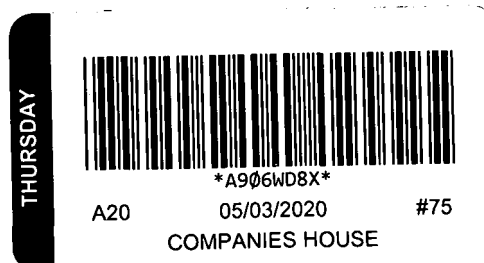


KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

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KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Sir R Fry, Chairman M Benito Molina G Best (resigned 10 September 2019) M Cooper A Davison P Harris M Holloway (resigned 24 November 2019) N Lelew B Shah B Williams D Smith (appointed 12 September 2019) Members: Sir R Fry M Holloway (resigned 24 November 2019) King's Education Ltd (resigned 7 November 2019) C Ellison Rt Revd H Scriven R Schofield (appointed 4 December 2019)
Company registered number	09017776
Company name	King's Group Academies
Principal and registered office	Lyndhurst Junior School Crofton Road Portsmouth PO2 0NT
Chief executive officer	N Cross
Finance Director and Company Secretary	S Collins
Senior management team	N Cross, Chief Executive Officer (from 23 April 2019) D Smith, Chief Executive Officer (10 September 2018 to 23 April 2019) T Parkin, Chief Executive Officer (to 10 September 2018) S Collins, Director of Finance and Corporate Affairs
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank Plc 38 London Road Portsmouth Hampshire PO2 0LR

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Solicitors	Blake Morgan LLP New Kings Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3LG
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**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law

During the year, the Trust operated four primary, one secondary and one all through academy in Portsmouth, East Sussex and Bracknell Forest, with a further primary academy opened in September 2019. Its academies have a combined pupil capacity of 2,532 and had a roll of 2,430 in the school census on 3 October 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. Its academies operate as:

- Lyndhurst Junior School;
- College Park Infant School;
- Northern Parade Federation of Schools;
- King's Academy Ringmer;
- King's Academy Binfield; and
- King's Academy Oakwood (opened 1 September 2019).

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

Trade union facility time

During the year 3 employees (full time equivalent of 3) were relevant union officials. During the year the total cost of facility time was £5,788 (out of a total pay bill of £10,020,666).

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000.

TRUSTEES

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 nine Trustees, appointed under Article 50;
- The Chief Executive Officer;
- Up to two chairs of local governing bodies selected by the trustees; and

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- A minimum of two parent Trustees elected or appointed under Article 53 & 56 in the event that no local governing bodies are established under Article 100a or if no provision is made for at least two 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 Limited may appoint by ordinary resolution up to nine Trustees. The members may appoint staff Trustees through such process as they may determine. The total number of trustees including the Chief Executive Officer if they so choose to act as Trustee under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees. The term of office of any Trustee is four years.

King's Group Academies (KGA) is keen to ensure that it recruits the right mix of skills and experience to the board. To ensure this the trust has 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 the selection panel and distributing it to the Board;
- Agreeing a 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; and
- 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 upon their existing experience. Appointments of new trustees are infrequent and induction is tailored to the individual. Trustees visit academies throughout the trust and meet staff and senior leaders. The trust holds formal training sessions for trustees, the content being informed by a regular skills audit.

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 Trust, approving major items of expenditure and making senior staff appointments. The local governing bodies have responsibility for overseeing safeguarding, assisting in ensuring the educational quality and supporting local engagement. These responsibilities are defined in the Scheme of Delegation. The senior leadership team – in particular the CEO – have delegated authority to manage day to day activities of the Trust; the principals and executive principals of the academies have responsibility for the academy operations. The Trustees operate a committee structure reporting in to the main trust body.

The Trustees have developed a scheme of financial delegating which clearly sets out the level of financial authority delegated to the principals and other members of staff.

The Chief Executive Officer is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Every academy follows the arrangements they had before joining the trust except King's Academy Binfield and King's Academy Oakwood, which use the new KGA Teachers' Pay Policy.

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 is determined by the Board of Trustees based on an external review of objectives and targets undertaken by an external consultant.

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Connected Organisations, including Related Party Relationships

KGA has a relationship with the King's Group via its sponsor King's Education Ltd, King's Education Ltd being a trading company within the 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 headteachers of the schools in the group. These services have been provided free of charge as a sponsor organisation.

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 KGA 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 ongoing development as teachers and leaders, in our continuous striving for excellence;
- Promote positive dialogue and partnership 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; and
- 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

STRATEGIC REPORT
ACHIEVEMENTS AND PERFORMANCE

Lyndhurst Junior School

The KS2 results below summarise performance for Lyndhurst Junior School Year 6 pupils at the end of the academic year 2018-19:

Percentage at each level (Change from previous year)	2018-19	National Average
Grammar, Punctuation & Spelling	73 (-1)	78
Reading	67 (-4)	73
Maths	67 (-8)	79
Writing	80 (+2)	78
Reading, Writing, Maths combined	55 (-8)	65

Attendance was above national average, at 96.6%

College Park Infant School

The KS1 results below summarise performance for College Park Infant School pupils at the end of the academic year 2018-19:

Percentage at each level (Change from previous year)	2018-19	National Average
Reading	82 (+1)	X
Maths	85 (-3)	X
Writing	81 (+3)	X
Reading, Writing, Maths combined	75 (+2)	X
Phonics	85 (-7)	X
Good Level of Development	82 (=)	X

Attendance was above national average, at 96.5%

Northern Parade Schools

The KS1 and KS2 results below summarise performance for Northern Parade Schools pupils at the end of the academic year 2018-19:

Percentage at each level (Change from previous year)	2018-19	National Average
KS2 Grammar, Punctuation & Spelling	55 (-13)	78
KS2 Reading	56 (-5)	73
KS2 Maths	70 (+11)	79
KS2 Writing	80 (+9)	78
KS2 Reading, Writing, Maths combined	53 (+7)	65
KS1 Reading	59 (-13)	X
KS1 Maths	60 (-16)	X
KS1 Writing	54 (-13)	X
Reading, Writing, Maths combined	51 (-11)	X
Phonics	84 (+17)	X
Good Level of Development	69 (+1)	X

Attendance was above national average, at 96.7%

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

King's Academy Ringmer

The KS4 results below summarise performance for King's Academy Ringmer students at the end of the academic year 2018-19:

Percentage at each level (Change from previous year)	2018-19	National Average
English and Maths Level 4+	64 (-1)	X
English and Maths Level 5+	39 (=)	X
EBACC	34 (+6.3)	X
Progress 8	X	X
Attainment 8	45.9 (-0.8)	X

Attendance was above national average, at 94.9%

Construction has begun on Ringmer Football Club's new pitch and clubhouse on the academy site, which will bring enhanced facilities for the local community as well as for the academy students.

King's Academy Binfield

The academy increased its KS3 numbers to 270 in September 2019, as part of its planned phased growth, as well as opening its Reception class and Nursery.

Attendance was above national average, at 97.4%

King's Academy Oakwood

This one form entry academy opened in September 2019 with a Reception class and a mixed year 1 and 2 class.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

In Portsmouth all our academies are thriving, with College Park Infant School, Lyndhurst Junior School and Northern Parade Schools proving breakfast and after school clubs for their children. Portsmouth Northsea Swimming Club (Learn to Swim section) hire out the CPIS swimming pool twice a week for any children in the local community, not just those from College Park. The facilities of the other academies are also used by local sports clubs for the benefit of the public.

King's Academy Ringmer continues to work with local schools both at secondary and primary phase. The Academy has invited pupils from local primaries to take part in exciting science lessons, dissecting hearts and exploring our eco systems. They plan to host a Blue and White Day in March working with Brighton and Hove Albion football Club. Staff also make regular visits to Year 6 classes to work on reading and literacy. The Principal continues to work closely with local heads sharing good practice and supporting each other. The Academy is working with a local primary school to share support staff costs, achieving efficiencies and best value for both schools, and has a thriving out of hours community use programme benefitting a wide variety of local interest groups.

King's Academy Binfield, designed as a 'Learning Village' for the whole community, has extensive sporting facilities which, along with other areas within the school, are well used every evening and weekend by local community groups. The wrap-around care provider runs a holiday scheme for all local children, not just those at King's Academy Binfield or King's Academy Oakwood. The nursery at King's Academy Binfield is providing a high quality pre-school education for local families.

KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. Over time, the Trustees would like to build and maintain an unrestricted general reserve of 5% of revenue income. At 31 August 2019 the unrestricted fund was 2.4% of revenue income in the year.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018/19 were 2,220, an increase of 133 over 2017/18. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of total revenue income. For 2019 this was 82%, compared to 80% in 2018.

Performance of each academy against budget is analysed monthly, and discussed in detail at at least 6 Trustees' meetings per year.

The following non-financial KPIs were set at the start of the year:

	Target	Actual
KS4 FFT20 English & Maths 4+	67	64
KS4 FFT20 English & Maths 5+	43	39
Percentage of KS1 & KS2 studying second language	100	100

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, the Academy received total income of £12,292,852 and incurred total expenditure of £11,977,745 (excluding restricted fixed asset fund and pension reserve). The excess of income over expenditure for the year was £315,107.

At 31 August 2019 the net book value of fixed assets was £42,642,398 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Chief Executive Officer, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included the Scheme of Delegation setting out the financial and other responsibilities of Local Governing Boards, and the KGA Pay Policy.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Reserves Policy

The Trust will build and maintain a general reserves balance at a level equivalent to 5% of combined General Annual Grant for all schools (currently approximately £450,000) , subject to 10% tolerance either way.

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 at 31 August 2019 were as follows:

- Unrestricted (free) reserves of £328,341;
- A restricted fixed asset fund of £43,113,262, which can only be realised through disposal of fixed assets;
- A pension deficit of £3,994,000;
- Other restricted funds of £387,386; and
- Total funds of £39,834,989.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Principal Risks And Uncertainties

The Board of Trustees has 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 properly documented;
- To provide assurance to the trustees that risks are being adequately controlled, or identify areas for improvement; and
- 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 and external 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; and
- Financial sustainability.

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

FUNDRAISING

As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through cake sales, non-uniform days etc. The Academy Trust raises funds in order to support its own operations and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students and their families. In relation to fundraising, the Trustees confirm that:

- No unsolicited approaches are made to members of the public;
- No commercial participators are used;
- No regularity schemes or standards are applicable; and
- No complaints were made to the academy trust during the year.

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; and
5. Ensure the beneficial development of the organisation.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

EMPLOYEES AND DISABLED PERSONS

KGA publishes on its website its Equality Information and Objectives Policy, which sets out its policy in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons

TRUSTEES INDEMNITIES

Third party indemnity insurance for Trustees is included within the cover of the Risk Protection Arrangement, to which all academies in the Trust subscribe.

DISCLOSURE OF INFORMATION TO AUDITORS

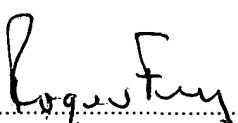
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 10 December 2019 and signed on its behalf by:



Sir R Fry
Chair of Trustees

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

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 5 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
Sir R Fry, Chairman	5	5
M Benito Molina	4	5
G Best	2	5
M Cooper	4	5
A Davison	3	5
P Harris	5	5
M Holloway	4	5
N Lelew	5	5
B Shah	4	5
B Williams	3	5

The Finance, HR & Audit and Education & Standards Committee is a sub-committee of the main board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
B Williams	3	3
M Benito Molina	1	3
M Cooper	2	3
P Harris	3	3

There were no changes to the Board of Trustees during the year 2018/19. There was one resignation in September 2019, and as the Trustee was an education expert he has been replaced on the Board and on the Education & Standards Committee by another experienced Headteacher and National Leader in Education, thus maintaining the balance and quality of skills required by the Board.

The Board's committees – Finance, HR & Audit and Education & Standards – meet in advance of each Board meeting, allowing sufficient time for all data submitted to the Board to be scrutinised and challenged by Trustees with appropriate expertise. The Board can therefore be confident of the quality of the data it reviews.

As part of its programme of review and development during the year, the Board has undergone an external review of governance carried out by a National Leader in Governance. The Board will repeat that process from time to time, following up each review by meeting any training needs identified.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by seeking economies of scale in procurement across the Trust, by applying a rigorous best value procurement process for higher value purchases and by making use of purchasing frameworks provided by the Department for Education.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in King's Group Academies for the year 1 September 2018 to 31 August 2019 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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, HR & Audit 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Bishop Fleming as internal assurance provider from September 2019. During the year 2018/19 that role was performed by Hopper Williams and Bell.

The internal assurance provider's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included a planned programme of supplementary work looking at governance, website compliance, internal financial control and purchasing practices.

On a semi-annual basis, the internal assurance provider reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal assurance provider did not find any material control issues during the year in question.

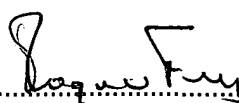
REVIEW OF EFFECTIVENESS

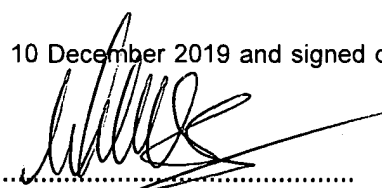
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee 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 10 December 2019 and signed on their behalf by:


.....
Sir R Fry
Chair of Trustees


.....
N Cross
Accounting Officer

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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.

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.



N Cross
Accounting Officer
Date: 10 December 2019

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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:

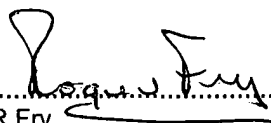
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 10 December 2019 and signed on its behalf by:


.....
Sir R Fry
Chair of Trustees

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of King's Group Academies (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & 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 Trust 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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the 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 (CONTINUED)**

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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 the financial year 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust 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.

USE OF OUR REPORT

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Butler FCA DChA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 18 Dec 2019

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 26 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Butler FCA DChA

Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Date: *18 December 2019*

KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants:	3					
Donations on Academy conversion		-	-	-	-	6,064,174
Donation from Local Authority		-	-	25,000,000	25,000,000	-
Other donations and capital grants		-	12,416	664,134	676,550	55,698
Charitable activities		763,880	11,291,483	-	12,055,363	8,319,526
Other trading activities		223,166	-	-	223,166	124,755
Investments	6	1,907	-	-	1,907	1,746
TOTAL INCOME		988,953	11,303,899	25,664,134	37,956,986	14,565,899
EXPENDITURE ON:						
Charitable activities		1,028,775	11,586,970	978,076	13,593,821	9,507,808
TOTAL EXPENDITURE		1,028,775	11,586,970	978,076	13,593,821	9,507,808
NET (EXPENDITURE)/ INCOME		(39,822)	(283,071)	24,686,058	24,363,165	5,058,091
Transfers between funds	20	-	(48,259)	48,259	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(39,822)	(331,330)	24,734,317	24,363,165	5,058,091
Actuarial losses on defined benefit pension schemes	26	-	(1,430,000)	-	(1,430,000)	964,000
NET MOVEMENT IN FUNDS RECONCILIATION OF FUNDS:		(39,822)	(1,761,330)	24,734,317	22,933,165	6,022,091
Total funds brought forward		368,163	(1,845,284)	18,378,945	16,901,824	10,879,733
Net movement in funds		(39,822)	(1,761,330)	24,734,317	22,933,165	6,022,091
TOTAL FUNDS CARRIED FORWARD		328,341	(3,606,614)	43,113,262	39,834,989	16,901,824

The notes on pages 24 to 51 form part of these financial statements.

KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:09017776

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	42,642,398	18,186,680
CURRENT ASSETS			
Stocks	15	6,000	52,202
Debtors	16	610,142	381,558
Cash at bank and in hand		2,097,185	1,336,733
		<u>2,713,327</u>	<u>1,770,493</u>
Creditors: amounts falling due within one year	17	(1,226,736)	(1,131,349)
NET CURRENT ASSETS		<u>1,486,591</u>	<u>639,144</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>44,128,989</u>	<u>18,825,824</u>
Creditors: amounts falling due after more than one year	18	(300,000)	-
NET ASSETS EXCLUDING PENSION LIABILITY		<u>43,828,989</u>	<u>18,825,824</u>
Defined benefit pension scheme liability	26	(3,994,000)	(1,924,000)
TOTAL NET ASSETS		<u><u>39,834,989</u></u>	<u><u>16,901,824</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	20	387,386	78,716
Restricted fixed asset funds	20	43,113,262	18,378,945
Restricted funds excluding pension liability	20	<u>43,500,648</u>	<u>18,457,661</u>
Pension reserve	20	(3,994,000)	(1,924,000)
Total restricted funds	20	<u>39,506,648</u>	<u>16,533,661</u>
Unrestricted funds	20	<u>328,341</u>	<u>368,163</u>
TOTAL FUNDS		<u><u>39,834,989</u></u>	<u><u>16,901,824</u></u>

The financial statements on pages 15 to 42 were approved by the Trustees, and authorised for issue on 10 December 2019 and are signed on their behalf, by:


 Sir R Fry
 Chair of Trustees

The notes on pages 24 to 51 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 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	22	1,194,246	(1,736,962)
CASH FLOWS FROM INVESTING ACTIVITIES	24	(433,794)	(218,211)
CASH FLOWS FROM FINANCING ACTIVITIES	23	-	444,357
		<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		760,452	(1,510,816)
Cash and cash equivalents at the beginning of the year		1,336,733	2,847,549
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	2,097,185	1,336,733
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 24 to 51 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

King's Group Academies meets the definition of a public benefit entity under 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 Trust 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.

At the year end the Trust had a surplus reserves balance of £683,517 (excluding the pension reserve and restricted fixed asset fund). However, King's Academy Ringmer had a deficit reserves balance of £94,928 at this date. Due to cashflow constraints in the period the Trust made an application to the ESFA for additional short term funding to ensure the Trust is able to meet its financial liabilities as they fell due in the current financial period. During the year the ESFA has made loans of £300,000 to the Academy Trust. The loans are interest free and will be repaid over 5 years from 2022/23. The balance on the loan balance is included within creditors due after more than one year as at 31 August 2019.

Subsequent to the year end additional loans of £140,000 have been received by the Trust. The Trustees are confident that the Academy Trust will be able to make the scheduled repayments of the loan and return the reserves at King's Academy Ringmer to a surplus position in future accounting periods.

Therefore the Trustees 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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 to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives as follows:

Freehold property	- Not depreciated
Leasehold property	- Shorter of 50 years straight line or length of lease
Furniture and fixtures	- 5 years - straight line
Motor vehicles	- 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.6 OPERATING LEASES

Rentals paid 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 and work in progress 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.

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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 for the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust'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 cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.12 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 PENSIONS

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

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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 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 Trust at the discretion of the Trustees.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The Academy Trust 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease required the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance

KING'S GROUP ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DONATIONS				
Donated land and buildings from Local Authority	-	25,000,000	25,000,000	-
On conversion from College Park Infant School and Northern Parade Federation	-	-	-	6,064,174
Donations	-	12,416	12,416	9,412
Capital Grants	-	664,134	664,134	46,286
	<u>-</u>	<u>25,676,550</u>	<u>25,676,550</u>	<u>6,119,872</u>
Total 2018	<u>295,915</u>	<u>5,823,957</u>	<u>6,119,872</u>	

During the year land and buildings with a valuation of £25,000,000 were transferred to the Academy Trust from Bracknell Forest Borough Council in relation to the opening of King's Academy Binfield on 1 September 2018. This valuation has been achieved by comparison with academies of similar size.

KING'S GROUP ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA Grants				
General Annual Grant (GAG)	-	9,245,955	9,245,955	6,509,980
DfE/ESFA other grants	-	1,146,943	1,146,943	558,301
	-	10,392,898	10,392,898	7,068,281
Other Government grants				
High Needs	-	145,725	145,725	84,030
Other Government grants non capital	-	752,860	752,860	654,826
	-	898,585	898,585	738,856
Other funding				
Catering income	111,441	-	111,441	83,102
Uniform income	17,840	-	17,840	15,300
Trip income	179,790	-	179,790	123,587
Other income	454,809	-	454,809	290,400
	763,880	-	763,880	512,389
	763,880	11,291,483	12,055,363	8,319,526
Total 2018	388,802	7,930,724	8,319,526	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Kids' club income	126,727	126,727	32,633
Lettings income	96,439	96,439	92,122
	223,166	223,166	124,755

KING'S GROUP ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	1,907	1,907	1,746

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Academy's educational operations:					
Direct costs	7,709,756	-	946,325	8,656,081	6,029,427
Support costs	2,310,910	2,126,547	500,283	4,937,740	3,478,381
	<u>10,020,666</u>	<u>2,126,547</u>	<u>1,446,608</u>	<u>13,593,821</u>	<u>9,507,808</u>
Total 2018	<u>6,821,042</u>	<u>991,095</u>	<u>1,695,671</u>	<u>9,507,808</u>	

KING'S GROUP ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	8,656,081	4,937,740	13,593,821	9,507,808
Total 2018	6,029,427	3,478,381	9,507,808	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	7,682,732	5,296,094
Educational supplies	483,669	368,473
Examination fees	40,018	37,702
Staff development	30,582	24,028
Other costs	278,491	202,806
Agency staff costs	27,024	-
Technology costs	113,565	100,324
	8,656,081	6,029,427

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	50,000	52,000
Staff costs	2,310,910	1,472,948
Depreciation	978,076	318,108
Other costs	49,150	116,722
Recruitment and other staff costs	66,194	43,682
Maintenance of premises and equipment	217,375	690,541
Cleaning	44,622	24,636
Rent and rates	126,011	72,236
Energy costs	316,758	179,529
Insurance	59,285	42,672
Security and transport	26,318	38,715
Catering	318,909	202,844
Technology costs	130,808	29,293
Legal and professional	202,531	162,929
Bank interest and charges	975	248
Governance costs	39,818	31,278
	4,937,740	3,478,381

9. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	36,196	24,541
Depreciation of tangible fixed assets	1,378,076	318,108
Fees paid to auditors for:		
- audit	18,000	13,150
- other services	2,600	9,518

KING'S GROUP ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	7,512,256	5,216,105
Social security costs	678,280	460,725
Pension costs	1,803,106	1,092,212
	<u>9,993,642</u>	<u>6,769,042</u>
Agency staff costs	27,024	-
Staff restructuring costs	92,712	11,286
	<u><u>10,113,378</u></u>	<u><u>6,780,328</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Contractual redundancy payments	92,712	11,286
	<u>92,712</u>	<u>11,286</u>

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	112	100
Administration and Educational Support	209	209
Management	26	26
	<u>347</u>	<u>335</u>

**KING'S GROUP ACADEMIES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	3	4
In the band £80,001 - £90,000	5	3

d. KEY MANAGEMENT PERSONNEL

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 £223,475 (2018: £171,334).

11. 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:

	2019 £	2018 £
Lyndhurst Junior Academy	82,668	82,457
King's Academy Ringmer	115,848	125,672
College Park Infants	62,760	21,000
Nothern Parade School	149,412	47,033
King's Academy Binfield	51,649	-
TOTAL	462,337	276,162

KING'S GROUP ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. 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 staff members under their contracts of employment. No Trustee received any remuneration during the year (2018: £Nil).

During the year ended 31 August 2019, expenses totalling £2,781 (2018: £3,840) were reimbursed to Trustees.

13. TRUSTEES' AND OFFICERS' INSURANCE

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

14. TANGIBLE FIXED ASSETS

	Long-term leasehold and freehold land and buildings £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
COST					
At 1 September 2018	18,320,887	154,796	257,733	8,000	18,741,416
Additions	25,254,566	32,076	147,152	-	25,433,794
At 31 August 2019	43,575,453	186,872	404,885	8,000	44,175,210
DEPRECIATION					
At 1 September 2018	443,680	66,498	42,058	2,500	554,736
Charge for the year	834,604	35,436	106,936	1,100	978,076
At 31 August 2019	1,278,284	101,934	148,994	3,600	1,532,812
NET BOOK VALUE					
At 31 August 2019	42,297,169	84,938	255,891	4,400	42,642,398
At 31 August 2018	17,877,207	88,298	215,675	5,500	18,186,680

KING'S GROUP ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. STOCKS

	2019 £	2018 £
Items purchased for King's Academy Binfield	-	35,426
Goods for resale	6,000	16,776
	<u>6,000</u>	<u>52,202</u>

16. DEBTORS

	2019 £	2018 £
Trade debtors	63,626	26,218
Other debtors	596	297
Prepayments and accrued income	433,867	294,776
Recoverable VAT	112,053	60,267
	<u>610,142</u>	<u>381,558</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	366,939	317,239
Other taxation and social security	170,697	149,016
Other creditors	165,610	140,552
Accruals and deferred income	523,490	524,542
	<u>1,226,736</u>	<u>1,131,349</u>

DEFERRED INCOME

	2019 £	2018 £
Deferred income at 1 September 2018	349,968	1,976,135
Resources deferred during the year	318,952	274,968
Amounts released from previous periods	(349,968)	(48,491)
GAG funding repaid to ESFA	-	(1,852,644)
DEFERRED INCOME AT 31 AUGUST 2019	<u>318,952</u>	<u>349,968</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Other loans	<u>300,000</u>	<u>-</u>

Other loans due after more than one year is made up of an advance on GAG receivable from the ESFA. For further information on this loan, see note 1.2. The loan is interest free and repayable in equal instalments which will be deducted from future GAG income over a 5 year period from 2022/23.

19. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	2,097,185	1,336,733
Financial assets that are debt instruments measured at amortised cost	433,637	26,515
	<u>2,530,822</u>	<u>1,363,248</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(1,037,087)</u>	<u>(982,333)</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

KING'S GROUP ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
Reserves	368,163	988,953	(1,028,775)	-	-	328,341
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	9,245,955	(9,218,892)	(27,063)	-	-
Pupil Premium	-	681,378	(681,378)	-	-	-
DfE/ESFA other grants	-	465,565	(465,565)	-	-	-
Local authority grants	-	390,285	(390,285)	-	-	-
Other educational activities	-	14,416	(14,416)	-	-	-
Loose equipment budget	78,716	482,000	(152,134)	(21,196)	-	387,386
Oakwood pre-opening	-	26,300	(26,300)	-	-	-
Pension reserve	(1,924,000)	(2,000)	(638,000)	-	(1,430,000)	(3,994,000)
	<u>(1,845,284)</u>	<u>11,303,899</u>	<u>(11,586,970)</u>	<u>(48,259)</u>	<u>(1,430,000)</u>	<u>(3,606,614)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed asset fund	18,186,680	-	(452,496)	48,259	-	17,782,443
DfE/ESFA capital grants:						
Lyndhurst - DFC	22,665	22,254	-	-	-	44,919
Ringmer - DFC	22,351	38,511	-	-	-	60,862
College Park - DFC	8,039	22,551	-	-	-	30,590
Nothern Parade - DFC	16,348	46,863	-	-	-	63,211
Capital surplus transferred from local authority:						
College Park	117,398	-	(25,580)	-	-	91,818
Northern Parade	5,464	-	-	-	-	5,464
Donation from Local Authority	-	25,000,000	(500,000)	-	-	24,500,000
College Park - CIF	-	104,827	-	-	-	104,827
Nothern Parade - CIF	-	429,128	-	-	-	429,128
	<u>18,378,945</u>	<u>25,664,134</u>	<u>(978,076)</u>	<u>48,259</u>	<u>-</u>	<u>43,113,262</u>
TOTAL FUNDS	<u>16,901,824</u>	<u>37,956,986</u>	<u>(13,593,821)</u>	<u>-</u>	<u>(1,430,000)</u>	<u>39,834,989</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

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

General annual grant - Income from the ESFA which is to be used for the normal running costs of the Academy, *including education and support costs*.

Pupil premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

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.

Loose equipment budget- This is funding received from Bracknell Forest Borough Council to acquire items required for King's Academy Binfield as the pupil numbers grow having opened on 1 September 2018.

Oakwood pre-opening- This is funding received from Bracknell Forest Borough Council to cover pre-opening costs incurred for King's Academy Oakwood which opened on 1 September 2019.

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

Fixed asset fund - This 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 Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Lyndhurst Junior Academy	223,798	269,790
King's Academy Ringmer	(210,776)	58,026
College Park Infant School	21,718	43,072
Northern Parade Schools	20,017	11,609
King's Academy Binfield	543,910	-
Central Services	117,060	64,382
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	715,727	446,879
Restricted fixed asset fund	43,113,262	18,378,945
Pension reserve	(3,994,000)	(1,924,000)
	<hr/>	<hr/>
Total	39,834,989	16,901,824
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
King's Academy Ringmer	(210,776)
	<hr/> <hr/>

The deficit at King's Academy Ringmer has arisen from falling pupil numbers.

The Academy Trust is taking the following action to return the academy to surplus:

Due to improvements in pupil outcomes and local engagement the academy is seeing an increase in pupil numbers which is forecast to result in financial surpluses within the next two to three years. Until then the Trust is making all practical economies to minimise the amount of borrowing required from the ESFA.

KING'S GROUP ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
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20. 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 depreciation £	Total 2019 £	Total 2018 £
Lyndhurst Junior Academy	1,460,466	281,874	66,084	209,504	2,017,928	2,335,465
King's Academy Ringmer	1,830,862	408,241	47,171	641,051	2,927,325	3,497,838
College Park Infant School	1,006,647	218,026	46,896	245,041	1,516,610	1,052,271
Northern Parade Schools	2,702,370	544,637	197,176	429,206	3,873,389	2,304,126
King's Academy Binfield	578,617	177,451	82,692	315,525	1,154,285	-
Central Services	-	223,475	43,650	221,083	488,208	-
ACADEMY TRUST	7,578,962	1,853,704	483,669	2,061,410	11,977,745	9,189,700

KING'S GROUP ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
Reserves	265,580	422,416	-	(319,833)	-	368,163
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	6,509,980	(6,509,980)	-	-	-
Pupil Premium	-	416,112	(416,112)	-	-	-
DfE/ESFA other grants	-	142,189	(142,189)	-	-	-
Local authority grants	-	250,287	(250,287)	-	-	-
Other educational activities	-	521,801	(844,523)	322,722	-	-
Loose equipment budget	16,767	442,569	(205,520)	(175,100)	-	78,716
Pension reserve	(1,563,000)	(1,023,000)	(302,000)	-	964,000	(1,924,000)
	<u>(1,546,233)</u>	<u>7,259,938</u>	<u>(8,670,611)</u>	<u>147,622</u>	<u>964,000</u>	<u>(1,845,284)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed asset fund	11,643,760	6,642,817	(318,108)	218,211	-	18,186,680
DfE/ESFA capital grants:						
Lyndhurst - DFC	25,691	9,423	(12,449)	-	-	22,665
Ringmer - DFC	14,598	12,476	(4,723)	-	-	22,351
College Park - DFC	-	8,039	-	-	-	8,039
Nothorn Parade - DFC	-	16,348	-	-	-	16,348
Lyndhurst - CIF	219,050	-	(219,050)	-	-	-
Ringmer - CIF	257,287	-	(257,287)	-	-	-
Capital surplus transferred from local authority:						
College Park	-	142,978	(25,580)	-	-	117,398
Nothorn Parade	-	5,464	-	-	-	5,464
Local authority funding:						
Nothorn Parade	-	46,000	-	(46,000)	-	-
	<u>12,160,386</u>	<u>6,883,545</u>	<u>(837,197)</u>	<u>172,211</u>	<u>-</u>	<u>18,378,945</u>
TOTAL FUNDS	<u>10,879,733</u>	<u>14,565,899</u>	<u>(9,507,808)</u>	<u>-</u>	<u>964,000</u>	<u>16,901,824</u>

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	42,642,398	42,642,398
Current assets	328,341	1,914,122	470,864	2,713,327
Creditors due within one year	-	(1,226,736)	-	(1,226,736)
Creditors due in more than one year	-	(300,000)	-	(300,000)
Provisions for liabilities and charges	-	(3,994,000)	-	(3,994,000)
TOTAL	328,341	(3,606,614)	43,113,262	39,834,989

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	18,186,680	18,186,680
Current assets	368,163	1,210,065	192,265	1,770,493
Creditors due within one year	-	(1,131,349)	-	(1,131,349)
Provisions for liabilities and charges	-	(1,924,000)	-	(1,924,000)
TOTAL	368,163	(1,845,284)	18,378,945	16,901,824

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22. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	24,363,165	5,058,091
ADJUSTMENTS FOR:		
Depreciation	978,076	318,108
Defined benefit pension scheme finance cost	50,000	52,000
Increase in stocks	46,202	(39,423)
Decrease/(increase) in debtors	(228,584)	484,311
(Decrease)/increase in creditors	395,387	(1,795,875)
Defined benefit pension scheme cost less contributions payable	590,000	250,000
Transfer of College Park & Northern Parade fixed assets from local authority	-	(6,642,817)
Transfer of College Park & Northern Parade pension liability	-	1,023,000
Cash transferred on conversion on College Park & Northern Parade	-	(444,357)
Transfer of King's Academy Binfield fixed assets from local authority	(25,000,000)	-
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	1,194,246	(1,736,962)

23. CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £	2018 £
Cash received on conversion to Academy Trust	-	444,357
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	444,357

24. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Purchase of tangible fixed assets	(433,794)	(218,211)
NET CASH USED IN INVESTING ACTIVITIES	(433,794)	(218,211)

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25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	554	186
Notice deposits (less than 3 months)	2,096,631	1,336,547
TOTAL CASH AND CASH EQUIVALENTS	2,097,185	1,336,733

26. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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, Berkshire County Council and East Sussex County Council. Both are multi-employer defined benefit 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 £145,514 were payable to the schemes at 31 August 2019 (2018 - £138,126) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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)
- 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%.

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26. PENSION COMMITMENTS (CONTINUED)

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £738,591 (2018 - £518,608).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £609,000 (2018 - £419,000), of which employer's contributions totalled £475,000 (2018 - £321,000) and employees' contributions totalled £ 134,000 (2018 - £98,000). 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.

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.10	3.20
Rate of increase for pensions in payment/inflation	2.20	3.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.10	2.30

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.1	23.1
Females	24.4	25.8
<i>Retiring in 20 years</i>		
Males	23.5	25.0
Females	26.1	27.9

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26. PENSION COMMITMENTS (CONTINUED)

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

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	5,466,000	5,174,000
Government bonds	1,819,000	1,395,000
Corporate bonds	17,000	45,000
Property	714,000	639,000
Cash	225,000	200,000
Other	365,000	106,000
TOTAL MARKET VALUE OF ASSETS	8,606,000	7,559,000

The actual return on scheme assets was £329,000 (2018 - £477,000).

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

	2019 £	2018 £
Current service cost	(737,000)	(571,000)
Past service cost	(268,000)	-
Interest income	221,000	156,000
Interest cost	(271,000)	(208,000)
Total	(1,055,000)	(623,000)

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

	2019 £	2018 £
Opening defined benefit obligation	9,483,000	6,743,000
Upon conversion	-	2,555,000
Current service cost	737,000	571,000
Interest cost	271,000	208,000
Employee contributions	134,000	98,000
Actuarial gains	1,709,000	(643,000)
Past service cost	268,000	-
Benefits paid	(132,000)	(49,000)
Settlements	127,000	-
Business combinations	3,000	-
Closing defined benefit obligation	12,600,000	9,483,000

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26. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
Opening fair value of scheme assets	7,559,000	5,180,000
Upon conversion	-	1,532,000
Interest income	221,000	156,000
Actuarial gains	279,000	321,000
Employer contributions	475,000	321,000
Employee contributions	134,000	98,000
Benefits paid	(132,000)	(49,000)
Business combinations	1,000	-
Settlements	69,000	-
Closing fair value of scheme assets	8,606,000	7,559,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Amounts payable		
Within 1 year	12,240	36,196
Between 1 and 5 years	18,032	61,311
Total	30,272	97,507

28. 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.

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29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust'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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions arose during the period:

The Academy Trust provided accounting services to Chopping Hart & Biddlecomb Limited, a company controlled by the Chair of Trustees, totalling £12,235 (2018: £7,137), in respect of time spent by the CFO during trust working hours.