

Company Registration Number: 09017776 (England & Wales)

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**



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

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**KING'S GROUP ACADEMIES**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Trustees</b>	Sir R Fry, Chairman M Benito Molina G Best (resigned 10 September 2019) M Cooper A Davison (resigned 13 October 2020) P Harris M Holloway (resigned 24 November 2019) N Lelew B Shah B Williams D Smith (appointed 12 September 2019)
<b>Members</b>	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)
<b>Company registered number</b>	09017776
<b>Company name</b>	King's Group Academies
<b>Principal and registered office</b>	Lyndhurst Junior School Crofton Road Portsmouth PO2 0NT
<b>Chief executive officer</b>	N Cross
<b>Finance Director and Company Secretary</b>	S Collins
<b>Senior management team</b>	N Cross, Chief Executive Officer S Collins, Director of Finance and Corporate Affairs
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL
<b>Bankers</b>	Lloyds Bank Plc 38 London Road Portsmouth Hampshire PO2 0LR

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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<b>Solicitors</b>	Blake Morgan LLP New Kings Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3LG
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**KING'S GROUP ACADEMIES  
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**TRUSTEES REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates five primary, two secondary and one all-through academy in south east England. Its academies have a combined pupil capacity of 6,139 and had a roll of 3,776 in the school census on 1 October 2020.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of King's Group Academies are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as King's Group Academies. The academies are known as:

- King's Academy Ringmer;
- Lyndhurst Junior School;
- College Park Infant School;
- Northern Parade Infant and Junior Schools;
- King's Academy Binfield;
- King's Academy Oakwood; and
- Prospect School (joined October 2020).

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

**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 cease to be a member.

**Trustees' Indemnities**

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

**Method of recruitment and appointment or election of Trustees**

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

- Up to nine trustees, appointed under Article 50;
- Up to two chairs of local governing bodies selected by the trustees; and
- 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. 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.

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**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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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 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.

There are two committees as follows:

- Finance, HR and Audit Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee; and
- Education Standards Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

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 Office is the Accounting Officer.

The regional structure, with each of three regions being led by an experienced Executive Headteacher, ensures the Trust has the capacity to work with existing schools and grow to support additional schools. KGA has a pedagogically focussed school improvement team who are responsive and have capacity to provide the necessary support for rapid and sustained improvement. The support services for all schools have regional delivery but are managed centrally by the Director of Finance and Corporate Affairs to ensure consistency.

To achieve improvement and to grow effectively, the Trust grows capacity ahead of taking on schools, so we are able to provide support at the earliest opportunity. This means we are well placed to provide the right support to ensure rapid and sustained improvement. The Board of Trustees only take decisions to partner with schools where they fit with, or can be developed to fit with, our culture and ethos and where there is benefit to the Trust as a whole.

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**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The KGA Board and local governing bodies:

- Have a balance of skills, which are reviewed regularly and inform recruitment to the Board;
- Receive training is provided on the on responsibilities of trustees, as well as specific aspects (e.g. FFT);
- Scrutinise performance, the impact of School Improvement, finances & risk; and
- Collaboration is a strength with local governing bodies buying in to KGA mission and identity.

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

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.

**Trade union facility time- relevant union officials**

During the year there were 2 (FTE 1.6) employees who were relevant union officials. The total salary cost of their time spent on facility time was £7,387.

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

Until November 2019 KGA had 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 until its sale in 2019. The King's Group has provided 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 were provided free of charge as a sponsor organisation.

**Engagement with employees (including disabled persons)**

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials;
- Regular updates to all staff members, via formal and informal meetings, weekly and termly updates and newsletters; and
- Encouraging all staff to participate in an annual well-being survey.

**Engagement with suppliers, customers and others in a business relationship with the Trust**

The Trust seeks to maintain good relations with suppliers and customers through transparency over purchasing policy and prompt processing of invoices, including the efficient handling of queries. The Trust's Best Value Statement and Register of Interests support this, and robust measures are in place to ensure that the Trust bases its decisions on sound criteria.

The Trust's Scheme of Delegation recognises the importance of maintaining good relations with wider stakeholders, making this a specific responsibility of Local Governing Bodies, where local and personal contact are invaluable.

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**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

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

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

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; and
- Establishing a structure to maintain and improve on the high standards achieved.

School improvement activities include:

- Fortnightly accountability meetings by the executive team including the CEO with headteachers and/or senior leaders;
  - o Monitoring: progress, attainment, attendance and exclusions;
- Annual quality assurance reviews;
- Target setting for progress and attainment (individuals and cohorts);
- Network meetings: Headteachers, SLT, Attendance Leads, SENCOs, English Leads, Mathematics Leads, Digital Learning Leads;
- Support writing Academy Improvement Plans and Self-Evaluation Form;
- Immediate support by phone/email, brokering additional support as required by the school, directing support where required to ensure school improvement;
- CPD;
  - o External programmes: NPQML, NPQSL & NPQH;
  - o In-house CPD Programme;
  - o Modelling practice: teaching and learning; leadership;
  - o Coaching senior leaders;
- Annual KGA Leadership Conference – Residential; and
- Annual KGA INSET Day;



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**TRUSTEES REPORT (CONTINUED)  
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**People and Leadership**

- KGA operates a cluster model, with an Executive Headteacher leading more than one school;
- We are a Regional Partner delivering NPQML & NPQSL qualifications. This is building capacity across the Trust;
- The four schools in Portsmouth are being led by one Executive Headteacher. The two schools in Bracknell Forest are led by a second Executive Headteacher;
- The CEO is a NLE, Pupil Premium System Leader and former Ofsted Inspector;
- KGA has seven SLEs within the Trust, covering:
  - o English x2;
  - o Mathematics;
  - o Inclusion and SEND;
  - o Teaching and Learning within the context of whole school improvement;
  - o Leadership; and
  - o Closing the Gap.

**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.

The leaders of our academies are active participants in local educational fora, sharing best practice and offering support to other schools. Several of our academies have active lettings programmes, making facilities available to the community for sports and other activities. Our wraparound care schemes are a benefit to the parents of our pupils.

The restrictions brought about by COVID-19 reduced our ability to offer some of our extra-curricular and community-focused activities. Instead, we ensured that every effort was made to welcome vulnerable children and the children of key workers into school throughout the closure period, while continuing to provide education and welfare services such as lunch deliveries to the rest of the students.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**King's Academy Ringmer**

Ringmer Community College joined King's Group Academies in December 2016 with a Progress 8 measure of -0.41. On its conversion, it was renamed King's Academy Ringmer. Its previous Ofsted outcome was Inadequate, it was inspected in May 2019 as was judged to be Good with Outstanding Leadership and Management.

- In 2019
  - o Progress 8 was +0.16
  - o %Attaining 4+ in English and Maths was 64%
  - o %Attaining 5+ in English and Maths was 39%
- In 2020, we are informing the DfE that
  - o Progress 8 is estimated to be at least +0.4
  - o %Attaining 4+ in English and Maths is 68%
  - o %Attaining 5+ in English and Maths is 45%

Indicator	2019-20	2018-19	2017-18
En & Ma 4+	68	64	65
En & Ma 5+	45	39	39
P8	TBC	+0.16	0.04
A8	49.4	45.9	46.7

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**Northern Parade Junior School**

Combined Reading, Writing & Maths in the last three years has risen from 46% in 2018, to 53% in 2019 and 68% in 2020.

Indicator	2019-20	2018-19	2017-18
Reading EXS+	75	56	61
Writing EXS+	77	80	71
Maths EXS+	79	70	59
SPaG EXS+	68	55	68
RWM Comb EXS+	68	53	46

**Northern Parade Infant School**

- In 2019, Reading was 59%, Writing was 54% and Maths was 60%. Phonics was 84% and Good Level of Development was 69%.
- In 2020, Reading is 79%, Writing is 75% and Maths is 80%. Phonics is 79% and Good Level of Development is 73%

Indicator	2019-20	2018-19	2017-18
Reading EXS+	79	59	72
Writing EXS+	75	54	67
Maths EXS+	80	60	76
RWM Comb EXS+	67	51	62
Phonics	79	84	67
GLD	73	69	68

**Lyndhurst Junior School**

Lyndhurst Junior School joined in December 2016 and was judged to Require Improvement. It was inspected in February 2019 and was judged to be Good.

- o In 2019 Combined Reading, Writing & Maths was 55%
- o In 2020, Combined Reading, Writing & Maths is 67%

Indicator	2019-20	2018-19	2017-18
Reading EXS+	73	67	71
Writing EXS+	80	80	78
Maths EXS+	79	67	75
SPaG EXS+	78	73	74
RWM Comb EXS+	67	55	63

**College Park Infant School**

College Park Infant School was last inspected in May 2011 and was judged to be Outstanding.

- o In 2019, Reading was 82%, Writing was 81% and Maths was 85%. Phonics was 85% and Good Level of Development was 82%
- o In 2020, Reading is 77%, Writing is 77% and Maths is 85%. Phonics is 90% and Good Level of Development is 83%

Indicator	2019-20	2018-19	2017-18
Reading EXS+	77	82	81
Writing EXS+	77	81	78
Maths EXS+	85	85	88
RWM Comb EXS+	73	75	73
Phonics	90	85	92
GLD	83	82	82

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**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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King's Academy Binfield (KAB) and King's Academy Oakwood (KAO)

KAB and KAO are new schools. The KS3 cohort opened in September 2018 and the EYFS and KS1 in September 2019.

- KAB has Nursery, Reception, Year 7 & Year 8
  - o In 2020 Good Level of Development in YR is 83%
- KAO has Reception, Year 1 & Year 2
  - o In 2020 Reading is 82%, Writing is 82% and Maths is 82%. Phonics is 86% and Good Level of Development is 86%

Ofsted Inspections and DfE's Educational Expert visits

The key points from the most recent Ofsted inspections and visits by the DfE's Educational Experts are outlined below

Lyndhurst Junior School: Ofsted Inspection 6-7 February 2019 – Good (Previously Requires Improvement)

- Strengths
  - o The Executive Headteacher provides strong leadership;
  - o The introduction of new systems for tracking pupils' progress, by streamlining information across both infant and junior schools, is having a positive effect. Any lack of progress is now swiftly acted upon and appropriate interventions are put in place;
  - o Robust monitoring of the quality of teaching has been effective in raising the standards of teaching across the school;
  - o Leaders work effectively to support disadvantaged pupils and those with special educational needs and/or disabilities (SEND); and
  - o Additional funding is used well and pupils currently at the school are making strong progress from their starting points.
- Areas for development
  - o Improve pupils' outcomes further, by ensuring that all pupils, particularly the most able, are suitably challenged and extended in all lessons;
  - o Improve leadership and management, by continuing to develop the skills and expertise of foundation subject leaders, enabling them to hold others to account for the quality of teaching in their subject and the progress made by pupils from their starting points.
- Impact of KGA
  - o The academy trust and the school's governing body provide challenge and hold leaders to account for securing good outcomes for pupils;
  - o King's Group Academies Trust has an accurate view of the school's strengths and weaknesses;
  - o Trustees provide challenge and support and know the school well; and
  - o They (Trustees) provide effective training opportunities for all members of staff.

King's Academy Ringmer: Ofsted Inspection 14-15 May 2019 – Good (Previously Inadequate)

- Strengths
  - o Leaders', governors' and trustees' actions have led to rapid improvements in many aspects of the school. Parents are overwhelmingly positive about the changes in the last two years;
  - o Leaders have significantly improved the quality of teaching and learning. Teachers have high expectations of what pupils can achieve. As a result, pupils' progress has improved substantially and is in line with other pupils nationally;
  - o Leaders have set clear expectations for behaviour. Pupils behave well and the school is a calm and orderly environment for learning; and
  - o Teachers have strong subject knowledge. The curriculum is carefully planned to enable all pupils to make effective progress.
- Areas for development
  - o Governors and leaders to raise the progress and attainment of all pupils so they do at least as well as other pupils nationally in PE and Spanish at GCSE;
  - o Ensure that the school's policy on feedback is more consistently applied so that all pupils know how to improve their work; and

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**TRUSTEES REPORT (CONTINUED)  
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- o Leaders and governors need to ensure that those disadvantaged pupils who frequently miss school attend school regularly so that they can catch up with other pupils nationally.
- Impact of KGA
  - o Leaders, supported well by trustees, have ensured that effective teaching appointments have been made to strengthen the staff team;
  - o Staff value the support and training they receive from the trust and through links with local schools in improving the quality of teaching and learning;
  - o Staff responding to Ofsted's online survey were extremely positive, highlighting the support from the trust, and the support from senior leaders in managing workload;
  - o Trustees monitor the school's performance closely to ensure that the progress of pupils is sustained and continues to improve rapidly. Subject leaders appreciate the support from the trust with professional development to improve quality assurance processes, and in raising standards; and
  - o Trustees rigorously monitor the school's key performance measures to ensure that the quality of provision is constantly improving. They have been proactive in ensuring that the school has the right staff in place.

**King's Academy Binfield: DfE Educational Expert Visit 09 July 2019**

- Strengths
  - o The school has had an excellent founding year;
  - o Teaching is extremely good with some outstanding practice evident;
  - o The Headteacher leads very well and all leaders are actively engaged in the school's development and growth;
  - o Behaviour is outstanding and behaviour for learning well established;
  - o Standards are high for all groups;
  - o There is marked quality in all aspects of the school; and
  - o Staff collaborate very well and pupils support each other actively.
- Areas for development
  - o Induct new staff well and maintain the high morale and success of the founding year on all 3 sites;
  - o Train up middle leaders for their new roles next year; and
  - o Ensure that challenge and differentiation for all pupils is constantly in place.
- Impact of KGA
  - o The Trust supports the school well and provides appropriate challenge;
  - o The Trust provides good support and challenge; and
  - o An annual QA Review takes place and the CEO meets the headteacher very regularly and they collaborate well in reviewing the school. The Trust is helping the school to moderate standards across schools.

**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 combined General Annual Grant (GAG). At 31 August 2020 the unrestricted fund was 4.54% of GAG in the year.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2019/20 were 2,417, an increase of 197 over 2018/19. It is anticipated that this number will continue to rise within the seven academies reported on last year – not including additional pupils arriving in the Trust as a result of academies joining in 2020/21 and beyond.

Another key financial performance indicator is staffing costs as a percentage of total revenue income. For 2020 this was 81%, compared to 82% in 2019.

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

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**TRUSTEES REPORT (CONTINUED)  
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**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 Statement of Accounting Policies.

**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 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the 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 2020, the Academy received total income of £13,739,053 (excluding the restricted fixed asset fund) and incurred total expenditure of £13,459,146. The excess of income over expenditure for the year was £243,907.

At 31 August 2020 the net book value of fixed assets was £47,463,897 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, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

**Financial sustainability**

- The Board of Trustees has set a top slice of 5% of school income to provide a range of functions and services and has agreed with schools that they will work towards a 5% surplus at each academy; and
- The Board of Trustees works closely with schools to save money through joint procurement and integrated curriculum financial planning.

**Reserves Policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately 5% of combined General Annual Grant (currently approximately £520,000), 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.

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The reserves at 31 August 2020 were as follows:

- Unrestricted (free) reserves of £474,602;
- A restricted fixed asset fund of £47,708,759 which can only be realised through disposal of fixed assets;
- A pension deficit of £5,410,000;
- Other restricted funds of £80,432; and
- Total funds of £43,753,793.

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 Trust 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.

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 properly controlled, or identify areas for improvement; and
- To ensure action is taken appropriately in relation to accepting, mitigating, transferring and avoiding risks.

The key risks which have mitigation strategies in place are:

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note X to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**FUNDRAISING**

As part of its work within the community, the academy trust undertakes fund-raising 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.

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

**TRUSTEES REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STREAMLINED ENERGY AND CARBON REPORTING**

<b>UK Greenhouse gas emissions and energy use data for the year 1 September 2019 to 31 August 2020</b>	
Energy consumption used to calculate emissions (kWh)	709,947
<u>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</u>	
Gas consumption	23.65
Owned transport – mini-buses	112.29
<u>Total scope 1</u>	
<u>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</u>	
Purchased electricity	138.44
<u>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</u>	
Business travel in employee owned vehicles	3.73
Total gross emissions in metric tonnes CO <sub>2</sub> e	278.11
<u>Intensity ratio</u>	0.74
Tonnes CO <sub>2</sub> e per pupil	

**Quantification and Reporting Methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

**Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

**Measures taken to improve energy efficiency**

We have installed solar panels where possible. We aim to improve the energy efficiency of all buildings through a programme of roof and heating repairs. We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

**PLANS FOR FUTURE PERIODS**

In October 2020 the Trust welcomed Prospect School Reading, a former Single Academy Trust, to join the King's Group Academies Trust. The trust will support Prospect School as it becomes a fully integrated part of KGA.

**Capacity for growth**

Our growth strategy is focussed around three regions: South East, Berkshire and Hampshire. The Board of Trustees wants to grow each of the regions sustainably, developing effective local school to school collaboration within the context of realising the benefits of being part of a single trust working across three regions.

The Board have approved a 1-year and 5-year plan, which addresses the following areas:

- School Improvement;
- KGA Ethos;
- Growth Strategy;
- Efficiencies/Back Office Savings;
- HR Strategy; and
- Good Governance.

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

**TRUSTEES REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Financial Strategy for Growth**

- The Trust is building the necessary capacity by scaling our central support functions to be able to deliver school improvement. Examples include the use of Executive Headteachers, financial planning, a centralised HR support function and payroll;
- Growth will further strengthen the Trust's overall budget position as we have created the regional structure to support this growth without the immediate need for further recruitment;
- We are keen to bid for and use TCaF money to buy help with premises management and capital planning;
- We have experience of successfully accepting (1) converter academies (2) former LA-maintained schools and (3) new builds. All are thriving under KGA leadership - we have a strong track record; and
- We operate Associate Membership to allow interested schools and academies to try before they commit to joining KGA.

**COVID-19**

The outbreak has had a significant effect on staff, volunteers and beneficiaries. In addition to the uncertainty that affected the population, dealing with the consequences of lockdown and the subsequent re-opening created an immense workload. It involved a change of working & learning habits in a very short space of time with concomitant and negative impacts on pupils.

The virus had and has the potential to impact on pupil outcomes and the health of staff, pupils and other stakeholders. The control measures that we took followed government and local authority guidance and the risks were significantly reduced and managed. The assessments for pupils at the end of each key stage have been made and reflect good levels of progress.

We have planned for virus control measures. We will open in September 2020 following government guidance. Our plans are robust and can be maintained. Whilst each school will need to deliver the curriculum and co-curriculum in a different way, we are confident that we will provide an excellent education. KGA has good and established links across its schools. Additionally, it has links, formal and informal with other networks; our virus control measures will enable us to fully engage with these networks.

**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.

**AUDITOR**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on the board's behalf by:



**Sir Roger Fry  
Chair of Trustees**



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

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 6 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	6	6
M Benito Molina	5	6
G Best	0	0
M Cooper	6	6
A Davison	5	6
P Harris	5	6
M Holloway	1	1
N Lelew	6	6
B Shah	5	6
B Williams	6	6
D Smith	5	6

Two Trustees resigned during the year, one of whom was an educational expert. He has therefore been replaced 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 data it receives.

The Board commissions periodic reviews of its skills and training needs, as well as undertaking regular training in its responsibilities for child protection and safeguarding.

The Finance, HR & Audit and Education & Standards Committee is a sub-committee of the main board. The Finance, HR & Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor the financial performance of the Trust and to ensure compliance with its statutory and regulatory responsibilities.

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

**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE (CONTINUED)**

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	3	3
P Harris	3	3

**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.

- Robust financial governance and budget management;
- Value for money purchasing;
- Reviewing controls and managing risk;
- Considering allocation/targeting/use of resources;
- Making comparisons with similar Academies using data provided by the ESFA and the Government;
- Facilitating the sharing of expertise across academies within the Trust;
- Reviewing quality of curriculum provision and quality of teaching;
- Reviewing quality of children's learning to enable children to achieve nationally expected progress; and
- Outlining procedures for accepting best value, noting that this is not necessarily the cheapest quote.

**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 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

**GOVERNANCE STATEMENT (CONTINUED)**

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**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.

Bishop Fleming completed additional checks during the year 2020, with scope of the work and the work programme agreed before the new standards came into force. Advantage was therefore taken advantage of the transitional arrangements to complete the assignment. For 2021 the Trust will look to engage a new partner to undertake this work.

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.

During the year from 1 September 2019 the Board found that its most significant risk was the safe operation of its academies during the COVID-19 pandemic, including:

- the onsite health and safety of children and staff attending school;
- opening the academies to additional groups of students in line with Government guidelines;
- monitoring the wellbeing of children receiving their education remotely;
- monitoring the wellbeing of staff throughout the period; and
- providing free school meals, both onsite and remotely.

The internal assurance provider reports to the Board of Trustees through the Finance, HR & Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. The internal assurance provider has reviewed policies and practices put into place to address the COVID-19 risk, in line with the academies' risk assessment, including the revisions at each change of government guidance, and has reported on the way in which the Chief Executive Officer has overseen and monitored the control of the risk.

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

**GOVERNANCE STATEMENT (CONTINUED)**

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**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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal assurance provider;
- the work of the external auditors;
- 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 Finance, HR & 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 15 December 2020 and signed on their behalf by:

  
Sir Roger Fry  
Chair of Trustees

  
Nick Cross  
Accounting Officer

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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: 15 December 2020

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

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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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

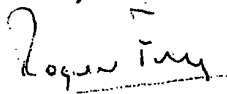
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 and signed on its behalf by:



**Sir R Fry**  
Chair of Trustees  
Date: 15 December 2020

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

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

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**OPINION**

We have audited the financial statements of King's Group Academies (the 'Academy Trust') for the year ended 31 August 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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)**

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**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)**

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**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.

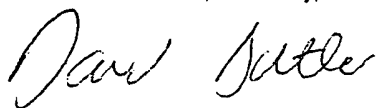
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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](http://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  
10 Temple Back  
Bristol  
BS1 6FL

Date:

*25 January 2021*

**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**

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In accordance with the terms of our engagement letter dated 26 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King's Group Academies during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to King's Group Academies and 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

Our work 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)**

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**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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Butler FCA DChA  
Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
10 Temple Back  
Bristol  
BS1 6FL

Date:

25 January 2021

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>INCOME FROM:</b>						
Donations and capital grants:	3					
Donation from Local Authority		-	-	5,472,000	5,472,000	25,000,000
Other donations and capital grants		-	5,706	58,330	64,036	676,550
Charitable activities	4	529,236	13,026,952	-	13,556,188	12,055,363
Other trading activities	5	172,794	-	-	172,794	223,166
Investments	6	4,365	-	-	4,365	1,907
<b>TOTAL INCOME</b>		<b>706,395</b>	<b>13,032,658</b>	<b>5,530,330</b>	<b>19,269,383</b>	<b>37,956,986</b>
<b>EXPENDITURE ON:</b>						
Charitable activities	8	560,134	12,935,012	1,125,433	14,620,579	13,593,821
<b>TOTAL EXPENDITURE</b>		<b>560,134</b>	<b>12,935,012</b>	<b>1,125,433</b>	<b>14,620,579</b>	<b>13,593,821</b>
<b>NET (EXPENDITURE)/ INCOME</b>		<b>146,261</b>	<b>97,646</b>	<b>4,404,897</b>	<b>4,648,804</b>	<b>24,363,165</b>
Transfers between funds	20	-	(190,600)	190,600	-	-
<b>NET MOVEMENT BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>146,261</b>	<b>(92,954)</b>	<b>4,595,497</b>	<b>4,648,804</b>	<b>24,363,165</b>
Actuarial losses on defined benefit pension schemes	26	-	(730,000)	-	(730,000)	(1,430,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>146,261</b>	<b>(822,954)</b>	<b>4,595,497</b>	<b>3,918,804</b>	<b>22,933,165</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		328,341	(3,606,614)	43,113,262	39,834,989	16,901,824
Net movement in funds		146,261	(822,954)	4,595,497	3,918,804	22,933,165
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>474,602</b>	<b>(4,429,568)</b>	<b>47,708,759</b>	<b>43,753,793</b>	<b>39,834,989</b>

The notes on pages 30 to 57 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

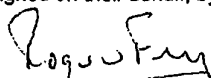
	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	14	47,463,897	42,642,398
<b>CURRENT ASSETS</b>			
Stocks	15	5,322	6,000
Debtors	16	448,830	610,142
Cash at bank and in hand		2,911,511	2,097,185
		<u>3,365,663</u>	<u>2,713,327</u>
Creditors: amounts falling due within one year	17	(1,065,767)	(1,226,736)
<b>NET CURRENT ASSETS</b>		<u>2,299,896</u>	<u>1,486,591</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>49,763,793</u>	<u>44,128,989</u>
Creditors: amounts falling due after more than one year	18	(600,000)	(300,000)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>49,163,793</u>	<u>43,828,989</u>
Defined benefit pension scheme liability	26	(5,410,000)	(3,994,000)
<b>TOTAL NET ASSETS</b>		<u><u>43,753,793</u></u>	<u><u>39,834,989</u></u>
<b>FUNDS OF THE ACADEMY</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	47,708,759	43,113,262
Restricted income funds	20	980,432	387,386
		<u>48,689,191</u>	<u>43,500,648</u>
Restricted funds excluding pension liability	20	48,689,191	43,500,648
Pension reserve	20	(5,410,000)	(3,994,000)
<b>Total restricted funds</b>	20	<u>43,279,191</u>	<u>39,506,648</u>
<b>Unrestricted income funds</b>	20	<u>474,602</u>	<u>328,341</u>
<b>TOTAL FUNDS</b>		<u><u>43,753,793</u></u>	<u><u>39,834,989</u></u>

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

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 26 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



**Sir R Fry**  
Chair of Trustees  
Date: 15 December 2020

The notes on pages 30 to 57 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 2020**

	Note	2020 £	2019 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	22	1,289,257	1,194,246
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	23	(474,931)	(433,794)
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>814,326</b>	<b>760,452</b>
Cash and cash equivalents at the beginning of the year		2,097,185	1,336,733
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	24, 25	<b>2,911,511</b>	<b>2,097,185</b>

The notes on pages 30 to 57 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2019 to 2020 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 £1,455,034 (2019: £715,727) (excluding the pension reserve and restricted fixed asset fund). However, King's Academy Ringmer had a deficit reserves balance of £373,988 (2019: £210,776) at this date. Due to cashflow constraints in the current and previous period the Trust made applications to the ESFA for additional short term funding to ensure the Trust is able to meet its financial liabilities for the foreseeable future. In both the prior and current year the ESFA made loans of £300,000 to the Academy Trust, leading to a balance on loans of £600,000 at the year end. 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.

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.



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**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 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 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.12 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.

**1.13 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**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 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 2020**

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

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DONATIONS</b>				
Donated land and buildings from Local Authority	-	5,472,000	5,472,000	25,000,000
Donations	5,706	-	5,706	12,416
Capital Grants	-	58,330	58,330	664,134
	<u>5,706</u>	<u>5,530,330</u>	<u>5,536,036</u>	<u>25,676,550</u>
<b>Total 2019</b>	<u>12,416</u>	<u>25,664,134</u>	<u>25,676,550</u>	

During the year land and buildings with a valuation of £5,472,000 were transferred to the Academy Trust from Bracknell Forest Borough Council in relation to the opening of King's Academy Oakwood on 1 September 2019. This valuation has been achieved by reference to the cost of the land and build costs for the Academy.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DFE/ESFA GRANTS</b>				
General Annual Grant	-	10,446,410	<b>10,446,410</b>	9,245,955
Other DfE/EFSA grants	-	1,187,889	<b>1,187,889</b>	1,146,943
	-	11,634,299	<b>11,634,299</b>	10,392,898
<b>Other Government Grants</b>				
High Needs	-	156,735	<b>156,735</b>	145,725
Other government grants	-	1,235,918	<b>1,235,918</b>	752,860
	-	1,392,653	<b>1,392,653</b>	898,585
<b>Other funding</b>				
Catering income	71,487	-	<b>71,487</b>	111,441
Uniform income	8,115	-	<b>8,115</b>	17,840
Other income	131,130	-	<b>131,130</b>	179,790
Nursery income	318,504	-	<b>318,504</b>	454,809
	529,236	-	<b>529,236</b>	763,880
	529,236	13,026,952	<b>13,556,188</b>	12,055,363
Total 2019	763,880	11,291,483	<b>12,055,363</b>	

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Kids' Club Income	102,825	<b>102,825</b>	126,727
Lettings Income	69,969	<b>69,969</b>	96,439
	172,794	<b>172,794</b>	223,166
Total 2019	223,166	<b>223,166</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**6. INVESTMENT INCOME**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank Interest	4,365	4,365	1,907
	<u>4,365</u>	<u>4,365</u>	
Total 2019	<u>1,907</u>	<u>1,907</u>	

**7. EXPENDITURE**

	Staff Costs 2020 £	Premises 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Academy's educational operations:					
Direct costs	8,796,433	-	788,734	9,585,167	8,656,081
Support costs	2,295,564	1,835,766	904,082	5,035,412	4,937,740
	<u>11,091,997</u>	<u>1,835,766</u>	<u>1,692,816</u>	<u>14,620,579</u>	<u>13,593,821</u>
Total 2019	<u>10,020,666</u>	<u>2,126,547</u>	<u>1,446,608</u>	<u>13,593,821</u>	



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	9,585,167	5,035,412	14,620,579	13,593,821
Total 2019	8,656,081	4,937,740	13,593,821	

**Analysis of direct costs**

	Total funds 2020 £	Total funds 2019 £
Staff costs	8,764,631	7,682,732
Educational supplies	417,567	483,669
Examination fees	35,066	40,018
Staff development	36,256	30,582
Other costs	189,462	278,491
Agency staff costs	33,272	27,024
Technology costs	108,913	113,565
	<b>9,585,167</b>	<b>8,656,081</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of support costs**

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	70,000	50,000
Staff costs	2,297,094	2,310,910
Depreciation	1,125,433	978,076
Other costs	92,364	49,150
Recruitment and other staff costs	61,891	66,194
Maintenance of premises and equipment	228,631	217,375
Cleaning	59,131	44,622
Rent and rates	114,455	126,011
Energy costs	308,116	316,758
Insurance	45,758	59,285
Security and transport	15,511	26,318
Catering	293,389	318,909
Technology costs	164,215	130,808
Legal and professional	141,490	202,531
Bank interest and charges	1,080	975
Governance costs	16,854	39,818
	<u>5,035,412</u>	<u>4,937,740</u>

**9. NET INCOME**

Net income for the year includes:

	2020 £	2019 £
Operating lease rentals	11,845	36,196
Depreciation of tangible fixed assets	1,125,432	1,378,076
Fees paid to auditors for:		
- audit	19,000	18,000
- other services	2,600	2,600
	<u>1,143,877</u>	<u>1,434,872</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**10. STAFF**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	8,026,623	7,512,256
Social security costs	732,191	678,280
Pension costs	2,302,911	1,803,106
	<u>11,061,725</u>	<u>9,993,642</u>
Agency staff costs	33,272	27,024
Staff restructuring costs	-	92,712
	<u><u>11,094,997</u></u>	<u><u>10,113,378</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Contractual redundancy payments	-	92,712
	<u>-</u>	<u>92,712</u>

**b. STAFF NUMBERS**

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

	2020 No.	2019 No.
Teachers	144	112
Administration and Educational Support	266	209
Management	6	26
	<u>416</u>	<u>347</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**10. STAFF (CONTINUED)**

**c. HIGHER PAID STAFF**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	5
In the band £90,001 - £100,000	2	-
In the band £130,001 - £140,000	1	-

**d. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £223,475 (2019: £223,475).

**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:

	2020 £	2019 £
Lyndhurst Junior Academy	82,248	82,668
King's Academy Ringmer	112,812	115,848
College Park Infants	63,768	62,760
Nothorn Parade School	161,820	149,412
King's Academy Binfield	121,134	51,649
<b>TOTAL</b>	<b>541,782</b>	<b>462,337</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**12. TRUSTEES' REMUNERATION AND EXPENSES**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £2,781).

**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 £
<b>COST</b>					
At 1 September 2019	43,575,453	186,872	404,885	8,000	44,175,210
Additions	5,724,121	37,137	138,538	47,135	5,946,931
At 31 August 2020	49,299,574	224,009	543,423	55,135	50,122,141
<b>DEPRECIATION</b>					
At 1 September 2019	1,278,284	101,934	148,994	3,600	1,532,812
Charge for the year	923,871	32,990	158,044	10,527	1,125,432
At 31 August 2020	2,202,155	134,924	307,038	14,127	2,658,244
<b>NET BOOK VALUE</b>					
At 31 August 2020	47,097,419	89,085	236,385	41,008	47,463,897
At 31 August 2019	42,297,169	84,938	255,891	4,400	42,642,398

During the year land and buildings with a valuation of £5,472,000 were transferred to the Academy Trust from Bracknell Forest Borough Council in relation to the opening of King's Academy Oakwood on 1 September 2019. This valuation has been achieved by reference to the cost of the land and build costs for the Academy.

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**15. STOCKS**

	2020 £	2019 £
Goods for resale	5,322	6,000

**16. DEBTORS**

	2020 £	2019 £
Trade debtors	79,823	63,626
Other debtors	25,845	596
Prepayments and accrued income	274,787	433,867
Recoverable VAT	68,375	112,053
	<u>448,830</u>	<u>610,142</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade creditors	192,926	366,939
Other taxation and social security	202,727	170,697
Other creditors	208,593	165,610
Accruals and deferred income	461,521	523,490
	<u>1,065,767</u>	<u>1,226,736</u>

	2020 £	2019 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2019	318,952	349,968
Resources deferred during the year	344,538	318,952
Amounts released from previous periods	(318,952)	(349,968)
<b>DEFERRED INCOME AT 31 AUGUST 2019</b>	<u>344,538</u>	<u>318,952</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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**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020 £	2019 £
Other loans	<u>600,000</u>	<u>300,000</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**

	2020 £	2019 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through income and expenditure	<u>2,911,511</u>	<u>2,097,185</u>

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

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**20. STATEMENT OF FUNDS**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>UNRESTRICTED FUNDS</b>						
Reserves	328,341	706,395	(560,134)	-	-	474,602
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	-	10,446,410	(9,752,015)	-	-	694,395
Pupil Premium	-	699,516	(699,516)	-	-	-
DfE/ESFA other grants	-	488,373	(488,373)	-	-	-
Local authority grants	-	1,195,687	(1,195,687)	-	-	-
Other educational activities	-	5,706	(5,706)	-	-	-
Loose equipment budget	387,386	-	(107,715)	(185,673)	-	93,998
Local authority furniture budget	-	196,966	-	(4,927)	-	192,039
Pension reserve	(3,994,000)	-	(686,000)	-	(730,000)	(5,410,000)
	<u>(3,606,614)</u>	<u>13,032,658</u>	<u>(12,935,012)</u>	<u>(190,600)</u>	<u>(730,000)</u>	<u>(4,429,568)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed asset fund	17,782,443	-	(541,833)	708,669	-	17,949,279
DfE/ESFA capital grants:						
Lyndhurst - DFC	44,919	14,624	-	-	-	59,543
Ringmer - DFC	60,862	11,037	-	-	-	71,899
College Park - DFC	30,590	7,994	-	-	-	38,584
Nothern Parade - DFC	63,211	17,338	-	-	-	80,549
Binfield - DFC	-	6,008	-	-	-	6,008
Capital surplus transferred from local authority:						
College Park	91,818	-	-	-	-	91,818
Northern Parade	5,464	-	-	-	-	5,464
Binfield	-	32,210	-	(32,210)	-	-



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**20. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Donation from Local Authority	24,500,000	5,472,000	(583,600)	-	-	29,388,400
College Park - CIF	104,827	(20,965)	-	(76,847)	-	7,015
Northern Parade - CIF	429,128	(9,916)	-	(409,012)	-	10,200
	<u>43,113,262</u>	<u>5,530,330</u>	<u>(1,125,433)</u>	<u>190,600</u>	<u>-</u>	<u>47,708,759</u>
<b>TOTAL FUNDS</b>	<u><b>39,834,989</b></u>	<u><b>19,269,383</b></u>	<u><b>(14,620,579)</b></u>	<u><b>-</b></u>	<u><b>(730,000)</b></u>	<u><b>43,753,793</b></u>

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 & Oakwood as the pupil numbers grow having opened on 1 September 2018.

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 2020.

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**20. STATEMENT OF FUNDS (CONTINUED)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Lyndhurst Junior Academy	282,748	223,798
King's Academy Ringmer	(373,988)	(210,776)
College Park Infant School	46,453	21,718
Northern Parade Schools	334,030	20,017
King's Academy Binfield	997,387	543,910
Central Services	168,404	117,060
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,455,034	715,727
Restricted fixed asset fund	47,708,759	43,113,262
Pension reserve	(5,410,000)	(3,994,000)
	<hr/>	<hr/>
<b>Total</b>	<b>43,753,793</b>	<b>39,834,989</b>
	<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	(373,988)
	<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.

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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 2020 £	Total 2019 £
Lyndhurst Junior Academy	1,481,351	295,770	60,228	192,843	2,030,192	2,017,928
King's Academy Ringmer	2,075,026	393,200	30,944	579,267	3,078,437	2,927,325
College Park Infant School	1,181,489	226,156	46,211	181,503	1,635,359	1,516,610
Northern Parade Schools	2,868,559	499,553	175,396	385,484	3,928,992	3,873,389
King's Academy Binfield	1,523,596	285,395	80,224	417,838	2,307,053	1,154,285
Central Services	-	301,630	24,564	188,919	515,113	488,208
<b>ACADEMY TRUST</b>	<b>9,130,021</b>	<b>2,001,704</b>	<b>417,567</b>	<b>1,945,854</b>	<b>13,495,146</b>	<b>11,977,745</b>

**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 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>UNRESTRICTED FUNDS</b>						
Reserves	368,163	988,953	(1,028,775)	-	-	328,341
<b>RESTRICTED GENERAL FUNDS</b>						
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
Local authority furniture budget	-	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>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
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

**KING'S GROUP ACADEMIES**  
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**20. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
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
Northern 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>
<b>TOTAL FUNDS</b>	<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>

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	47,463,897	47,463,897
Current assets	1,276,989	1,843,812	244,862	3,365,663
Creditors due within one year	(802,387)	(263,380)	-	(1,065,767)
Creditors due in more than one year	-	(600,000)	-	(600,000)
Provisions for liabilities and charges	-	(5,410,000)	-	(5,410,000)
<b>TOTAL</b>	<u>474,602</u>	<u>(4,429,568)</u>	<u>47,708,759</u>	<u>43,753,793</u>

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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD**

	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)
<b>TOTAL</b>	<b>328,341</b>	<b>(3,606,614)</b>	<b>43,113,262</b>	<b>39,834,989</b>

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	<b>4,648,804</b>	24,363,165
<b>ADJUSTMENTS FOR:</b>		
Depreciation	<b>1,125,432</b>	978,076
Defined benefit pension scheme finance cost	<b>70,000</b>	50,000
Decrease/(Increase) in stocks	<b>678</b>	46,202
Decrease/(increase) in debtors	<b>161,312</b>	(228,584)
(Decrease)/increase in creditors	<b>139,031</b>	395,387
Defined benefit pension scheme cost less contributions payable	<b>616,000</b>	590,000
Transfer of fixed assets from local authority	<b>(5,472,000)</b>	(25,000,000)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,289,257</b>	1,194,246

**23. CASH FLOWS FROM INVESTING ACTIVITIES**

	2020 £	2019 £
Purchase of tangible fixed assets	<b>(474,931)</b>	(433,794)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(474,931)</b>	(433,794)

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**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020	2019
	£	£
Cash in hand	427	554
Notice deposits (less than 3 months)	2,911,084	2,096,631
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>2,911,511</b>	<b>2,097,185</b>

**25. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,097,185	814,326	2,911,511
Debt due after 1 year	(300,000)	(300,000)	(600,000)
	<b>1,797,185</b>	<b>514,326</b>	<b>2,311,511</b>

**26. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £190,820 were payable to the schemes at 31 August 2020 (2019 - £145,514) 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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**26. PENSION COMMITMENTS (CONTINUED)**

**VALUATION OF THE TEACHERS' PENSION SCHEME**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,028,667 (2019 - £738,591).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 2020 was £666,000 (2019 - £609,000), of which employer's contributions totalled £511,000 (2019 - £475,000) and employees' contributions totalled £ 155,000 (2019 - £134,000). The agreed contribution rates for future years are 13.1% for employers and 5.5 - 7.5% for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.



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**26. PENSION COMMITMENTS (CONTINUED)**

**Principal actuarial assumptions**

	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>2.8</b>	<b>3.1</b>
Rate of increase for pensions in payment/inflation	<b>2.3</b>	<b>2.2</b>
Discount rate for scheme liabilities	<b>1.7</b>	<b>1.8</b>
Inflation assumption (CPI)	<b>2.1</b>	<b>2.1</b>

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

	<b>2020</b>	<b>2019</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>22.1</b>	<b>22.1</b>
Females	<b>24.4</b>	<b>24.4</b>
<i>Retiring in 20 years</i>		
Males	<b>23.5</b>	<b>23.5</b>
Females	<b>26.1</b>	<b>26.1</b>

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

	<b>Fair value at 31 August 2020 £</b>	<b>Fair value at 31 August 2019 £</b>
Equities	<b>5,994,000</b>	<b>5,466,000</b>
Government bonds	<b>1,640,000</b>	<b>1,819,000</b>
Corporate bonds	<b>-</b>	<b>17,000</b>
Property	<b>657,000</b>	<b>714,000</b>
Cash	<b>131,000</b>	<b>225,000</b>
Other	<b>685,000</b>	<b>365,000</b>
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>9,107,000</b>	<b>8,606,000</b>

The actual return on scheme assets was £238,146 (2019 - £329,000).

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**26. PENSION COMMITMENTS (CONTINUED)**

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

	2020 £	2019 £
Current service cost	(1,125,000)	(737,000)
Past service cost	-	(268,000)
Interest income	160,000	221,000
Interest cost	(230,000)	(271,000)
<b>Total</b>	<b>(1,195,000)</b>	<b>(1,055,000)</b>

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

	2020 £	2019 £
<b>Opening defined benefit obligation</b>	<b>12,600,000</b>	<b>9,483,000</b>
Current service cost	1,125,000	737,000
Interest cost	230,000	271,000
Employee contributions	155,000	134,000
Actuarial gains	565,000	1,709,000
Past service cost	-	268,000
Benefits paid	(151,000)	(132,000)
Settlements	3,000	127,000
Business combinations	-	3,000
<b>Closing defined benefit obligation</b>	<b>14,527,000</b>	<b>12,600,000</b>

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

	2020 £	2019 £
<b>Opening fair value of scheme assets</b>	<b>8,606,000</b>	<b>7,559,000</b>
Interest income	160,000	221,000
Actuarial gains	(165,000)	279,000
Employer contributions	511,000	475,000
Employee contributions	155,000	134,000
Benefits paid	(151,000)	(132,000)
Business combinations	-	1,000
Settlements	1,000	69,000
<b>Closing fair value of scheme assets</b>	<b>9,117,000</b>	<b>8,606,000</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. OPERATING LEASE COMMITMENTS**

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Amounts payable		
Within 1 year	10,454	12,240
Between 1 and 5 years	13,087	18,032
Total	<u>23,541</u>	<u>30,272</u>

**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 £10 for the debts and liabilities contracted before he/she ceases to be a member.

**29. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Academy Trust provided accounting services to Chopping Hart & Biddlecomb Limited, a company controlled by the Chair of Trustees, totalling £10,694 (2019: £12,235), in respect of time spent by the CFO during trust working hours.

**30. POST BALANCE SHEET EVENTS**

In October 2020 Prospect School Reading, a single unit Academy Trust, joined King's Group Academies.