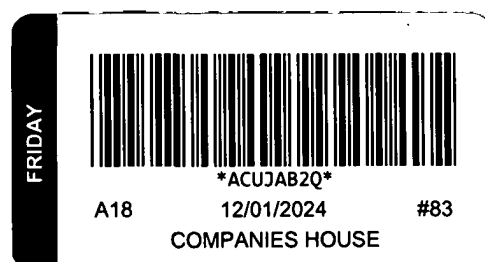


Company registration number 07702460 (England and Wales)

KENSINGTON ALDRIDGE ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023



KENSINGTON ALDRIDGE ACADEMY

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KENSINGTON ALDRIDGE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Sir R Aldridge
Cllr E Will
D Fletcher
A Olapade
R Wye

Governors

D Fletcher (Chair of Governors)
Sir R Aldridge
A Balon
D Benson (Accounting Officer until 29 October 2023) (Resigned 30 October 2023)
N Boujettef (Resigned 27 June 2023)
J Brown
Sir M Cockell (RBKC Co-Sponsor) (RKBC Co-Sponsor)
D Hadley (Chair Education Committee)
S Harrison
C Livingston
L Morris
M Paulson (Chair Business Committee)
H Fraser (Appointed 27 September 2022)
S Ali (Appointed 10 July 2023)
P Taylor (Appointed 20 March 2023)
A Jordan (Accounting Officer) (Appointed 30 October 2023)

Senior management team

- Principal (until 31 October 2023)	D Benson
- Head of School (until 31 October 2023); Principal (from 1 November 2023)	A Jordan
- Vice Principal	R Bernard
- Vice Principal	J Clayton
- Finance Director	L Weeks
- Assistant Principal (Resigned 31 August 2023)	N Edwards
- Assistant Principal	A Gurnell
- Assistant Principal	A Whitlock
- Assistant Principal	J Waller
- Assistant Principal	J Vines
- Assistant Principal (Appointed 1 September 2023)	R Dunning
- Assistant Principal (Appointed 1 September 2023)	S Pedley

Company secretary

L Weeks

Company registration number

07702460 (England and Wales)

Principal and registered office

Kensington Aldridge Academy
1 Silchester Road
London
W10 6EX
United Kingdom

KENSINGTON ALDRIDGE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Azets Audit Services
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY
United Kingdom

Bankers

Lloyds Bank PLC
39 Piccadilly
Mayfair
London
W1J 0AA
United Kingdom

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Governors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic 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 eighth year of operation with the school now covering all seven year groups totalling approximately 1,250 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 Academy is currently in the process of updating its Articles of Association in line with the latest DfE guidance.

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 2023

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 the Principal, a Head of School, 2 Vice Principals, 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.

On 31st October 2023 David Benson resigned as Principal and Accounting Officer and was replaced by Anna Jordan, the previous Head of School. David Benson was the Founding Principal of KAA in 2014 and led the school through the tragedy of Grenfell Tower and during the Covid 19 period. Anna Jordan joined KAA in April 2014 as Vice Principal. She was subsequently promoted first to Senior Vice Principal and then in 2022 to Head of School.

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.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

9,561,000

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

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.

The Academy is also connected to the Kensington Intrepidus Trust which raises funds for enrichment and extra-curricular activity at the school. In the year to 31 August 2023 KIT donated £163k (2022: £150k to KAA). Further details are set out in note 23.

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 2023

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 2023

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 2023 had around 1,250 students, including 235 in the Sixth Form.

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 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. In September 2020 the temporary site was again re-opened to allow better social distancing of students during the Covid 19 pandemic. Around 400 students from years 7 and 8 moved to the temporary site. These students moved back to the main building again in summer term 2021.

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.

At Key Stage 4 our provisional progress 8 score is +0.12. 54% of students achieved Grade 5-9 in both English and Maths and 69% achieved at least a grade 4 in both these subjects. Across all subjects 25% of grades were 7 or better compared to a national figure of 21%.

At key stage 5, 86% of students went on to University with the others taking gap years or going into apprenticeships. 17% of students went on to Russell Group universities, this was less than previous years due largely to the post covid effect of gap years reducing available places. Two students going to Oxford and others went on to do medicine. 90% of A Level grades were C or better with 26% A or A*.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Academy is very popular in the local community and applications for places both in year 7 and in year 12 are significantly in excess of the available places. In order to maximise places to local students KAA is currently undertaking an expansion programme involving the building of 8 new classrooms on the third floor art terrace and the relocation of lost play space to a mezzanine terrace on the west side of the school. This project is being carried out in partnership with RBKC who are providing most of the funding. Some DfE grant funding through the Condition Improvement Fund is also being utilised. Phase 1 of this project, the mezzanine terrace, was completed in September 2023. Phase 2 will start in early 2024 with an expected completion date of September 2024.

Implications of Covid 19

There were no material costs relating specifically to Covid 19 in 2023-23. KAA continues to monitor the situation and updates its risk assessment and other procedures where necessary.

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. During 2022-23 the surplus in the core budget was £166k above the original budget and the Academy has a very strong balance sheet with over £2.5M in bank deposits at 31 August 2023. Spend in the separate insurance budget (maintained to utilise a £3M insurance settlement following the Grenfell fire) was £101k leaving a fund balance of £478k at 31 August 2023. This is enough to cover the potential costs of the temporary site for up to a further 5 years

Educational KPIs such as the exam results set out above are monitored on an ongoing basis by the SLT and the Education Committee.

During 2022 -23 the SLT and Education Committee also regularly monitored KPIs in attendance, behaviour, and on various safeguarding measures.

OFSTED report

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".

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

"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.

During 2022-23 KAA had a further external verification of educational standards carried out by a panel of Head teachers and consultants. This showed very strong outcomes and the full results were reported to the education committee.

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.

Financial review

Due to additional Government funding and an insurance settlement received following the Grenfell Tower fire, KAA has three separate budget areas. These audited accounts are an amalgamation of these three elements.

Core budget

Most of the Academy's income comes from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of Financial Activities.

In addition, the Academy receives other grant income, income from local authorities for Special Educational Needs activities and for its specialist autism unit (Grandin Centre). There is also self-generated income such as catering, lettings and donations.

For the year ending 31 August 2023 the Academy also received additional funding for additional pay and pensions costs and for the National Tutoring Programme.

Core income of £12,455k is broken down as follows

- ESFA Grants £10,240k
- Pupil Premium £566k
- Local Authority income £864k
- Catering £230k
- Other Income £558k

The principal cost in the core budget is staff expenditure £9,570k (78%). Other large areas of expenditure include Premises costs £724k, Educational Resources £961k, and catering £387k.

Total spending in the core budget was £12,235k giving an excess of income over expenditure of £308k (2022 £561k)

The academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice (SORP 2019) 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 lives of the assets concerned.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

At 31 August 2023 the net book value of fixed assets was £39,624k (2022 £39,776k) and movements in fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

KAA is financially strong and as at 31 August 2023 had bank balances of £705k plus an additional £1,800k on fixed term deposit. There are no material debtors or liabilities other than those in the normal course of business such as monthly amounts owed to HMRC or Pension schemes.

The Royal Borough of Kensington and Chelsea Pension fund, in which the academy participates shows a surplus of £687k (2022 surplus of £92k) apportioned to the Academy. As shown in notes 2 and 20, the Governors have chosen to restrict the value of this surplus recognised in the financial statements.

The key financial risks to the academy are based around student numbers. However, the academy is currently significantly oversubscribed and we expect that to continue. A bigger risk area is the national and local funding system as schools move closer to the National Funding Formula.

ESFA Displacement Budget

KAA receives additional funding to support additional staff positions in areas such as mentoring and student support. In the year ending 31 August 2023 income and expenditure in this area was £179k. KAA has received ministerial approval that this additional funding will continue, though on a tapering basis until 31 August 2025.

Insurance Settlement

Following Grenfell Tower KAA received a £3m insurance settlement from Zurich Municipal. This was used to fund the temporary site KAA2 and other Grenfell related costs.

The remaining funds in the insurance settlement are £478k. This will be used to keep the site maintained and available for use in case the Academy needs to re-locate at a time when Grenfell Tower is deconstructed.

School Expansion Project

During 2021-22 a plan was developed with the local authority to build an extension of up to 8 new classrooms on the third floor art terrace. The local authority, RBKC, are providing £3.5M of capital funding towards this project and KAA successfully bid for an additional £955k from the Condition Improvement Fund. The aim of the project is to increase student capacity at KAA both to solve the current issue where we are above our PAN numbers and also to allow a limited number of new students. These additional places will allow more of our own year 11 students to progress to the sixth form here at KAA and will also provide a small number of places for autism unit students in our sixth form.

As set out above, phase 1 of this project has now been completed with phase 2 due to start in early 2024 with completion in September 2024.

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 Academy held fund balances at 31 August 2023 of £41,676k (2022: £41,818k) comprising £40,704k of restricted funds (2022: £41,097k) and £973k of unrestricted funds (2022: £721k). Of the restricted funds £39,624k is represented by tangible fixed assets (2022: £39,776k) and £1,080k of restricted income funds in respect of GAG, insurance and SEN funding (2021: £1,229k).

The pension reserve which is considered part of restricted funds was £687k in surplus (2022: £92k in surplus), however as noted above, Governors have restricted the value of the surplus recognised in the financial statements.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Governors have determined that the appropriate level of unrestricted reserves should be equivalent to four week's expenditure, approximately £993k (2022: £871k). 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 free reserves is £973k (2022: £721k). The Academy will continually review their reserves on an annual basis.

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

Estate Management

Trustees ensure they meet their responsibilities for ensuring the trust's estate is safe, well maintained and complies with relevant legislation by setting aside funds into an infrastructure provision, by employing a professional facilities manager to manage a full programme of building compliance and by using external advisors where appropriate. The Academy is currently in negotiations with a project team from RBKC, the local authority, to join an Air Sourced Heat Network scheme. This will provide long term energy supplies using carbon neutral technology and will from around 2030 lead to the decommissioning of the current gas boiler system

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 and 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 potentially 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.

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.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

KAA developed a detailed risk assessment and implemented a range of measures to mitigate the potential effects of Covid 19, most importantly the re-opening of KAA2 as noted above. A system of contact tracing within the school was introduced and extensive in-school and home testing was introduced. 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.

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.

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.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022/2023 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.
7. Ensure that the school expansion project is completed to time scale and budget with minimum possible disruption to the life of the school.

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.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 5/12/23 and signed on its behalf by:

.....
D Fletcher

Chair of Governors

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

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.

Governors	Meetings attended	Out of possible
D Fletcher (Chair of Governors)	4	4
Sir R Aldridge	3	4
A Balon	4	4
D Benson (Accounting Officer until 29 October 2023) (Resigned 30 October 2023)	4	4
N Boujettef (Resigned 27 June 2023)	1	4
J Brown	3	4
Sir M Cockell (RBKC Co-Sponsor) (RKBC Co-Sponsor)	3	4
D Hadley (Chair Education Committee)	4	4
S Harrison	4	4
C Livingston	3	4
L Morris	3	4
M Paulson (Chair Business Committee)	4	4
H Fraser (Appointed 27 September 2022)	3	3
S Ali (Appointed 10 July 2023)	0	0
P Taylor (Appointed 20 March 2023)	1	1
A Jordan (Accounting Officer) (Appointed 30 October 2023)	0	0

The board and the committees considered a range of reports on educational and management issues from the Principal and the Finance Director. Business Committee and full board considered management accounts at each meeting and monthly accounts were also circulated to Governors outside of the cycle of meetings. The board and committees also considered external information received from outside sources such as benchmarking reports, letters and reports from the DfE, Ofsted and others, and reports on internal scrutiny. The Business Committee considered an updated Risk Assessment at each meeting. The board considered that the information that it received from management was sufficient for it to undertake its duties.

At every meeting the Board examines its own performance, without staff being present, and reviews the effectiveness of its scrutiny of management.

Conflicts of interest

The trustees maintain an up-to-date and complete register of interests, published on the website. This register is used in the day-to-day management and governance of the academy trust. All meetings include an item requiring Trustees to disclose any actual or potential conflicts and management review any school operations that could involve potential conflicts.

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

During the year, the committee considered matters including: monthly accounts, capital spending proposals and new initiatives. It also reviewed internal scrutiny reports covering financial operations and the Single Central Record.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Sir R Aldridge	3	4
A Balon	3	4
D Benson (Accounting Officer until 29 October 2023) (Resigned 30 October 2023)	4	4
J Brown	3	4
Sir M Cockell (RBKC Co-Sponsor) (RKBC Co-Sponsor)	3	4
C Livingston	4	4
M Paulson (Chair Business Committee)	4	4
H Fraser (Appointed 27 September 2022)	2	2

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 Trust aims to set aside £100k pa into an infrastructure provision to ensure that the Academy building is kept in good condition and that its IT resources are renewed where necessary. KAA employs a professionally qualified facilities manager to ensure compliance with all statutory regulations and also best practice in all areas of building and Health and safety management.

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
- Retendering large contracts such as cleaning
- 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 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Capacity to handle risk

The Governing Body 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 Governing Body 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 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

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 appointed MHM McIntye Hudson as an internal auditor. During 2022-23 they carried out two reviews of KAA financial systems and processes. A review of teaching and learning was also carried out by a team of external experts.

In August 2022 a full Health and Safety audit was carried out and a follow- up review was held in March 2023. External experts also carried out an assessment of teaching and learning during the year.

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 5/12/23 and signed on its behalf by:



D Fletcher
Chair of Governors



A Jordan
Accounting Officer

KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

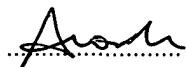
FOR THE YEAR ENDED 31 AUGUST 2023

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, including for estates safety and management, 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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

A Jordan
Accounting Officer



KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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 2022 to 2023;
- 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 5/12/23 and signed on its behalf by:


D Fletcher
Chair of Governors

KENSINGTON ALDRIDGE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Kensington Aldridge Academy for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2022 to 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2022 to 2023.

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

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KENSINGTON ALDRIDGE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2023

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

KENSINGTON ALDRIDGE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2023

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Paul Creasey (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

14 December 2023
.....

Chartered Accountants
Statutory Auditor

Gladstone House
77-79 High Street
Egham
Surrey
United Kingdom
TW20 9HY

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 2023

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 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy 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 2023

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY
United Kingdom

Dated: *14 December 2023*

KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £'000's	Restricted funds: General £'000's	Fixed asset £'000's	Total 2023 £'000's	Total 2022 £'000's
Income and endowments from:						
Donations and capital grants	4	2	20	76	98	69
Charitable activities:						
- Funding for educational operations	5	-	12,625	-	12,625	11,938
Other trading activities	6	472	-	-	472	547
Investments	7	18	-	-	18	1
Total		<u>492</u>	<u>12,645</u>	<u>76</u>	<u>13,213</u>	<u>12,555</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	240	12,782	353	13,375	13,066
Total	8	<u>240</u>	<u>12,782</u>	<u>353</u>	<u>13,375</u>	<u>13,066</u>
Net income/(expenditure)		252	(137)	(277)	(162)	(511)
Transfers between funds	18	-	(125)	125	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	21	-	21	3,421
Net movement in funds		252	(241)	(152)	(141)	2,910
Reconciliation of funds						
Total funds brought forward		721	1,321	39,776	41,818	38,908
Total funds carried forward		<u>973</u>	<u>1,080</u>	<u>39,624</u>	<u>41,677</u>	<u>41,818</u>

KENSINGTON ALDRIDGE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2022		funds	General	Fixed asset	2022
	Notes	£'000's	£'000's	£'000's	£'000's
Income and endowments from:					
Donations and capital grants	4	2	16	51	69
Charitable activities:					
- Funding for educational operations	5	-	11,938	-	11,938
Other trading activities	6	547	-	-	547
Investments	7	1	-	-	1
Total		<u>550</u>	<u>11,954</u>	<u>51</u>	<u>12,555</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	232	12,498	336	13,066
Total	8	<u>232</u>	<u>12,498</u>	<u>336</u>	<u>13,066</u>
Net income/(expenditure)		318	(544)	(285)	(511)
Transfers between funds	18	-	(151)	151	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	3,421	-	3,421
Net movement in funds		318	2,726	(134)	2,910
Reconciliation of funds					
Total funds brought forward		403	(1,405)	39,910	38,908
Total funds carried forward		<u>721</u>	<u>1,321</u>	<u>39,776</u>	<u>41,818</u>

KENSINGTON ALDRIDGE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2023

		2023	2022
	Notes	£'000's	£'000's
Fixed assets			
Tangible assets	13	39,624	39,776
Current assets			
Debtors	14	721	727
Investments	15	1,800	850
Cash at bank and in hand		705	1,463
		3,226	3,040
Current liabilities			
Creditors: amounts falling due within one year	16	(1,173)	(1,090)
Net current assets		2,053	1,950
Net assets excluding pension asset		41,677	41,726
Defined benefit pension scheme asset	20	-	92
Total net assets		41,677	41,818
Funds of the Academy trust:			
Restricted funds	18		
- Fixed asset funds		39,624	39,776
- Restricted income funds		1,080	1,229
- Pension reserve		-	92
Total restricted funds		40,704	41,097
Unrestricted income funds	18	973	721
Total funds		41,677	41,818

The accounts on pages 24 to 48 were approved by the Governors and authorised for issue on 5/12/23 and are signed on their behalf by:


D Fletcher
Chair of Governors

Company registration number 07702460 (England and Wales)

KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

		2023		2022	
	Notes	£'000's	£'000's	£'000's	£'000's
Cash flows from operating activities					
Net cash provided by operating activities	21		299		481
Cash flows from investing activities					
Dividends, interest and rents from investments		18		1	
Capital grants from DfE Group		76		51	
Purchase of tangible fixed assets		(201)		(202)	
Purchase of investments		(950)		(500)	
Net cash used in investing activities			(1,057)		(650)
Net decrease in cash and cash equivalents in the reporting period			(758)		(169)
Cash and cash equivalents at beginning of the year			1,463		1,632
Cash and cash equivalents at end of the year			705		1,463

KENSINGTON ALDRIDGE ACADEMY

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

1 Accounting policies

Kensington Aldridge Academy is a charitable company, limited by guarantee and registered in England and Wales. 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 2022 to 2023 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.

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.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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 2023

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 under operating leases are charged on a straight-line basis over the lease term.

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 2023

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 2023

1 Accounting policies

(Continued)

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administrative costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

LGPS valuation for the academy trust

As at 31 August 2023, the academy trust had a net asset position on its LGPS pension. Governors have therefore considered whether an asset ceiling restriction should be applied to this surplus.

The academy trust's actuary provided an additional calculation for the potential restriction on recognising the surplus, which set out various options for the academy trust to consider. The key assumption guiding the recognition was whether Governors believed that a minimum funding requirement exists in the LGPS for contributions relating to future service and past service.

The prevailing view held by LGPS practitioners is that a minimum funding requirement for future service does exist and so Governors have accepted this view. Governors also consider that a minimum funding requirement for past service exists.

As such, the Governors have chosen to follow actuarial advice and apply the asset ceiling restriction to the academy trust's LGPS surplus.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy trust was subject to limits at 31 August 2023 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 2023.

4 Donations and capital grants

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2023 £'000's	Total 2022 £'000's
Capital grants	-	76	76	51
Other donations	2	20	22	18
	<u>2</u>	<u>96</u>	<u>98</u>	<u>69</u>

5 Funding for the Academy trust's educational operations

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2023 £'000's	Total 2022 £'000's
DfE/ESFA grants				
General annual grant (GAG)	-	9,382	9,382	9,009
Other DfE/ESFA grants:				
Pupil premium	-	564	564	535
Rates	-	171	171	207
Teachers Pension Grants	-	61	61	58
Teachers Pay Grants	-	-	-	21
Displacement funds	-	179	179	195
Ground rent at KAA2	-	334	334	343
Supplementary grant	-	401	401	-
Others	-	55	55	142
	<u>-</u>	<u>11,147</u>	<u>11,147</u>	<u>10,510</u>
Other government grants				
Local authority grants	-	1,045	1,045	1,019
	<u>-</u>	<u>1,045</u>	<u>1,045</u>	<u>1,019</u>
COVID-19 additional funding				
Other COVID-19 funding	-	219	219	172
	<u>-</u>	<u>219</u>	<u>219</u>	<u>172</u>
Other incoming resources	-	214	214	237
	<u>-</u>	<u>214</u>	<u>214</u>	<u>237</u>
Total funding	<u>-</u>	<u>12,625</u>	<u>12,625</u>	<u>11,938</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Other trading activities

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2023 £'000's	Total 2022 £'000's
Payroll Recharges	143	-	143	124
Catering income	230	-	230	232
Music tuition	32	-	32	17
Parental contributions	38	-	38	40
Other income	29	-	29	134
	<u>472</u>	<u>-</u>	<u>472</u>	<u>547</u>

7 Investment income

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2023 £'000's	Total 2022 £'000's
Short term deposits	18	-	18	1
	<u>18</u>	<u>-</u>	<u>18</u>	<u>1</u>

8 Expenditure

	Staff costs £'000's	Non-pay expenditure Premises £'000's	Other £'000's	Total 2023 £'000's	Total 2022 £'000's
Academy's educational operations					
- Direct costs	7,894	233	1,200	9,327	8,608
- Allocated support costs	1,945	1,341	762	4,048	4,458
	<u>9,839</u>	<u>1,574</u>	<u>1,962</u>	<u>13,375</u>	<u>13,066</u>

Net income/(expenditure) for the year includes:

	2023 £'000's	2022 £'000's
Depreciation of tangible fixed assets	353	336
Fees payable to auditor for:		
- Audit	14	11
- Other services	3	3
Net interest on defined benefit pension liability	(2)	50
	<u>368</u>	<u>400</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2023 £'000's	Total 2022 £'000's
Direct costs				
Educational operations	10	9,317	9,327	8,608
Support costs				
Educational operations	230	3,818	4,048	4,458
	<u>240</u>	<u>13,135</u>	<u>13,375</u>	<u>13,066</u>
Analysis of costs			2023 £'000's	2022 £'000's
Direct costs				
Teaching and educational support staff costs			7,894	7,296
Staff development			36	67
Depreciation			233	231
Technology costs			15	34
Educational supplies and services			563	382
Examination fees			88	120
Educational consultancy			304	257
Other direct costs			194	221
			<u>9,327</u>	<u>8,608</u>
Support costs				
Support staff costs			1,982	2,502
Depreciation			120	105
Technology costs			19	-
Recruitment and support			56	42
Maintenance of premises and equipment			75	443
Cleaning			231	197
Energy costs			331	148
Rent, rates and other occupancy costs			547	259
Insurance			26	25
Security and transport			11	5
Catering			388	441
Finance costs			(2)	50
Other support costs			250	226
Governance costs			14	15
			<u>4,048</u>	<u>4,458</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

Staff costs

Staff costs during the year were:

	2023 £'000's	2022 £'000's
Wages and salaries	7,384	6,883
Social security costs	775	670
Pension costs	1,402	2,016
Staff costs - employees	9,561	9,569
Agency staff costs	278	158
	9,839	9,727
Staff development and other staff costs	73	138
Total staff expenditure	9,912	9,865

Severance payments

The Academy trust paid 1 severance payments in the year, disclosed in the following bands:

£0 - £25,000	1
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Staff numbers

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

	2023 Number	2022 Number
Teachers	106	103
Administration and support	96	85
Management	10	9
	212	197

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	17	5
£70,001 - £80,000	-	2
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

(Continued)

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 £1,078k (2022: £1,003k).

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 £142 (2022: £609) were reimbursed to the Principal (2022: 1 Governor, the Principal).

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

D Benson (Principal):

- Remuneration £155,000 - £160,000 (2022: £145,000 - £150,000)
- Employer's pension contributions £35,000 - £40,000 (2022: £35,000 - £40,000)

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

12 Governors' and officers' insurance

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

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 2022	41,195	1,563	420	43,178
Additions	-	43	158	201
At 31 August 2023	41,195	1,606	578	43,379
Depreciation				
At 1 September 2022	1,645	1,431	326	3,402
Charge for the year	233	74	46	353
At 31 August 2023	1,878	1,505	372	3,755
Net book value				
At 31 August 2023	39,317	101	206	39,624
At 31 August 2022	39,550	132	94	39,776

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets (Continued)

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

14 Debtors

	2023 £'000's	2022 £'000's
Trade debtors	195	131
VAT recoverable	110	73
Other debtors	1	2
Prepayments and accrued income	415	521
	<u>721</u>	<u>727</u>

15 Current asset investments

Current asset investments relates to cash on deposit.

16 Creditors: amounts falling due within one year

	2023 £'000's	2022 £'000's
Trade creditors	416	395
Other taxation and social security	204	181
Other creditors	231	225
Accruals and deferred income	322	289
	<u>1,173</u>	<u>1,090</u>

17 Deferred income

	2023 £'000's	2022 £'000's
Deferred income is included within:		
Creditors due within one year	<u>151</u>	<u>116</u>
Deferred income at 1 September 2022	116	208
Released from previous years	(116)	(180)
Resources deferred in the year	<u>151</u>	<u>88</u>
Deferred income at 31 August 2023	<u>151</u>	<u>116</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 2023

18 Funds

	Balance at 1 September 2022 £'000's	Income £'000's	Expenditure £'000's	Gains, losses and transfers £'000's	Balance at 31 August 2023 £'000's
Restricted general funds					
General Annual Grant (GAG)	650	9,382	(9,393)	(125)	514
Pupil premium	-	564	(564)	-	-
Other Coronavirus funding	-	219	(219)	-	-
Other DfE/ESFA grants	-	116	(116)	-	-
Other government grants	-	1,045	(957)	-	88
Displacement funding	-	179	(179)	-	-
Rates	-	171	(171)	-	-
Insurance monies	579	-	(101)	-	478
Supplementary grant	-	401	(401)	-	-
Ground rent at KAA2	-	334	(334)	-	-
Other restricted funds	-	234	(234)	-	-
Pension reserve	92	-	(113)	21	-
	<u>1,321</u>	<u>12,645</u>	<u>(12,782)</u>	<u>(104)</u>	<u>1,080</u>
Restricted fixed asset funds					
DfE group capital grants	-	76	-	(76)	-
Fixed asset fund	39,776	-	(353)	201	39,624
	<u>39,776</u>	<u>76</u>	<u>(353)</u>	<u>125</u>	<u>39,624</u>
Total restricted funds	<u>41,097</u>	<u>12,721</u>	<u>(13,135)</u>	<u>21</u>	<u>40,704</u>
Unrestricted funds					
General funds	721	492	(240)	-	973
	<u>721</u>	<u>492</u>	<u>(240)</u>	<u>-</u>	<u>973</u>
Total funds	<u>41,818</u>	<u>13,213</u>	<u>(13,375)</u>	<u>21</u>	<u>41,677</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 Tuition fund, Teachers Pay and Pension grants and Early Years Careers funding..

Insurance monies

This comprises funds from the academy's insurers, Zurich, representing business interruption funding and damage repair claims. 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 restricted income

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 unrestricted funds.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

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

	Balance at 1 September 2021 £'000's	Income £'000's	Expenditure £'000's	Gains, losses and transfers £'000's	Balance at 31 August 2022 £'000's
Restricted general funds					
General Annual Grant (GAG)	406	9,009	(8,614)	(151)	650
Pupil premium	-	535	(535)	-	-
Other Coronavirus funding	-	172	(172)	-	-
Other DfE/ESFA grants	-	564	(564)	-	-
Other government grants	-	1,019	(1,019)	-	-
Displacement funding	66	195	(261)	-	-
Rates	-	207	(207)	-	-
Insurance monies	639	-	-	(60)	579
Other restricted funds	-	253	(313)	60	-
Pension reserve	(2,516)	-	(813)	3,421	92
	<u>(1,405)</u>	<u>11,954</u>	<u>(12,498)</u>	<u>3,270</u>	<u>1,321</u>
Restricted fixed asset funds					
DfE group capital grants	-	51	-	(51)	-
Fixed asset fund	39,910	-	(336)	202	39,776
	<u>39,910</u>	<u>51</u>	<u>(336)</u>	<u>151</u>	<u>39,776</u>
Total restricted funds	<u>38,505</u>	<u>12,005</u>	<u>(12,834)</u>	<u>3,421</u>	<u>41,097</u>
Unrestricted funds					
General funds	403	550	(232)	-	721
	<u>403</u>	<u>550</u>	<u>(232)</u>	<u>-</u>	<u>721</u>
Total funds	<u>38,908</u>	<u>12,555</u>	<u>(13,066)</u>	<u>3,421</u>	<u>41,818</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023 are represented by:				
Tangible fixed assets	-	-	39,624	39,624
Current assets	2,387	839	-	3,226
Current liabilities	(1,173)	-	-	(1,173)
Total net assets	1,214	839	39,624	41,677
Balance to allocate	(241)	241	-	-
Per balance sheet	973	1,080	39,624	41,677
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	39,776	39,776
Current assets	1,811	1,229	-	3,040
Current liabilities	(1,090)	-	-	(1,090)
Pension scheme asset	-	92	-	92
Total net assets	721	1,321	39,776	41,818

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 £152k (2022: £144k) were payable to the schemes at 31 August 2023 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 academy trusts. 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.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

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.

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 2024.

The pension costs paid to the TPS in the period amounted to £1,050k (2022: £1,002k).

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 15.3% for employers and 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £229k (2022: £252k).

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £'000's	2022 £'000's
Employer's contributions	237	252
Employees' contributions	116	117
Total contributions	353	369

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations (Continued)

Principal actuarial assumptions	2023 %	2022 %
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Rate of increase in salaries	3.95	4.05
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023 Years	2022 Years
Retiring today		
- Males	21.9	21.4
- Females	24.5	24.1
Retiring in 20 years		
- Males	22.8	22.9
- Females	25.7	26.1

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

	2023 £000s	2022 £000s
Discount rate + 0.1%	(75)	(93)
Discount rate - 0.1%	75	93
Mortality assumption + 1 year	91	98
Mortality assumption - 1 year	(91)	(98)
Salary rate +0.1%	2	4
Salary rate -0.1%	(2)	(4)
Pension increases + 0.1%	75	90
Pension increases - 0.1%	(75)	(90)

Defined benefit pension scheme net asset	2023 £'000's	2022 £'000's
Scheme assets	2,280	2,548
Scheme obligations	(2,280)	(2,456)
Net asset	-	92

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

The Academy trust's share of the assets in the scheme	2023 Fair value £'000's	2022 Fair value £'000's
Equities	2,462	1,936
Bonds	119	-
Cash	89	408
Property	297	204
Asset ceiling restriction	(687)	-
Total market value of assets	<u>2,280</u>	<u>2,548</u>

The actual return on scheme assets was £(619,000) (2022: £11,000).

Amount recognised in the statement of financial activities	2023 £'000's	2022 £'000's
Current service cost	352	1,015
Interest income	(116)	(40)
Interest cost	114	90
Total operating charge	<u>350</u>	<u>1,065</u>

Changes in the present value of defined benefit obligations	2023 £'000's	2022 £'000's
At 1 September 2022	2,456	4,739
Current service cost	352	1,015
Interest cost	114	90
Employee contributions	116	117
Actuarial gain	(756)	(3,450)
Benefits paid	(2)	(55)
At 31 August 2023	<u>2,280</u>	<u>2,456</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

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

	2023 £'000's	2022 £'000's
At 1 September 2022	2,548	2,223
Interest income	116	40
Actuarial loss	(48)	(29)
Asset ceiling restriction	(687)	-
Employer contributions	237	252
Employee contributions	116	117
Benefits paid	(2)	(55)
At 31 August 2023	<u>2,280</u>	<u>2,548</u>

As at 31 August 2023, the LGPS fund of the academy trust was valued as a surplus of £687,000. Details of the key judgements applied by Governors in relation to this surplus are set out in note 2.

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

	Notes	2023 £'000's	2022 £'000's
Net expenditure for the reporting period (as per the statement of financial activities)		(162)	(511)
Adjusted for:			
Capital grants from DfE and other capital income		(76)	(51)
Investment income receivable	7	(18)	(1)
Defined benefit pension costs less contributions payable	20	115	763
Defined benefit pension scheme finance (income)/cost	20	(2)	50
Depreciation of tangible fixed assets		353	336
Decrease/(increase) in debtors		6	(132)
Increase in creditors		83	27
Net cash provided by operating activities		<u>299</u>	<u>481</u>

22 Analysis of changes in net funds

	1 September 2022 £'000's	Cash flows £'000's	31 August 2023 £'000's
Cash	<u>1,463</u>	<u>(758)</u>	<u>705</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 Academy Trust Handbook 2022.

Expenditure related party transactions

Grace Cockell, daughter of Sir. M Cockell, is employed by the academy trust. Sir. M Cockell is a Governor of the academy trust. 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.

During the year, Ms Cockell received remuneration totalling £71,368 (2022: £70,768) (including employers pension contributions and employers national insurance contributions).

Income related party transactions

KAA Intrepidus Trust

During the year KAA Intrepidus Trust, a charity in which L Morris, J Brown, A Balon and R Bernard are trustees', granted the academy trust funds amounting to £163,318 (2022: £150,222) for enrichment and educational support for KAA students. The academy trust also recharged salary costs of £Nil (2022: £24,666). At 31 August 2023 the academy trust was owed £145,428 (2022: £81,414).

Aldridge Education

Sir R Aldridge is a trustee of Aldridge Foundation, which is a member of Aldridge Education. A Olapade and R Wye are also trustees of Aldridge Education.

During the year Aldridge Education have provided support services to the academy trust as the academy sponsor. During the financial year the academy trust received £Nil (2022: £26,353) from them, comprising School Condition Funding and salary recharges. At 31 August 2023 no amounts were owed to the academy trust by Aldridge Education (2022: £Nil).

Aldridge Foundation

Sir R Aldridge is a trustee of Aldridge Foundation.

During the year the academy trust received grants and donations totaling £13,474 from the Aldridge Foundation (2022: £Nil). During the prior year, the academy trust recharged salary costs of £6,468 to the Aldridge Foundation.

At the year end, no amounts were owed to the academy trust by the Aldridge Foundation (2022: £Nil).

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.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2023, the trust received £32,245 (2022: £31,718) and disbursed £32,280 (2022: £30,475) from the fund. As at 31 August 2023, £24,131 (2022: £24,166) of unspent funds were recognised in Deferred Income.