

Registered number: 09017776 (England & Wales)

**KING'S GROUP ACADEMIES**

(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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<p><b>KING'S GROUP ACADEMIES</b> <b>(A company limited by guarantee)</b></p>
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**KING'S GROUP ACADEMIES**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2016**

**Members**

Sir R Fry  
M Holloway  
King's Education Ltd

**Trustees**

Sir R Fry, Chairman  
M Benito Molina  
G Best  
M Cooper (appointed 12 July 2016)  
D Cross (resigned 15 October 2016)  
M Holloway (appointed 21 April 2016)  
P Jones (resigned 22 February 2016)  
Dame S Morris (resigned 17 March 2016)  
T Parkin (appointed 18 October 2016)  
R Schofield, Chief Executive Officer and accounting officer (resigned 21 April 2016,  
appointed 1 September 2016)  
D Smith (resigned 21 April 2016)

**Company registered number**

09017776

**Company name**

King's Group Academies

**Principal and registered office**

Lyndhurst Junior School  
Crofton Road  
Portsmouth  
Hampshire  
PO2 0NT

**Senior management team**

R Schofield, Chief Executive Officer  
M Beel, Principal Lyndhurst Junior School  
R Suffolk, Finance Manager and Company Secretary

**Independent auditors**

Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2016**

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**Advisers (continued)**

**Bankers**

Lloyds Bank Plc  
38 London Road  
Portsmouth  
Hampshire  
PO2 0LR

**Solicitors**

Blake Morgan LLP  
New Kings Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 3LG

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**KING'S GROUP ACADEMIES**  
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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 March 2016 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates as a multi academy trust with one academy open, one academy due to join during 2016/17 and two new schools which will be built starting in 2016 and open in 2018.

**Structure, Governance and Management**

**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of King's Group Academies are also the directors of the charitable company for the purposes of company law. The charitable company is known as King's Group Academies.

Details of the trustees who served during the year 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.

**Trustees' Indemnities**

Trustees' liability cover is provided under the Education Funding Agency's risk Protection Arrangement up to a limit of £10m.

**Method of Recruitment and Appointment or Election of Trustees**

The trust was formed using the DfE model articles of association. The articles state that the number of trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The academy trust shall have the following trustees:

- up to 9 trustees, appointed under Article 50;
- the Chief Executive Officer;
- up to two chairs of local governing bodies selected by the trustees; and
- a minimum of 2 parent trustees elected or appointed under Articles 53-56 in the event that no local governing bodies are established under Article 100a or if no provision is made for at least 2 parent local governors on each established local governing body pursuant to Article 101A.

The academy trust may also have any co-opted trustee appointed under Article 58. Future trustees shall be appointed or elected, as the case may be, under the Articles. King's Education Services Limited may appoint by ordinary resolution up to 9 trustees. The members may appoint staff trustees through such process as they may determine. The total number of trustees including the Chief Executive Officer if they so choose to act as trustee under Article 57 who are employees of the academy trust shall not exceed one third of the total number of trustees. The term of office for any trustee is four years.

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**KING'S GROUP ACADEMIES**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**Method of Recruitment and Appointment or Election of Trustees (continued)**

KGA is keen to ensure they attract the right mix of skills and experience to the board, to ensure this they have agreed a trustee selection process, which identifies the skills and experience needed as well as describing the selection process which covers:

- Agreeing the job description with selection panel and distributing it to the board
- Agreeing process for candidates nominated by a member of the Board or a trusted staff member
- Completing a skills Matrix self-assessment
- Arranging first opinion interviews
- Final panel
- Decision and appointment to King's Group Academies Board

**Policies and Procedures Adopted for the Induction and Training of Trustees**

Training and induction provided for new trustees depends on their existing experience. The trust is in the process of developing these policies and procedures.

**Organisational Structure**

KGA was set up with a management structure to support the Education Brief. The trust's management structure consists of four levels: the members, the trustees, the local governing body and the senior leadership team. The trust members set the operational strategy of the trust. The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the academy, approving major items of expenditure and making senior staff appointments. The local governing body have responsibility for assisting in ensuring the educational quality and supporting local engagement. The senior leadership team in particular the CEO have delegated authority to manage day-to-day activities of the MAT, the principal of the Lyndhurst Junior School has responsibility for the academy operations. The trustees operate a committee structure reporting into the main trust body.

The trustees have adopted a scheme of financial delegation from the predecessor school which clearly sets out the level of financial authority delegated to the principal and other members of staff, however as the trust grows we will develop a new scheme of financial delegations MAT wide.

**Arrangements for setting pay and remuneration of key management personnel**

The Trust has decided to use the Lyndhurst Junior school existing pay and remuneration policy until the MAT grows. The local governing body sets the pay ranges for the principal, vice-principal and assistant principal to reflect the responsibilities of the job in addition to the size of the academy and any other factors. The pay committee will agree performance objectives relating to school leadership, management and pupil progress

The CEO salary and remuneration was determined by the board of trustees based on an external review of objectives and targets undertaken by an external consultant.

**Related Parties and other Connected Charities and Organisations**

King's Group Academies has a relationship with the King's Group via its sponsor King's Education Ltd, King's Education Ltd being a trading company within King's Group. The King's Group has been providing services in the fields of Marketing, Information Technology and e-Learning, Human Resources, Finance and secretarial support. The King's Group has also provided links with the teachers and Head teachers of the schools in the Group. These services have been provided free of charge as a sponsor organisation.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**Objectives and Activities**

**Objects and Aims**

In setting the objectives the trustees have given careful consideration to the Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education.

KGA's objectives are to advance education for the public benefit in the local areas of Portsmouth, East Sussex and Bracknell Forest.

KGA has at its core the pursuit of the very highest standards of education. The trustees believe all children can exceed expectations irrespective of prior attainment or experience.

In King's Group Academies we aim to:

- Create a culture of high aspiration, motivation and achievement for all
- Build strong communities based on fairness and personal responsibility
- Welcome, value and respect all who come into our academies.
- Be reflective and committed to our on-going development as teachers and leaders, in our continuous striving for excellence
- Promote positive dialogue and partnerships within our communities
- Provide an innovative and challenging curriculum that will motivate our students to achieve beyond expectations
- Appoint teachers who are passionate about their subject, energised by learning and capable of delivering outstanding teaching
- Ensure our global connectivity is the golden thread running through all our academies.

**Objectives, Strategies and Activities**

The main strategy is encompassed in the mission statement 'Opportunity and Success on a Global Stage' and is carried out by:

- Establishing a learning environment designed to inspire pupils in their quest for knowledge and skills through a range of learning strategies and activities
- Establishing a structure to maintain and improve on the high standards achieved

**Public Benefit**

King's Group Academies' trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. KGA's sole academy, Lyndhurst Junior School, is thriving and providing quality education for local children as well as providing a breakfast and after school club for the children of the school as well as a neighbouring infant school. Its facilities are also used by local sports clubs for the benefit of the public.

**KING'S GROUP ACADEMIES**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

**Strategic Report**

**Achievements and Performance**

The KS2 results below summarise performance for Lyndhurst Junior School Year 6 pupils at the end of the academic year 2015-16:

Percentage at each level	2015/16		National Average	
	Expected	High Score	Expected	High Score
Grammar, Punctuation & Spelling	69	19	72	23
Reading	59	14	66	19
Mathematics	60	17	70	17
Writing	79	14	74	15

**Key Performance Indicators**

The key performance indicators for the trust for six months ended 31st August 2016:

Attendance for the year	96.4%
GAG as a % of total income	79%
Staffing costs as % of total income	79%
Teaching costs (Teachers and Assistants) as % of total income	65%
Current ratio	2.38

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. As a consequence, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Financial Review**

Lyndhurst Junior School joined the trust on 1st March 2016. The majority of the Trust's restricted income is obtained from the Department for Education (DfE) via the Education Funding Agency in the form of revenue and capital grants with its use restricted to particular purposes.

The main funding is the General Annual Grant of £849,423 for period ended 31st August 2016. Other income from pupil premium, after school club, school meals, lettings, donations and other is £170,416 for the same period. In addition, a donation of £70,000 was made by King's Education Services Ltd.

The main expenditure was staffing costs of £849,634.

A DfE capital grant from the condition improvement fund was received for £378,573 which is for a replacement gas central heating system. In the period ending 31st August 2016 expenditure incurred was £195,762 with the remainder to be spent during 2016/17.



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**KING'S GROUP ACADEMIES**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**Reserves Policy**

The Trust will build and maintain a revenue reserve fund to provide flexibility and certainty in forward planning. The current policy is for the Trust to hold revenue reserves equivalent to two months GAG funding.

All revenue reserves are controlled by the Trust Board including those transferred in upon conversion and cannot be spent without the approval of the Board. The intention is that transferred reserves and surpluses will be retained for the benefit of the individual academy unless the board directs otherwise.

The reserves as at 31 August 2016 were as follows:

- Unrestricted (free) reserves of £184,061
- A restricted fixed asset fund of £2,073,432, which can only be realised through disposal of fixed assets
- A pension deficit of £687,000
- Total funds of £1,570,493

There is a £687,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

The amount of unrestricted reserves at 31st August 2016 is equivalent to 1.3 months of GAG funding. In the short term this position will not change but the board will look to increase the reserves as new academies join the trust.

**Investment Policy**

The trust's articles of association allow the trust to deposit or invest any funds of the trust not immediately required for the furtherance of its Object. The trustees take a risk averse approach to investments and reserve funds are held in an interest bearing account in a UK regulated bank.

**Principal Risks and Uncertainties**

The board of trustees has responsibility for overseeing risk management through a risk management policy.

The objectives for managing risk across the trust are:

- To comply with risk management best practice;
- to ensure risks facing the trust are identified and appropriately documented;
- To provide assurance to the trustees that risks are being adequately controlled, or identify areas for improvement;
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risks.

The group-wide risk register includes a risk register from each academy which documents and evaluates each risk against agreed criteria to make decisions about the significance of risks to the organisation. Against each risk is noted the risk consequences, an evaluated risk score and the existing internal controls and mitigation strategies.

The risk registers are reviewed annually.

The key risks which have mitigation strategies in place are:

- Financial management
- Governance
- Loss of key staff
- Performance of individual academies
- Financial sustainability

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

**Plans for Future Periods**

1. Ensure high level academic outcomes
2. Ensure the supply of talented, appropriately qualified staff
3. Ensure the provision of value-for-money services
4. Ensure the effective disbursement and proper management of funds
5. Ensure the beneficial development of the organisation

The 2016/17 trustees' report from the MAT will report progress against the key deliverables associated with each of these priorities

**Funds Held as Custodian Trustee on Behalf of Others**

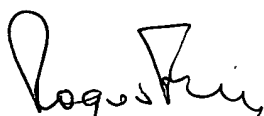
As custodian for any third party, King's Group Academies does not hold, and the trustees do not anticipate that it will in the future hold, any funds

**Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2016 and signed on the board's behalf by:



**Sir R Fry**  
Chair of Trustees

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**KING'S GROUP ACADEMIES**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 King's Group Academies and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 2 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Sir R Fry, Chairman	2	2
M Benito Molina	2	2
G Best	1	2
M Cooper (appointed 12 July 2016)	1	2
D Cross	2	2
M Holloway (appointed 21 April 2016)	2	2
R Schofield, Chief Executive Officer and accounting officer (resigned 21 April 2016)	1	1
D Smith (resigned 21 April 2016)	1	1

The board of trustees will undertake an annual evaluation led by the chair to review the decisions of the board and the impact they have had. In addition to this the board will undertake a skills audit to ensure its skills and competencies meet the needs of the organisation. Every three years the board plans to commission an external evaluation.

The finance and audit committee is a sub-committee of the main board of trustees. Its purpose is to maintain an oversight of the trust's governance, risk management, internal control and value for money framework. It was formed on 21st July 2016. The first meeting will take place on 19th October 2016, the members of the committee are D Cross, ME Benito and G Best.

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**KING'S GROUP ACADEMIES**  
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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

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

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

- **Improving educational results:** This year there has been a focus on improving results in writing. Resources have been targeted to provide a new writing scheme called Wordsmith and financed whole school training which has made a significant impact on writing outcomes across the school. Year 6 writing results for 2016 are 79%ARE which is above the National expectations of 70%ARE.

- **Focus on individual pupils:** To further improve the use of the Pupil Premium funding in narrowing the attainment gap for disadvantaged pupils, the school has invested in additional teaching support for maths in Year 6. Working with a consultant from the Challenge the Gap Programme, and working alongside four other schools, target pupils received additional support for homework, and targeted support in school during lessons with a focus on improving aspiration and self-esteem. This programme included online mentoring for pupils and parents.

The continued tracking of individuals on this intervention programme resulted in the school gap for maths between disadvantaged pupils and others reducing by 11% between 2015 and 2016.

There is clear evidence that the use of Pupil Premium to fund an additional PP teacher in year 6 is having an impact. 48% of this group (11 pupils) achieved ARE and were not on track to achieve ARE in Year 5. The success of this project will continue next year with the PP teacher assuming the role of pupil premium advocate to promote pupil premium pedagogy specifically leading projects on:

1. Lateness
2. Academic numeracy and literacy
3. Aspirational thinking

- **Collaboration:** This year the school has worked on collaborative projects with the Teaching School on the Challenge the Gap Programme between four schools, sharing best practice for Pupil Premium Pupils. Another successful collaboration has been with the Solent Maths Hub and Portsmouth Maths Network. The Vice Principal has accessed Maths Mastery training as a Mastery Specialist through NACETM. This has resulted in collaboration between other Portsmouth schools and the Vice Principal offering CPD opportunities through the Portsmouth Teacher network to four other schools who are Teacher Research Groups. This programme has also led to excellent internal CPD and developing best practice for all staff in school. This has resulted in the school being identified as a centre of good practice for Maths Mastery.

- **Effective procurement:** Lyndhurst Junior School used an established project management/surveying company who have many years of experience in working with schools to help in the tender process for a large replacement central heating project. This ensured reputable and school experienced companies tendered for the project and best value was achieved.

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**GOVERNANCE STATEMENT (continued)**

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**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in King's Group Academies for the period 1 May 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 1 May 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The trust is in its first full financial year. The board of trustees has considered the need for a specific internal audit function and will make a decision at the next board meeting 19 October 2016 to decide between a trustee or Hopper Williams & Bell Limited, the external auditor, to carry out a programme of internal control checks.

Hopper Williams & Bell Limited did undertake an audit of Lyndhurst Junior School for the period 1st September 2016 to 1st March 2016 and no material control issues were found.

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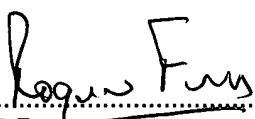
**GOVERNANCE STATEMENT (continued)**

**REVIEW OF EFFECTIVENESS**

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the board of trustees on 9 December 2016 and signed on their behalf, by:

  
.....  
**Sir R Fry**  
Chair of Trustees

  
.....  
**R Schofield**  
Accounting Officer

**KING'S GROUP ACADEMIES**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of King's Group Academies I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



.....  
**R Schofield**  
Accounting Officer

Date: 9 December 2016

**KING'S GROUP ACADEMIES**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

The Trustees (who act as governors of King's Group Academies and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

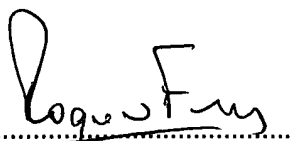
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 9 December 2016 and signed on its behalf by:



.....  
**Sir R Fry**  
Chair of Trustees



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**KING'S GROUP ACADEMIES**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING'S GROUP ACADEMIES**

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We have audited the financial statements of King's Group Academies for the period ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**KING'S GROUP ACADEMIES**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING'S GROUP ACADEMIES**

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

*Hopper Williams & Bell Limited*

David Brookes FCA (Senior statutory auditor)  
for and on behalf of

**Hopper Williams & Bell Limited**

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date:

*12 December 2016*

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**KING'S GROUP ACADEMIES**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO KING'S GROUP  
ACADEMIES AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 9 June 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King's Group Academies during the period 1 May 2015 to 31 August 2016 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 King's Group Academies and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King's Group Academies and the EFA 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 King's Group Academies and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF KING'S GROUP ACADEMIES'S ACCOUNTING OFFICER AND THE  
REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of King's Group Academies's funding agreement with the Secretary of State for Education dated 29 February 2016, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 May 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO KING'S GROUP  
ACADEMIES AND THE EDUCATION FUNDING AGENCY (continued)**

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**SUMMARY OF WORK UNDERTAKEN**

We carried out the following:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the EFA;
- confirming whether EFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 May 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Hopper Williams & Bell Limited*

David Brookes FCA (Senior statutory auditor)

for and on behalf of

**Hopper Williams & Bell Limited**

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: *12 December 2016*

**KING'S GROUP ACADEMIES**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfer from Lyndhurst Junior School (Academy)	2	200,992	(246,000)	1,901,766	1,856,758	-
Other donations and capital grants	2	-	70,859	388,221	459,080	-
Charitable activities	5	-	978,243	-	978,243	-
Other trading activities	3	31,656	-	-	31,656	-
Investments	4	186	-	-	186	-
<b>TOTAL INCOME</b>		<b>232,834</b>	<b>803,102</b>	<b>2,289,987</b>	<b>3,325,923</b>	<b>-</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		24,492	1,089,383	216,555	1,330,430	-
<b>TOTAL EXPENDITURE</b>	6	<b>24,492</b>	<b>1,089,383</b>	<b>216,555</b>	<b>1,330,430</b>	<b>-</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>208,342</b>	<b>(286,281)</b>	<b>2,073,432</b>	<b>1,995,493</b>	<b>-</b>
Transfers between Funds	15	(24,281)	24,281	-	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>184,061</b>	<b>(262,000)</b>	<b>2,073,432</b>	<b>1,995,493</b>	<b>-</b>
Actuarial losses on defined benefit pension schemes	21	-	(425,000)	-	(425,000)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>184,061</b>	<b>(687,000)</b>	<b>2,073,432</b>	<b>1,570,493</b>	<b>-</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		-	-	-	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>184,061</b>	<b>(687,000)</b>	<b>2,073,432</b>	<b>1,570,493</b>	<b>-</b>

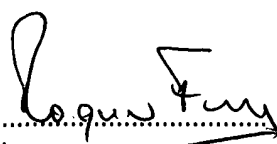
The notes on pages 22 to 41 form part of these financial statements.

**KING'S GROUP ACADEMIES**  
(A company limited by guarantee)  
REGISTERED NUMBER: 09017776

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	31 August 2016 £	£	30 April 2015 £
<b>FIXED ASSETS</b>					
Tangible assets	12		1,874,386		-
<b>CURRENT ASSETS</b>					
Debtors	13	169,390		-	
Cash at bank and in hand		492,307		-	
		<u>661,697</u>		-	
<b>CREDITORS: amounts falling due within one year</b>	14	(278,590)		-	
<b>NET CURRENT ASSETS</b>			<u>383,107</u>		-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,257,493</u>		-
Defined benefit pension scheme liability	21	(687,000)		-	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>1,570,493</u></u>		-
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds excluding pension liability		2,073,432		-	
Pension reserve		<u>(687,000)</u>		-	
Total restricted income funds			<u>1,386,432</u>		-
Unrestricted income funds	15		<u>184,061</u>		-
<b>TOTAL FUNDS</b>			<u><u>1,570,493</u></u>		-

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2016 and are signed on their behalf, by:

  
.....  
Sir R Fry  
Chair of Trustees

The notes on pages 22 to 41 form part of these financial statements.

**KING'S GROUP ACADEMIES**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<u>222,033</u>	<u>-</u>
Cash received on transfer from Lyndhurst Junior School (Academy)		<u>270,274</u>	<u>-</u>
<b>Net cash provided by financing activities</b>		<u>270,274</u>	<u>-</u>
<b>Change in cash and cash equivalents in the period</b>		<u>492,307</u>	<u>-</u>
Cash and cash equivalents brought forward		<u>-</u>	<u>-</u>
<b>Cash and cash equivalents carried forward</b>	18	<u><u>492,307</u></u>	<u><u>-</u></u>

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**KING'S GROUP ACADEMIES**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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 of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

King's Group Academies constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

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

**1.3 Income**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.



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**KING'S GROUP ACADEMIES**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

Charitable activities and Governance costs 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.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £5,000 are capitalised.

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

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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years - straight line
Motor vehicles	-	5 years - straight line
Fixtures and fittings	-	5 years - straight line
Computer equipment	-	3 years - straight line

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**KING'S GROUP ACADEMIES**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 Financial instruments**

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.12 Taxation**

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

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**KING'S GROUP ACADEMIES**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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

**1.14 Fund accounting**

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

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

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

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**KING'S GROUP ACADEMIES**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.15 Critical accounting estimates and areas of judgement**

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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

There are no other critical areas of judgement.

**KING'S GROUP ACADEMIES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2016**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Transfer from Lyndhurst Junior School (Academy)	200,992	(246,000)	1,901,766	1,856,758	-
Donations	-	70,859	-	70,859	-
Capital Grants	-	-	388,221	388,221	-
Total donations and capital grants	200,992	(175,141)	2,289,987	2,315,838	-

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £ NIL was to restricted funds

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	3,491	-	3,491	-
Kids' club income	28,165	-	28,165	-
	31,656	-	31,656	-

In 2015, of the total income from other trading activities, £ NIL was to unrestricted funds and £ NIL was to restricted funds.

**4. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	186	-	186	-

In 2015, of the total investment income, £ NIL was to unrestricted funds and £ NIL was to restricted funds.

**KING'S GROUP ACADEMIES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2016**

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	856,763	856,763	-
DfE/EFA other grants	-	67,405	67,405	-
	-	924,168	924,168	-
<b>Other government grants</b>				
Local authority grants	-	3,910	3,910	-
	-	3,910	3,910	-
<b>Other funding</b>				
Trip income	-	17,969	17,969	-
Tuition fee income	-	3,760	3,760	-
Catering income	-	18,107	18,107	-
Other income	-	10,329	10,329	-
	-	50,165	50,165	-
	-	978,243	978,243	-

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £ NIL was to restricted funds.

**KING'S GROUP ACADEMIES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2016**

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Academy's educational operations:					
Direct costs	701,121	-	83,455	784,576	-
Support costs	148,513	225,271	172,070	545,854	-
	<u>849,634</u>	<u>225,271</u>	<u>255,525</u>	<u>1,330,430</u>	<u>-</u>

In 2015, of the total expenditure, £NIL was to unrestricted funds and £NIL was to restricted funds.

**7. SUPPORT COSTS**

	Educational operations £	Total 2016 £	Total 2015 £
Technology costs	6,516	6,516	-
Premises costs	225,271	225,271	-
Governance costs	23,316	23,316	-
Other costs	121,445	121,445	-
Wages and salaries	114,869	114,869	-
National insurance	6,016	6,016	-
Pension cost	27,628	27,628	-
Depreciation	20,793	20,793	-
	<u>545,854</u>	<u>545,854</u>	<u>-</u>

**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	20,793	-
Operating lease rentals	7,804	-
Auditors' remuneration - audit	10,700	-
Auditors' remuneration - non audit	4,480	-
	<u>43,777</u>	<u>-</u>

**KING'S GROUP ACADEMIES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2016**

**9. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	681,452	-
Social security costs	52,684	-
Operating costs of defined benefit pension schemes	115,498	-
	<u>849,634</u>	<u>-</u>

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

	2016 No.	2015 No.
Teachers	21	0
Admin / Support	47	0
Management	3	0
	<u>71</u>	<u>0</u>

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

	2016 No.	2015 No.
In the band £80,001 - £90,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the year, pension contributions for these staff amounted to £14,649. The above information is presented on an annualised basis.

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £250,445 (on an annualised basis).



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**10. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

During the period, no Trustees received any remuneration (2015 - £NIL).  
During the period ended 31 August 2016, expenses totalling £1,870 (2015 - £NIL) were reimbursed to 3 Trustees.

**11. TRUSTEES' AND OFFICERS' INSURANCE**

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

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 May 2015	-	-	-	-	-
Transfer from Lyndhurst Junior School (Academy)	1,870,867	2,500	12,329	9,483	1,895,179
At 31 August 2016	1,870,867	2,500	12,329	9,483	1,895,179
<b>Depreciation</b>					
At 1 May 2015	-	-	-	-	-
Charge for the period	12,880	600	2,273	5,040	20,793
At 31 August 2016	12,880	600	2,273	5,040	20,793
<b>Net book value</b>					
At 31 August 2016	1,857,987	1,900	10,056	4,443	1,874,386
At 30 April 2015	-	-	-	-	-

Included in land and buildings is freehold land at valuation of £658,000 which is not depreciated.

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**13. DEBTORS**

	<b>31 August 2016 £</b>	<i>30 April 2015 £</i>
Trade debtors	1,734	-
Other debtors	132,281	-
Prepayments and accrued income	35,375	-
	<u>169,390</u>	<u>-</u>

**14. CREDITORS: Amounts falling due within one year**

	<b>31 August 2016 £</b>	<i>30 April 2015 £</i>
Trade creditors	83,855	-
Other taxation and social security	28,227	-
Other creditors	25,877	-
Accruals and deferred income	140,631	-
	<u>278,590</u>	<u>-</u>
	<b>2016 £</b>	<i>2015 £</i>
<b>Deferred income</b>		
Resources deferred during the year	<u>5,877</u>	<u>-</u>

Deferred income related to funds received in advance in respect of trips and tuition fees relating to the period subsequent to the balance sheet date.

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**15. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Reserves	-	228,255	(20,683)	(24,281)	-	183,291
Fundraising	-	4,579	(3,809)	-	-	770
	-	232,834	(24,492)	(24,281)	-	184,061
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	849,423	(873,704)	24,281	-	-
Pupil premium	-	67,405	(67,405)	-	-	-
DfE/EFA other grants	-	7,340	(7,340)	-	-	-
Local authority grants	-	3,910	(3,910)	-	-	-
Other educational activities	-	121,024	(121,024)	-	-	-
Pension reserve	-	(246,000)	(16,000)	-	(425,000)	(687,000)
	-	803,102	(1,089,383)	24,281	(425,000)	(687,000)
<b>Restricted fixed asset funds</b>						
Fixed asset fund	-	1,895,179	(20,793)	-	-	1,874,386
DfE/EFA capital grants - DFC	-	16,235	-	-	-	16,235
DfE/EFA capital grants - CIF	-	378,573	(195,762)	-	-	182,811
	-	2,289,987	(216,555)	-	-	2,073,432
<b>Total restricted funds</b>	-	3,093,089	(1,305,938)	24,281	(425,000)	1,386,432
<b>Total of funds</b>	-	3,325,923	(1,330,430)	-	(425,000)	1,570,493

**KING'S GROUP ACADEMIES**  
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**15. STATEMENT OF FUNDS (continued)**

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

**General annual grant**

This includes all funding received from the EFA to carry out the objectives of the academy. It includes the school budget share, minimum funding guarantee, education services grant, insurance, rates, and pre-16/post-16 high needs funding streams.

**Pupil premium and other DfE/EFA grants**

This is funding received from the EFA for specific purposes.

**Local authority grants**

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

**Other educational activities**

This includes all other educational income/expenditure.

**Pension reserve**

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

**Fixed asset fund**

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

**DfE/EFA capital grants**

This is money received from the DfE/EFA specifically for expenditure on tangible fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**SUMMARY OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	232,834	(24,492)	(24,281)	-	184,061
Restricted funds	-	803,102	(1,089,383)	24,281	(425,000)	(687,000)
Restricted fixed asset funds	-	2,289,987	(216,555)	-	-	2,073,432
	-	3,325,923	(1,330,430)	-	(425,000)	1,570,493

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	1,874,386	1,874,386	-
Current assets	184,061	278,590	199,046	661,697	-
Creditors due within one year	-	(278,590)	-	(278,590)	-
Pension reserve	-	(687,000)	-	(687,000)	-
	<u>184,061</u>	<u>(687,000)</u>	<u>2,073,432</u>	<u>1,570,493</u>	<u>-</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	1,995,493	-
<b>Adjustment for:</b>		
Depreciation charges	20,793	-
Increase in debtors	(131,666)	-
Increase in creditors	178,171	-
Defined benefit pension scheme cost less contributions payable	16,000	-
Transfer from Lyndhurst Junior School (Academy)	(1,856,758)	-
<b>Net cash provided by operating activities</b>	<u>222,033</u>	<u>-</u>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	73	-
Notice deposits (less than 3 months)	492,234	-
<b>Total</b>	<u>492,307</u>	<u>-</u>

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**19. TRANSFER TO KINGS GROUP ACADEMIES**

On 1 March 2016 Lyndhurst Junior School transferred to Kings Group Academies from its existing single academy trust. The operations and assets and liabilities were transferred to Kings Group Academies for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,870,867	1,870,867
- Other tangible fixed assets	-	-	24,312	24,312
LGPS pension surplus/(deficit)	-	(246,000)	-	(246,000)
Other identified assets and liabilities	200,992	-	6,587	207,579
Net assets/(liabilities)	<u>200,992</u>	<u>(246,000)</u>	<u>1,901,766</u>	<u>1,856,758</u>

The above net assets includes £270,274 that was transferred as cash.

**20. CAPITAL COMMITMENTS**

At 31 August 2016 the Academy had capital commitments as follows:

	31 August 2016 £	30 April 2015 £
Contracted for but not provided in these financial statements	<u>191,415</u>	<u>-</u>

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**KING'S GROUP ACADEMIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**21. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £25,783 were payable to the schemes at 31 August 2016 (2015 - £NIL) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £70,507 (2015 - £NIL).

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**21. PENSION COMMITMENTS (continued)**

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £42,000 (2015 - £NIL), of which employer's contributions totalled £32,000 (2015 - £NIL) and employees' contributions totalled £10,000 (2015 - £NIL). The agreed contribution rates for future years are 13.1% for employers and 5.5% - 7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	- %
Rate of increase in salaries	3.50 %	- %
Rate of increase for pensions in payment / inflation	2.00 %	- %
Inflation assumption (CPI)	2.00 %	- %

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

	2016	2015
Retiring today		
Males	24.6	-
Females	26.4	-
Retiring in 20 years		
Males	26.7	-
Females	28.7	-



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**21. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2016 £	Fair value at 30 April 2015 £
Equities	422,000	-
Cash	39,000	-
Property	55,000	-
Government bonds	196,000	-
Corporate bonds	13,000	-
Other	20,000	-
Total market value of assets	<u>745,000</u>	<u>-</u>

The actual return on scheme assets was £121,000 (2015 - £NIL).

The amounts recognised in the statement of financial activities are as follows:

	2016 £	2015 £
Current service cost	(44,000)	-
Interest cost	(4,000)	-
Total	<u>(48,000)</u>	<u>-</u>

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

	2016 £	2015 £
Upon conversion	863,000	-
Interest cost	16,000	-
Contributions by employees	10,000	-
Actuarial losses	520,000	-
Current service cost	44,000	-
Benefits paid	(21,000)	-
Closing defined benefit obligation	<u>1,432,000</u>	<u>-</u>

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**21. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Upon conversion	617,000	-
Interest income	12,000	-
Actuarial gains and (losses)	95,000	-
Contributions by employer	32,000	-
Contributions by employees	10,000	-
Benefits paid	(21,000)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>745,000</u>	<u>-</u>

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**22. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	31 August 2016 £	30 April 2015 £
<b>Amounts payable:</b>		
Within 1 year	<u>3,901</u>	<u>-</u>

**23. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transactions arose during the period:

	2016 £
Schofield Education Partnership Limited (a company controlled by R Schofield) - consultancy services	41,700
Hazlebury Consulting Limited (a company controlled by D Smith) - consultancy services	9,320
I Swan (Governor) - tutor and supply teacher	2,398
M Macey (Governor) - site manager covering sick leave	796
King's Education Limited (a company controlled by Sir R Fry) - donation	<u>70,000</u>