

Company Registration Number: 09017776 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



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

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 8
Governance statement	9 - 11
Statement on regularity, propriety and compliance	12
Statement of Trustees' responsibilities	13
Independent auditors' report on the financial statements	14 - 16
Independent reporting accountant's assurance report on regularity	17 - 18
Statement of financial activities incorporating income and expenditure account	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 46

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Sir R Fry
M Holloway
King's Education Ltd
C Ellison (appointed 16 November 2017)
Rt Revd H Scriven (appointed 17 November 2017)

Trustees

Sir R Fry, Chairman
M Benito Molina
G Best
I Brown (appointed 15 March 2017, resigned 21 June 2017)
M Cooper
D Cross (resigned 15 October 2016)
A Davison (appointed 8 September 2017)
P Harris (appointed 8 September 2017)
M Holloway
N Lelew (appointed 14 September 2017)
T Parkin (appointed 18 October 2016, resigned 21 June 2017)
R Schofield (appointed 1 September 2016, resigned 31 August 2017)
B Shah (appointed 15 March 2017)
B Williams (appointed 15 March 2017)

Company registered number

09017776

Company name

King's Group Academies

Principal and registered office

Lyndhurst Junior School
Crofton Road
Portsmouth
Hampshire
PO2 0NT

Key management personnel

R Schofield, Chief Executive Officer (to 31/08/2017)
T Parkin, Chief Executive Officer (from 01/09/2017)
R Suffolk, Finance Manager and Company Secretary (to 31/12/2016)
S Collins, Finance Director and Company Secretary (from 01/01/2017)

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Independent auditors

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

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

KING'S GROUP ACADEMIES
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. 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 two academies open, three schools due to join during 2017/18 and two new schools under construction which will be open in 2018 and 2019.

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;
- 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 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.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 principals and executive principals of the academies have responsibility for the academy operations. The trustees operate a committee structure reporting into the main trust body.

The trustees have developed a scheme of financial delegation which clearly sets out the level of financial authority delegated to the principal and other members of staff.

Arrangements for setting pay and remuneration of key management personnel

The Trust has decided to use the academies' existing pay and remuneration policies 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.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 academies, Lyndhurst Junior School and King's Academy Ringmer, are thriving and providing quality education for local children. Lyndhurst Junior School is providing a breakfast and after school club for the children of the school as well as a neighbouring infant school. King's Academy Ringmer is liaising with a local primary school to share support staff costs, achieving efficiencies and best value for both schools. The facilities of both academies are also used by local sports clubs for the benefit of the public.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Strategic Report

Achievements and Performance and Key Performance Indicators

Lyndhurst Junior School

The KS2 results below summarise performance for Lyndhurst Junior School Year 6 pupils at the end of the academic year 2016-17:

Percentage at each level (Change from previous year)	2016/17	National Average
Grammar, Punctuation & Spelling	71(+1)	77
Reading	69(+8)	71
Mathematics	67(+6)	75
Writing	75(-5)	76

Attendance was above national average, at 96.2%.

The academy's sporting achievements included the under 10s football team winning the Portsmouth League and Hampshire Cup, and under 9s winning the Portsmouth League.

Over 100 children took music lessons with peripatetic music teachers, and the academy took part in the successful world record attempt to stage the largest ever drumming lesson.

The academy was successful in securing grant funding of around £800,000 for improvements to the buildings, and work is underway.

King's Academy Ringmer

Outcomes for Year 11 students in the summer of 2017 were:

Measure	King's Academy Ringmer	East Sussex	National
Grade 4 or above in English and Maths GCSE	62%	60.9%	63.3%
Grade 5 or above in English and Maths GCSE	39%	37.9%	39.1%
Maths GCSE Attainment 8 Scores	43.61	45.0	44.2

Attendance was just below national average, at 94.7%

During the year students took part in offsite visits including Year 8's adventure sports at Welsh Camp and Year 10's History trip to Berlin. GCSE and A Level classes in English and Art visited theatres and galleries in London. Year 10 MFL and Art classes enjoyed a trip to Barcelona, and students from all year groups were invited to attend We-Day at Wembley Arena and to see the Ballet Boyz at the Brighton Dome.

Work began on building improvements, with a grant of over £400,000 from the Condition Improvement Fund.

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.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Financial Review

King's Academy Ringmer (formerly Ringmer Community College) joined the trust on 1st December 2016, at which stage it was operating to a deficit budget. 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 £3,985,045 for year ended 31st August 2017. Other income from pupil premium, after school club, school meals, lettings, donations and other sources was £825,428 for the same period.

The main expenditure was staffing costs of £4,010,256.

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 £265,580
- A restricted fixed asset fund of £12,160,386, which can only be realised through disposal of fixed assets
- A pension deficit of £1,563,000
- Other restricted funds of £16,767
- Total funds of £10,879,733

There is a £1,563,000 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.

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.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

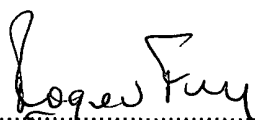
As custodian for any third party, King's Group Academies does not hold, and the trustees do not anticipate that it will in the future hold, any funds

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 13 December 2017 and signed on the board's behalf by:


.....
Sir R Fry
Chair of Trustees

KING'S GROUP ACADEMIES
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GOVERNANCE STATEMENT

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 five times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Fry	5	5
E Benito Molina	5	5
G Best	4	5
I Brown	1	1
M Cooper	4	5
D Cross	1	1
M Holloway	5	5
R Schofield	5	5
B Shah	2	2
B Williams	2	2

In addition to its scrutiny of the standards and finances of the academies, the Board has considered policies and procedures across the Trust, looking at where standardisation can improve efficiencies and accountability. The Board has been closely involved in due diligence on the schools which will be welcomed into the Trust during the 2017/18 academic year, and in the progress of building in Bracknell.

GOVERNANCE STATEMENT (continued)

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: Both schools have focussed on teaching standards, with Lyndhurst Junior School using intensive CPD, improvement plans and competency reviews to bring about rapid improvement. This has contributed to the year-on-year improvements in most metrics. Progress in Maths in particular has benefitted from the in-house expertise of a Maths Mastery Specialist.

King's Academy Ringmer has reviewed its curriculum and the resultant staffing need, so that students are being taught relevant courses by specialist teachers. A recent Ofsted inspection drew attention to the needs of SEN/D and Pupil Premium students, and these areas have been carefully scrutinised to ensure that they are properly provided for and resourced. The academy has undergone a major restructure of staffing – both teaching and support – to ensure that funding is spent where it will best impact on pupil outcomes.

Collaboration: At local level, both academies are working with maintained schools nearby to offer services to such as breakfast clubs, or are sharing staff in order to help control costs.

Centrally, the trust is implementing ways to reduce duplication of administration by centralising many policies and procedures and standardising reporting. Expertise within the trust is shared between academies, and the trust's sponsor also offers specialist skills in marketing and ICT.

Effective procurement: Both schools apply rigorous competitive pricing processes to their purchasing. As member schools of King's Group Academies they are able to benefit from reduced administration costs in areas such as subscriptions, licences and professional fees, freeing up more funds to dedicate to educational outcomes.

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 year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

KING'S GROUP ACADEMIES
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GOVERNANCE STATEMENT (continued)

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

During 2016-17 the trust delegated the internal audit function to trustees. An audit of Lyndhurst Junior School was conducted, and no material control issues were found. For 2017-18 the trust is considering appointing an external provider to conduct internal audit.

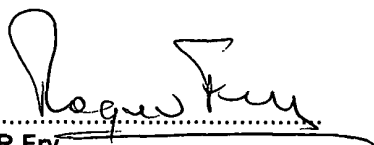
Review of Effectiveness

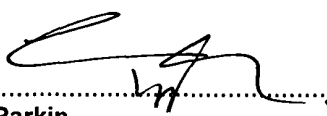
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on 13 December 2017 and signed on their behalf, by:


.....
Sir R Fry
Chair of Trustees


.....
T Parkin
Accounting Officer

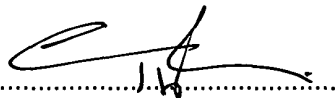
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of King's Group Academies I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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



T Parkin
Accounting Officer

Date: 13 December 2017

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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 Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

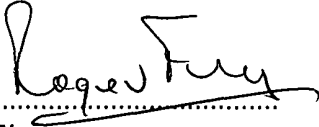
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 13 December 2017 and signed on its behalf by:


.....
Sir R Fry
Chair of Trustees

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

OPINION

We have audited the financial statements of King's Group Academies (the 'Academy') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

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

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

RESPONSIBILITIES OF TRUSTEES

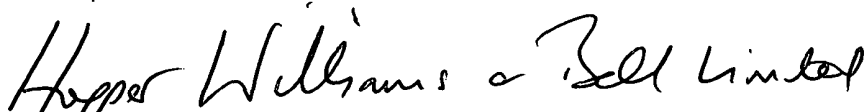
As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.



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:

18 December 2017

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

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

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 year 1 September 2016 to 31 August 2017 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 ESFA 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 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 King's Group Academies and the ESFA, 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 ACCOUNTANT**

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 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

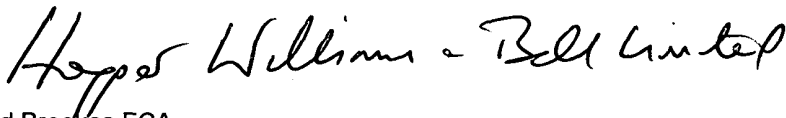
- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

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 ESFA;
- confirming whether ESFA 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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Brookes FCA

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

Date: 18 December 2017

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transfer from Lyndhurst Junior School (Academy)	2	-	-	-	-	1,856,758
Transfer from Ringmer Community College Academy Trust	2	95,487	(1,669,000)	9,973,175	8,399,662	-
Other donations and capital grants	2	-	32,743	955,079	987,822	459,080
Charitable activities	5	-	4,852,563	-	4,852,563	978,243
Other trading activities	3	102,408	-	-	102,408	31,656
Investments	4	730	-	-	730	186
TOTAL INCOME		198,625	3,216,306	10,928,254	14,343,185	3,325,923
EXPENDITURE ON:						
Charitable activities		52,658	5,166,453	855,834	6,074,945	1,330,430
TOTAL EXPENDITURE	6	52,658	5,166,453	855,834	6,074,945	1,330,430
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	145,967 (64,448)	(1,950,147) 49,914	10,072,420 14,534	8,268,240 -	1,995,493 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		81,519	(1,900,233)	10,086,954	8,268,240	1,995,493
Actuarial gains/(losses) on defined benefit pension schemes	22	-	1,041,000	-	1,041,000	(425,000)
NET MOVEMENT IN FUNDS		81,519	(859,233)	10,086,954	9,309,240	1,570,493
RECONCILIATION OF FUNDS:						
Total funds brought forward		184,061	(687,000)	2,073,432	1,570,493	-
TOTAL FUNDS CARRIED FORWARD		265,580	(1,546,233)	12,160,386	10,879,733	1,570,493

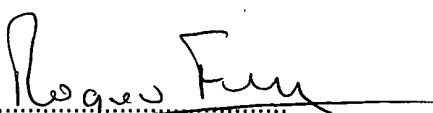
The notes on pages 22 to 46 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		11,643,760		1,874,386
CURRENT ASSETS					
Stocks	14	12,779		-	
Debtors	15	865,869		169,390	
Cash at bank and in hand		2,847,549		492,307	
		<u>3,726,197</u>		<u>661,697</u>	
CREDITORS: amounts falling due within one year	16	(2,927,224)		(278,590)	
NET CURRENT ASSETS			798,973		383,107
TOTAL ASSETS LESS CURRENT LIABILITIES			12,442,733		2,257,493
Defined benefit pension scheme liability	22		(1,563,000)		(687,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>10,879,733</u>		<u>1,570,493</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	16,767		-	
Restricted fixed asset funds	17	12,160,386		2,073,432	
Restricted fixed asset funds		12,177,153		2,073,432	
Pension reserve		(1,563,000)		(687,000)	
Total restricted income funds			10,614,153		1,386,432
Unrestricted income funds	17		265,580		184,061
TOTAL FUNDS			<u>10,879,733</u>		<u>1,570,493</u>

The financial statements on pages 19 to 46 were approved by the Trustees, and authorised for issue, on 13 December 2017 and are signed on their behalf, by:


.....
Sir R Fry
Chair of Trustees

The notes on pages 22 to 46 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>2,224,472</u>	<u>222,033</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(14,534)</u>	<u>-</u>
Net cash used in investing activities		<u>(14,534)</u>	<u>-</u>
Cash received on transfer to an academy trust		<u>145,304</u>	<u>270,274</u>
Net cash provided by financing activities		<u>145,304</u>	<u>270,274</u>
Change in cash and cash equivalents in the year		<u>2,355,242</u>	<u>492,307</u>
Cash and cash equivalents brought forward		<u>492,307</u>	<u>-</u>
Cash and cash equivalents carried forward	20	<u><u>2,847,549</u></u>	<u><u>492,307</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

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 receipt is probable 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.

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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.

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

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:

Long-term leasehold and freehold - land	-	Not depreciated
Long-term leasehold property	-	Shorter of 50 years straight line or length of lease
Motor vehicles	-	5 years - straight line
Fixtures and fittings	-	5 years - straight line
Computer equipment	-	3 years - straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

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.

1.6 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.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

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 and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. 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 holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Lyndhurst Junior School (Academy)	-	-	-	-	1,856,758
Transfer from Ringmer Community College Academy Trust	95,487	(1,669,000)	9,973,175	8,399,662	-
Subtotal detailed disclosure	95,487	(1,669,000)	9,973,175	8,399,662	1,856,758
Donations	-	32,743	-	32,743	70,859
Capital Grants	-	-	955,079	955,079	388,221
Subtotal	-	32,743	955,079	987,822	459,080
	95,487	(1,636,257)	10,928,254	9,387,484	2,315,838
Total 2016	200,992	(175,141)	2,289,987	2,315,838	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	22,925	-	22,925	3,491
Kids' club income	79,483	-	79,483	28,165
	<u>102,408</u>	<u>-</u>	<u>102,408</u>	<u>31,656</u>
<i>Total 2016</i>	<u>31,656</u>	<u>-</u>	<u>31,656</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	730	-	730	186
	<u>730</u>	<u>-</u>	<u>730</u>	<u>186</u>
<i>Total 2016</i>	<u>186</u>	<u>-</u>	<u>186</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,985,045	3,985,045	856,763
DfE/ESFA other grants	-	411,459	411,459	67,405
	-	4,396,504	4,396,504	924,168
Other government grants				
Local authority grants	-	166,148	166,148	3,910
	-	166,148	166,148	3,910
Other funding				
Trip income	-	27,418	27,418	17,969
Catering income	-	51,201	51,201	18,107
Other income	-	211,292	211,292	14,089
	-	289,911	289,911	50,165
	-	4,852,563	4,852,563	978,243
Total 2016	-	978,243	978,243	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations:					
Direct costs	3,111,732	-	306,484	3,418,216	784,576
Support costs	898,524	936,822	821,383	2,656,729	545,854
	<u>4,010,256</u>	<u>936,822</u>	<u>1,127,867</u>	<u>6,074,945</u>	<u>1,330,430</u>
Total 2016	<u>849,634</u>	<u>225,271</u>	<u>255,525</u>	<u>1,330,430</u>	

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2017 £	Total 2016 £
Technology costs	29,323	29,323	6,516
Premises costs	936,822	936,822	225,271
Governance costs	27,816	27,816	23,316
Other costs	545,909	545,909	121,445
Wages and salaries	559,598	559,598	114,869
National insurance	35,245	35,245	6,016
Pension cost	303,681	303,681	27,628
Depreciation	218,335	218,335	20,793
	<u>2,656,729</u>	<u>2,656,729</u>	<u>545,854</u>
At 31 August 2016	<u>545,854</u>	<u>545,854</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	218,335	20,793
Auditors' remuneration - audit	14,380	10,700
Auditors' remuneration - other services	11,047	4,480
Operating lease rentals	990	7,804
	<u>244,752</u>	<u>43,777</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,891,916	681,452
Social security costs	261,536	52,684
Operating costs of defined benefit pension schemes	668,750	115,498
	<u>3,822,202</u>	<u>849,634</u>
Apprenticeship levy	4,470	-
Staff restructuring costs	183,584	-
	<u><u>4,010,256</u></u>	<u><u>849,634</u></u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	70,702	-
Severance payments	112,882	-
	<u><u>183,584</u></u>	<u><u>-</u></u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £112,882. Individually, the payments were £31,000, £25,000, £38,045 and £18,837.

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

	2017 No.	2016 No.
Teachers	55	21
Admin / Support	76	47
Management	8	3
	<u><u>139</u></u>	<u><u>71</u></u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	0
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total amount of staff costs in respect of key management personnel was £85,536 (2016: £75,082).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Legal costs
- Auditors' remuneration
- Consultancy fees
- Staff costs

The Academy Trust charges for these services on the following basis:

5% of GAG income, although transitional arrangements may apply during the academy's first year as a member of the Academy Trust.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Lyndhurst Junior Academy	41,831	-
King's Academy Ringmer	120,000	-
Total	<u>161,831</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

11. 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:

		2017 £	2016 £
R Schofield	Remuneration	35,000-40,000	-
	Pension contributions paid	-	-

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, expenses totalling £9,686 (2016 - £1,870) were reimbursed to five Trustees (2016 - three).

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

13. TANGIBLE FIXED ASSETS

	Long-term leasehold and freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	1,870,867	2,500	12,329	9,483	1,895,179
Additions	-	-	-	14,534	14,534
Disposals	-	-	-	(2,500)	(2,500)
Transfer from Ringmer Community College Academy Trust	9,840,953	-	109,863	22,359	9,973,175
At 31 August 2017	11,711,820	2,500	122,192	43,876	11,880,388
Depreciation					
At 1 September 2016	12,880	600	2,273	5,040	20,793
Charge for the year	171,064	1,200	29,041	17,030	218,335
On disposals	-	-	-	(2,500)	(2,500)
At 31 August 2017	183,944	1,800	31,314	19,570	236,628
Net book value					
At 31 August 2017	11,527,876	700	90,878	24,306	11,643,760
At 31 August 2016	1,857,987	1,900	10,056	4,443	1,874,386

14. STOCKS

	2017 £	2016 £
Goods for resale	12,779	-

15. DEBTORS

	2017 £	2016 £
Trade debtors	62,751	1,734
Other debtors	-	6,948
Prepayments and accrued income	714,727	125,736
Recoverable VAT	88,391	34,972
	865,869	169,390

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	512,873	83,855
Other taxation and social security	80,335	28,227
Other creditors	114,275	25,877
Accruals and deferred income	2,219,741	140,631
	<u>2,927,224</u>	<u>278,590</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	5,877	-
Resources deferred during the year	48,491	5,877
Amounts released from previous years	(5,877)	-
GAG funding to be repaid to EFSA	1,927,644	-
Deferred income at 31 August 2017	<u>1,976,135</u>	<u>5,877</u>

Resources deferred relates to funds received in advance in respect of tuition fees and grants relating to the period subsequent to the balance sheet date.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Reserves	184,061	198,625	(52,658)	(64,448)	-	265,580
Restricted funds						
General Annual Grant (GAG)	-	3,985,045	(4,034,959)	49,914	-	-
Pupil premium	-	259,327	(259,327)	-	-	-
DfE/ESFA other grants	-	152,132	(152,132)	-	-	-
Local authority grants	-	166,148	(166,148)	-	-	-
Other educational activities	-	282,244	(282,244)	-	-	-
Binfield Pre-opening	-	40,410	(23,643)	-	-	16,767
Pension reserve	(687,000)	(1,669,000)	(248,000)	-	1,041,000	(1,563,000)
	(687,000)	3,216,306	(5,166,453)	49,914	1,041,000	(1,546,233)
Restricted fixed asset funds						
Fixed asset fund	1,874,386	9,973,175	(218,335)	14,534	-	11,643,760
DfE/ESFA capital grants - Lyndhurst - DFC	16,235	9,456	-	-	-	25,691
DfE/ESFA capital grants - Ringmer - DFC	-	14,598	-	-	-	14,598
DfE/ESFA capital grants - Lyndhurst - CIF	182,811	472,334	(436,095)	-	-	219,050
DfE/ESFA capital grants - Ringmer - CIF	-	458,691	(201,404)	-	-	257,287
	2,073,432	10,928,254	(855,834)	14,534	-	12,160,386
Total restricted funds	1,386,432	14,144,560	(6,022,287)	64,448	1,041,000	10,614,153
Total of funds	1,570,493	14,343,185	(6,074,945)	-	1,041,000	10,879,733

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 May 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds						
Reserves	-	232,834	(24,492)	(24,281)	-	184,061
	<u>-</u>	<u>232,834</u>	<u>(24,492)</u>	<u>(24,281)</u>	<u>-</u>	<u>184,061</u>
Restricted funds						
General Annual Grant (GAG)	-	849,423	(873,704)	24,281	-	-
Pupil premium	-	67,405	(67,405)	-	-	-
DfE/ESFA 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)
	<u>-</u>	<u>803,102</u>	<u>(1,089,383)</u>	<u>24,281</u>	<u>(425,000)</u>	<u>(687,000)</u>
Restricted fixed asset funds						
Fixed asset fund	-	1,895,179	(20,793)	-	-	1,874,386
DfE/ESFA capital grants - Lyndhurst - DFC	-	16,235	-	-	-	16,235
DfE/ESFA capital grants - Lyndhurst - CIF	-	378,573	-	-	-	378,573
DfE/ESFA capital grants - Ringmer - CIF	-	-	(195,762)	-	-	(195,762)
	<u>-</u>	<u>2,289,987</u>	<u>(216,555)</u>	<u>-</u>	<u>-</u>	<u>2,073,432</u>
Total restricted funds	-	3,093,089	(1,305,938)	24,281	(425,000)	1,386,432
Total of funds	-	3,325,923	(1,330,430)	-	(425,000)	1,570,493

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. 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 ESFA 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/ESFA grants

This is funding received from the ESFA 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/ESFA capital grants

This is money received from the DfE/ESFA 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 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Lyndhurst Junior Academy	235,661	195,222
King's Academy Ringmer	66,465	-
Central Services	(19,779)	(11,161)
Total before fixed asset fund and pension reserve	282,347	184,061
Restricted fixed asset fund	12,160,386	2,073,432
Pension reserve	(1,563,000)	(687,000)
Total	10,879,733	1,570,493

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Lyndhurst Junior Academy	1,321,768	392,952	52,498	862,645	2,629,863	1,309,637
King's Academy Ringmer	1,789,964	505,572	28,872	902,339	3,226,747	-
	<u>3,111,732</u>	<u>898,524</u>	<u>81,370</u>	<u>1,764,984</u>	<u>5,856,610</u>	<u>1,309,637</u>

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	184,061	198,625	(52,658)	(64,448)	-	265,580
Restricted funds	(687,000)	3,216,306	(5,166,453)	49,914	1,041,000	(1,546,233)
Restricted fixed asset funds	2,073,432	10,928,254	(855,834)	14,534	-	12,160,386
	<u>1,570,493</u>	<u>14,343,185</u>	<u>(6,074,945)</u>	<u>-</u>	<u>1,041,000</u>	<u>10,879,733</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 May 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
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
	<u>-</u>	<u>3,325,923</u>	<u>(1,330,430)</u>	<u>-</u>	<u>(425,000)</u>	<u>1,570,493</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	11,643,760	11,643,760
Current assets	265,580	2,943,991	516,626	3,726,197
Creditors due within one year	-	(2,927,224)	-	(2,927,224)
Pension reserve	-	(1,563,000)	-	(1,563,000)
	<u>265,580</u>	<u>(1,546,233)</u>	<u>12,160,386</u>	<u>10,879,733</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
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>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	8,268,240	1,995,493
Adjustment for:		
Depreciation charges	218,335	20,793
Increase in stocks	(12,779)	-
Increase in debtors	(544,174)	(131,666)
Increase in creditors	2,446,512	178,171
Defined benefit pension scheme cost less contributions payable	248,000	16,000
Transfer from Lyndhurst Junior School (Academy)	-	(1,856,758)
Transfer from Ringmer Community College Academy Trust	(8,399,662)	-
Net cash provided by operating activities	<u>2,224,472</u>	<u>222,033</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	108	73
Notice deposits (less than 3 months)	2,847,441	492,234
Total	<u>2,847,549</u>	<u>492,307</u>

21. CAPITAL COMMITMENTS

At 31 August 2017 the Academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>498,939</u>	<u>191,415</u>

22. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council and East Sussex 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 2016.

Contributions amounting to £64,212 were payable to the schemes at 31 August 2017 (2016 - £25,783) 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

22. PENSION COMMITMENTS (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. 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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £295,335 (2016 - £70,507).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £219,000 (2016 - £42,000), of which employer's contributions totalled £175,000 (2016 - £32,000) and employees' contributions totalled £44,000 (2016 - £10,000). 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.20 %	3.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.00 %
Inflation assumption (CPI)	2.10 %	2.00 %

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

	2017	2016
Retiring today		
Males	23.0	24.6
Females	25.7	26.4
Retiring in 20 years		
Males	24.9	26.7
Females	27.8	28.7

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	3,450,000	422,000
Government bonds	1,005,000	196,000
Corporate bonds	28,000	13,000
Property	428,000	55,000
Cash	181,000	39,000
Other	88,000	20,000
Total market value of assets	<u>5,180,000</u>	<u>745,000</u>

The actual return on scheme assets was £594,000 (2016 - £121,000).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

22. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(264,000)	(44,000)
Past service cost	(108,000)	-
Net interest cost	(51,000)	(4,000)
Total	<u>(423,000)</u>	<u>(48,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,432,000	-
Upon conversion	-	863,000
Transferred in on existing academies joining the trust	5,354,000	-
Interest cost	123,000	16,000
Employee contributions	44,000	10,000
Actuarial (gains)/losses	(519,000)	520,000
Current service cost	264,000	44,000
Past service costs	108,000	-
Benefits paid	(63,000)	(21,000)
Closing defined benefit obligation	<u>6,743,000</u>	<u>1,432,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	745,000	-
Upon conversion	-	617,000
Transferred in on existing academies joining the trust	3,685,000	-
Interest income	72,000	12,000
Actuarial losses	522,000	95,000
Employer contributions	175,000	32,000
Employee contributions	44,000	10,000
Benefits paid	(63,000)	(21,000)
Closing fair value of scheme assets	<u>5,180,000</u>	<u>745,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

23. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	16,996	3,901
Between 1 and 5 years	39,667	-
Total	<u>56,663</u>	<u>3,901</u>

24. MEMBERS' LIABILITY

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

25. 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:

King's Education Limited - a company controlled by Sir R Fry:

An accrual of £50,000 has been made in these financial statements for expected recharges from King's Education Limited. King's Education Limited paid fees totalling £27,400 (2016: £nil) to the Finance Director for the Trust. These fees were recharged to the Trust at the end of the period.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

26. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY

**Ringmer Community College Academy
Trust**

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Long-term leasehold land and buildings	9,840,953	-	9,840,953
Fixtures and fittings	109,863	-	109,863
Computer equipment	22,359	-	22,359
Stock	22,398	-	22,398
Debtors due within one year	129,907	-	129,907
Cash in bank and in hand	145,304	-	145,304
Liabilities			
Creditors due within one year	(202,122)	-	(202,122)
Pensions			
Pensions - pension scheme assets	3,685,000	-	3,685,000
Pensions - pension scheme liabilities	(5,354,000)	-	(5,354,000)
Net assets	<u>8,399,662</u>	<u>-</u>	<u>8,399,662</u>