u>643</u>	<u>451</u>
Total operating charge		

Changes in the present value of defined benefit obligations

	2020 £'000's	2019 £'000's
At 1 September 2019	1,951	1,090
Current service cost	626	405
Interest cost	38	30
Employee contributions	88	69
Actuarial loss	265	312
Benefits paid	(12)	8
Past service cost	-	37
	<u>2,956</u>	<u>1,951</u>
At 31 August 2020		

Changes in the fair value of the Academy trust's share of scheme assets

	2020 £'000's	2019 £'000's
At 1 September 2019	962	643
Interest income	21	21
Actuarial gain	296	50
Employer contributions	214	171
Employee contributions	88	69
Benefits paid	(12)	8
	<u>1,569</u>	<u>962</u>
At 31 August 2020		

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £'000's	2019 £'000's
Net expenditure for the reporting period (as per the statement of financial activities)	(623)	(1,096)
Adjusted for:		
Capital grants from DfE and other capital income	(24)	(129)
Investment income receivable	(5)	(7)
Defined benefit pension costs less contributions payable	412	271
Defined benefit pension scheme finance cost	17	9
Depreciation of tangible fixed assets	315	369
Decrease in debtors	388	370
(Decrease) in creditors	(30)	(887)
Net cash provided by/(used in) operating activities	450	(1,100)

22 Analysis of changes in net funds

	1 September 2019 £'000's	Cash flows £'000's	31 August 2020 £'000's
Cash	1,484	29	1,513

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

23 Related party transactions

Owing to the nature of the Academy trust and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which the Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the Academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

In entering into these transactions, the Academy trust has complied with the requirements of the Academies Financial Handbook 2020.

Expenditure related party transactions

Grace Cockell, daughter of Sir. M Cockell, is employed by the academy trust who are connected to the governors. Her appointment was made in open competition. She is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a governor.

Aldridge Education

Sir R Aldridge is a member of Aldridge Education.

During the year Aldridge Education have provided support services to the academy as the academy sponsor. During the financial year Kensington Aldridge Academy paid £40,344 (2019: £109,074) to Aldridge Education and received £Nil (2019: £72,936) from them. At 31 August 2020 Aldridge Education were owed £Nil (2019: £9,090) by Kensington Aldridge Academy and owed them £Nil (2019: £40,000).

Income related party transactions

KAA Intrepidus Trust

During the year KAA Intrepidus Trust, a charity in which L Morris, J Brown and A Balon are trustees, granted Kensington Aldridge Academy funds amounting to £137,023 (2019: £150,082) for enrichment and educational support for KAA students.

24 Members' liability

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