

Company Registration Number: 09017776 (England & Wales)

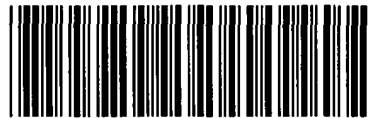
KING'S GROUP ACADEMIES

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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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
FOR THE YEAR ENDED 31 AUGUST 2018

Members

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

Trustees

Sir R Fry, Chairman
M Benito Molina
G Best
M Cooper
A Davison (appointed 8 September 2017)
P Harris (appointed 8 September 2017)
M Holloway
N Lelew (appointed 14 September 2017)
B Shah
B Williams

Company registered number

09017776

Company name

King's Group Academies

Principal and registered office

Lyndhurst Junior School
Crofton Road
Portsmouth
Hampshire
PO2 0NT

Key management personnel

T Parkin, Chief Executive Officer (from 01/09/2017 to 09/09/2018)
D Smith, Chief Executive Officer (from 09/09/2018)
S Collins, Finance Director and Company Secretary

Independent auditors

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers

Lloyds Bank Plc
38 London Road
Portsmouth
Hampshire
PO2 0LR

Solicitors

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

KING'S GROUP ACADEMIES
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates as a multi academy trust with six academies open (one of which opened on 1 September 2018), and a new school under construction which will be open in 2019.

Structure, Governance and Management

Constitution

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

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

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

KING'S GROUP ACADEMIES
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

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

Arrangements for setting pay and remuneration of key management personnel

Every school follows the arrangements they had before joining the Trust except King's Academy Binfield and when open, King's Academy Oakwood, which use the new KGA Teachers' pay policy.

The local governing body sets the pay ranges for the principal, vice principal and assistant principal to reflect the responsibilities of the job in addition to the size of the academy and any other factors. The pay committee will agree performance objectives relating to school leadership, management and pupil progress.

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

KING'S GROUP ACADEMIES
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Trade Union facility time

Relevant union officials:

Number of employees who were relevant union officials during the year - 2

Full time equivalent employee number - 2

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	1
1%-50%	1
51-99%	0
100%	0

Percentage of pay bill spent on facility time:

Total cost of facility time	£147
Total pay bill	£6,821,042
Percentage of the total pay bill spent on facility time	0.00%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.00%
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Related Parties and other Connected Charities and Organisations

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

KING'S GROUP ACADEMIES
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

Objects and Aims

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

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

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

In King's Group Academies we aim to:

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

Objectives, Strategies and Activities

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

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

Public Benefit

King's Group Academies' trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. In Portsmouth, all our academies are thriving with College Park Infants School, Lyndhurst Junior School and Northern Parade Schools providing Breakfast and after school clubs for their children. Portsmouth Northsea Swimming Club (learn to Swim section) hire out the CPIS swimming pool twice a week for any children in the local community, not just those from College Park. The facilities of the other academies are also used by local sports clubs for the benefit of the public.

King's Academy Ringmer is working with a local primary school to share support staff costs, achieving efficiencies and best value for both schools. The academy has a thriving out of hours community use programme benefiting a wide variety of local interest groups. Plans are also well underway for the relocation of Ringmer Football Club to the academy site bringing enhanced facilities to the benefit of the community together with the academy students.

King's Academy Binfield, designed as a 'Learning Village' for the whole community, has extensive sporting facilities. Although only open from September 2018 these facilities are being used extensively every evening and weekend by local community groups.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic Report

Achievements and Performance and key performance Indicators

Lyndhurst Junior School

The KS2 results below summarise performance for Lyndhurst Junior School Year 6 pupils at the end of the academic year 2017-18:

Percentage at each level (Change from previous year)	2017/18	National Average
Grammar, Punctuation & Spelling	73(+2)	77
Reading	70(+2)	75
Maths	75(+7)	76
Writing	77(+3)	78
Reading, Writing, Maths combined	62(+8)	64

Attendance was above national average, at 96.4%.

KGA are delighted to welcome Ali Beechurst who was appointed Head of School from September 2018. Lyndhurst are also delighted to be celebrating with two of their colleagues who received awards at the first Teach Portsmouth Awards ceremony. Geraldine Underwood and Helen Merel were both recognised for their long service and invaluable contribution to the life of Lyndhurst Junior School; between them they have give 50 years of service!

College Park Infant School

The KS1 results below summarise performance for College Park Infants pupils at the end of the academic year 2017-18:

Percentage at each level (Change from previous year)	2017/18	National Average
Reading	81(-5)	76
Writing	78(-7)	70
Maths	88(-4)	76
Reading, Writing, Maths combined	73(-9)	Not yet published
Phonics	92(+2)	83
Good level of Development	82(+4)	72

Attendance was above national average at 96.4%.

With the appointment of Debra Anderson of Executive Headteacher of College Park Infants and the appointment of a single Local Governing Body for both schools KGA has a single strategic vision for securing the improvement in teaching and learning and progress of pupils from Reception through to the end of Key Stage two which is evidenced by the improvement in the Key stage two results for Lyndhurst.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Northern Parade Schools

The KS1 and KS2 results below summarise performance for Northern Parade Schools pupils at the end of the academic year 2017-18:

Percentage at each level (Change from previous year)	2017/18	National Average
KS2 Reading	61(+4)	75
KS2 Writing	71(-2)	78
KS2 Maths	60(-4)	76
KS2 Reading, Writing, Maths combined	48(+1)	64
KS1 Reading	72(-4)	76
KS1 Writing	67(-5)	70
KS1 Maths	76(-6)	76
Phonics	67(+7)	83
Good level of Development	68(+2)	72

Attendance was above national average at 96%.

The refurbishment programme at Northern Parade following much delay nears completion offering many new facilities to two schools including a theatre.

King's Academy Ringmer

The KS4 results below summarise performance for King's Academy Ringmer students at the end of the academic year 2017-18:

Percentage at each level (Change from previous year)	2017/18	National Average
English and Maths Level 4+	65(+3)	64.2
English and Maths Level 5+	39(0)	39.9
EBAAC	10.7(+5.1)	16.6
Progress 8	0.04(+0.44)	-0.2
Attainment 8	46.7(+2.7)	44.3

Attendance was 94.1%.

King's Academy Binfield

The academy opened its door to the first 120 year 7 students in September 2018 with plans to admit a further 150 secondary students in 2019. The academy will be opening a Reception class and it's nursery from September 2019.

King's Academy Oakwood

This one form entry academy will open on 2019 with a reception class and a mixed year 1 and 2 class.

Going Concern

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

KING'S GROUP ACADEMIES
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Financial Review

College Park Infant School and the Northern Parade Federation of Schools joined the Trust on 1 February 2018. The majority of the Trust's restricted income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency in the form of revenue and capital grants with its use restricted to particular purposes.

The main funding is the General Annual Grant of £6,509,980 for period ended 31st August 2018. Other income from pupil premium, after school club, school meals, lettings, donations and other sources was £1,760,326 for the same period.

The main expenditure was staffing costs of £6,821,042.

DfE capital grants from the condition improvement fund were received for various projects at both Lyndhurst Junior School and King's Academy Ringmer, which started in the prior year. These projects are now complete. In the period ending 31st August 2018 expenditure incurred totalled £493,508.

Reserves Policy

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

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

The reserves as at 31 August 2018 were as follows:

- Unrestricted (free) reserves of £368,163
- A restricted fixed asset fund of £18,378,945, which can only be realised through disposal of fixed assets
- A pension deficit of £1,924,000
- Other restricted funds of £78,716
- Total funds of £16,901,824

There is a £1,924,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

The amount of unrestricted reserves at 31st August 2018 is equivalent to 0.6 months of GAG funding. In the short term this position will not change but the board will look to increase the reserves as new academies join the trust.

Investment Policy

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

KING'S GROUP ACADEMIES
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Principal Risks and Uncertainties

The board of trustees has responsibility for overseeing risk management through a risk management policy. The objectives for managing risk across the trust are:

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

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

The key risks which have mitigation strategies in place are:

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

Fundraising

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

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

Plans for Future Periods

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

Funds Held as Custodian Trustee on Behalf of Others

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

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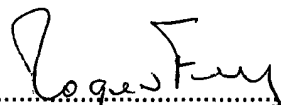
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the
company directors, on 4 December 2018 and signed on the board's behalf by:



.....
Sir R Fry
Chair of Trustees

KING'S GROUP ACADEMIES
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between King's Group Academies and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met four 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	4	4
M Benito Molina	4	4
G Best	4	4
M Cooper	4	4
A Davison	4	4
P Harris	2	2
M Holloway	4	4
N Lelew	3	3
B Shah	4	4
B Williams	4	4

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

The finance and audit committee is a sub committee of the main board of trustees. Its purpose is to maintain an oversight of the trust's governance, risk management, internal control and value for money framework. The Committee met 4 times during the period. Attendance was as follows:

Trustee	Meetings attended	Out of a possible
B Williams, Committee Chair	4	4
M Benito Molina	4	4
M Cooper	2	3
P Harris	1	1

Governance Review

The board of directors regularly assesses the skills available to the Board and to the academies' local governing bodies, and fills any gaps in skills through recruitment and/or training. During the period three Trustees were appointed with specific skills needed by the board. Chairs and other key members of local governing bodies took part in training events, which the trust plans to extend to board trustees during 2018/19.

GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

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

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

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

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

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

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

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

Effective procurement: Lyndhurst Junior School and King's Academy Ringmer used an established project management/surveying company who have many years of experience in working with schools to help in the tender processes for repairs to their roofs and improved security and safeguarding. This ensured reputable and school experienced companies tendered for the projects and best value was achieved. Following robust tender processes, the trust replaced some of the individual contracts in operation across the academies with trust-wide contracts, improving efficiency as well as obtaining economies of scale.

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GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Hopper Williams & Bell Limited, the external auditor, to perform additional checks.

The auditor'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:

- testing of payroll systems
- testing of purchase systems
- testing of control account / bank reconciliations
- testing of compliance with the Academies Financial Handbook

During the period the auditor reported to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

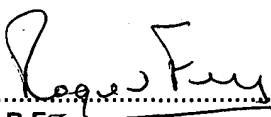
Review of Effectiveness

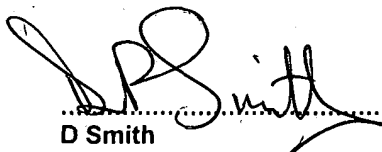
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 4 December 2018 and signed on their behalf, by:


.....
Sir R Fry
Chair of Trustees


.....
D Smith
Accounting Officer

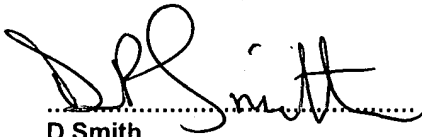
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of King's Group Academies I have considered my responsibility to notify the academy trust board of trustees and the Education & 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



D Smith
Accounting Officer

Date: 4 December 2018

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

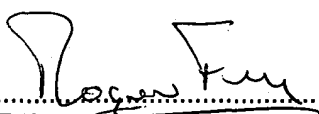
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 4 December 2018 and signed on its behalf by:


.....
Sir R Fry
Chair of Trustees

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

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

OPINION

We have audited the financial statements of King's Group Academies (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for 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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Hopper Williams & Bell Limited

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

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: 12 December 2014

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

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

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to King's Group Academies and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King's Group Academies and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than King's Group Academies and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of King's Group Academies's funding agreement with the Secretary of State for Education dated 29 February 2016, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

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

Substantive testing included the following procedures:

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hopper Williams & Bell Limited

David Brookes FCA

Hopper Williams & Bell Limited

Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: *12 December 2018*

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
- Transfer from Ringmer Community College Academy Trust	2	-	-	-	-	8,399,662
- On conversion from College Park Infant School and Northern Parade Federation	2	295,915	(1,023,000)	6,791,259	6,064,174	-
Other donations and capital grants	2	-	9,412	46,286	55,698	987,822
Charitable activities	5	-	8,273,526	46,000	8,319,526	4,852,563
Other trading activities	3	124,755	-	-	124,755	102,408
Investments	4	1,746	-	-	1,746	730
TOTAL INCOME		422,416	7,259,938	6,883,545	14,565,899	14,343,185
EXPENDITURE ON:						
Charitable activities		-	8,670,611	837,197	9,507,808	6,074,945
TOTAL EXPENDITURE	6	-	8,670,611	837,197	9,507,808	6,074,945
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		422,416	(1,410,673)	6,046,348	5,058,091	8,268,240
Transfers between Funds	17	(319,833)	147,622	172,211	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		102,583	(1,263,051)	6,218,559	5,058,091	8,268,240
Actuarial gains on defined benefit pension schemes	23	-	964,000	-	964,000	1,041,000
NET MOVEMENT IN FUNDS		102,583	(299,051)	6,218,559	6,022,091	9,309,240
RECONCILIATION OF FUNDS:						
Total funds brought forward		265,580	(1,546,233)	12,160,386	10,879,733	1,570,493
TOTAL FUNDS CARRIED FORWARD		368,163	(1,845,284)	18,378,945	16,901,824	10,879,733

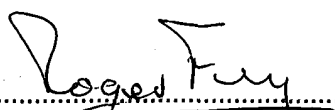
The notes on pages 26 to 50 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		18,186,680		11,643,760
CURRENT ASSETS					
Stocks	14	52,202		12,779	
Debtors	15	381,558		865,869	
Cash at bank and in hand		1,336,733		2,847,549	
		<u>1,770,493</u>		<u>3,726,197</u>	
CREDITORS: amounts falling due within one year	16	(1,131,349)		(2,927,224)	
NET CURRENT ASSETS			639,144		798,973
TOTAL ASSETS LESS CURRENT LIABILITIES			18,825,824		12,442,733
Defined benefit pension scheme liability	23		(1,924,000)		(1,563,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>16,901,824</u>		<u>10,879,733</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	78,716		16,767	
Restricted fixed asset funds	17	18,378,945		12,160,386	
Restricted income funds excluding pension liability		<u>18,457,661</u>		<u>12,177,153</u>	
Pension reserve		(1,924,000)		(1,563,000)	
Total restricted income funds			16,533,661		10,614,153
Unrestricted income funds	17		368,163		265,580
TOTAL FUNDS			<u>16,901,824</u>		<u>10,879,733</u>

The financial statements on pages 23 to 50 were approved by the Trustees, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:


Sir R Fry
Chair of Trustees

The notes on pages 26 to 50 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(1,736,962)	2,224,472
Cash flows from investing activities:			
Purchase of tangible fixed assets		(218,211)	(14,534)
Net cash used in investing activities		(218,211)	(14,534)
Cash flows from financing activities:			
Cash received on conversion to academy trust		444,357	-
Cash received on transfer to academy trust		-	145,304
Net cash provided by financing activities		444,357	145,304
Change in cash and cash equivalents in the year		(1,510,816)	2,355,242
Cash and cash equivalents brought forward		2,847,549	492,307
Cash and cash equivalents carried forward	20	1,336,733	2,847,549

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

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

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

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

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

Long-term leasehold and freehold - land	-	Not depreciated
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 incorporating income and expenditure account.

1.6 Operating leases

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

1.7 Stocks

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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 to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

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

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

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

1.12 Taxation

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 2018**

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy Trust trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2018. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
- Transfer from Ringmer Community College Academy Trust	-	-	-	-	8,399,662
- On conversion from College Park Infant School and Northern Parade Federation	295,915	(1,023,000)	6,791,259	6,064,174	-
Subtotal detailed disclosure	295,915	(1,023,000)	6,791,259	6,064,174	8,399,662
Donations	-	9,412	-	9,412	32,743
Grants	-	-	46,286	46,286	955,079
Subtotal	-	9,412	46,286	55,698	987,822
	295,915	(1,013,588)	6,837,545	6,119,872	9,387,484
Total 2017	95,487	(1,636,257)	10,928,254	9,387,484	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	32,633	-	32,633	22,925
Kids' club income	92,122	-	92,122	79,483
	124,755	-	124,755	102,408
Total 2017	102,408	-	102,408	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	1,746	-	1,746	730
<i>Total 2017</i>	<i>730</i>	<i>-</i>	<i>730</i>	

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,509,980	6,509,980	3,985,045
DfE/ESFA other grants	-	558,301	558,301	411,459
	-	7,068,281	7,068,281	4,396,504
Other government grants				
Local authority grants	-	738,856	738,856	166,148
	-	738,856	738,856	166,148
Other funding				
Trip income	-	123,587	123,587	27,418
Catering income	-	83,102	83,102	51,201
Other income	-	305,700	305,700	211,292
	-	512,389	512,389	289,911
	-	8,319,526	8,319,526	4,852,563
<i>Total 2017</i>	<i>-</i>	<i>4,852,563</i>	<i>4,852,563</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	5,296,094	-	733,333	6,029,427	3,418,216
Support costs	1,524,948	991,095	962,338	3,478,381	2,656,729
	<u>6,821,042</u>	<u>991,095</u>	<u>1,695,671</u>	<u>9,507,808</u>	<u>6,074,945</u>
Total 2017	<u>4,010,256</u>	<u>936,822</u>	<u>1,127,867</u>	<u>6,074,945</u>	

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Technology costs	19,963	19,963	29,323
Staff development	6,376	6,376	-
Premises costs	991,095	991,095	936,822
Governance costs	55,646	55,646	27,816
Other costs	562,245	562,245	545,909
Wages and salaries	1,017,097	1,017,097	559,598
National insurance	71,590	71,590	35,245
Pension cost	436,261	436,261	303,681
Depreciation	318,108	318,108	218,335
	<u>3,478,381</u>	<u>3,478,381</u>	<u>2,656,729</u>
Total 2017	<u>2,656,729</u>	<u>2,656,729</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	318,108	218,335
Auditors' remuneration - audit	13,150	9,890
Auditors' remuneration - other services	9,518	7,164
Operating lease rentals	<u>24,541</u>	<u>990</u>

KING'S GROUP ACADEMIES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,256,819	2,896,386
Social security costs	460,725	261,536
Operating costs of defined benefit pension schemes	1,092,212	668,750
	<u>6,809,756</u>	<u>3,826,672</u>
Staff restructuring costs	11,286	183,584
	<u><u>6,821,042</u></u>	<u><u>4,010,256</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	11,286	70,702
Severance payments	-	112,882
	<u>11,286</u>	<u>183,584</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	100	55
Admin / Support	209	76
Management	26	8
	<u>335</u>	<u>139</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	3	0

KING'S GROUP ACADEMIES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS (continued)

d. Key management personnel

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total amount of staff costs in respect of key management personnel was £171,334 (2017: £85,536).

10. CENTRAL SERVICES

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

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

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

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

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Lyndhurst Junior Academy	82,457	41,831
King's Academy Ringmer	125,672	120,000
College Park Infants	21,000	-
Northern Parade Schools	47,033	-
Total	<u>276,162</u>	<u>161,831</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018 £	2017 £
R Schofield	Remuneration	-	35,000-40,000
	Pension contributions paid	-	-

During the year ended 31 August 2018, expenses totalling £3,840 (2017 - £9,686) were reimbursed to 4 Trustees (2017 - 5).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. TANGIBLE FIXED ASSETS

	Long-term leasehold and freehold land and buildings £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2017	11,711,820	122,192	2,500	43,876	11,880,388
Additions	-	32,604	5,500	180,107	218,211
On conversion	6,609,067	-	-	33,750	6,642,817
At 31 August 2018	18,320,887	154,796	8,000	257,733	18,741,416
Depreciation					
At 1 September 2017	183,944	31,314	1,800	19,570	236,628
Charge for the year	259,736	35,184	700	22,488	318,108
At 31 August 2018	443,680	66,498	2,500	42,058	554,736
Net book value					
At 31 August 2018	17,877,207	88,298	5,500	215,675	18,186,680
At 31 August 2017	11,527,876	90,878	700	24,306	11,643,760

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. STOCKS

	2018 £	2017 £
Items purchased for King's Academy Binfield	35,426	-
Goods for resale	16,776	12,779
	<u>52,202</u>	<u>12,779</u>

15. DEBTORS

	2018 £	2017 £
Trade debtors	26,218	62,751
Other debtors	297	-
Prepayments and accrued income	294,776	714,727
Recoverable VAT	60,267	88,391
	<u>381,558</u>	<u>865,869</u>

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	317,239	512,873
Other taxation and social security	149,016	80,335
Other creditors	140,552	114,275
Accruals and deferred income	524,542	2,219,741
	<u>1,131,349</u>	<u>2,927,224</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	1,976,135	5,877
Resources deferred during the year	274,968	48,491
Amounts released from previous years	(48,491)	(5,877)
Overpayment of GAG funding from ESFA	-	1,927,644
GAG funding repaid to ESFA	(1,852,644)	-
Deferred income at 31 August 2018	<u>349,968</u>	<u>1,976,135</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Reserves	265,580	422,416	-	(319,833)	-	368,163
Restricted funds						
General Annual Grant (GAG)	-	6,509,980	(6,509,980)	-	-	-
Pupil premium	-	416,112	(416,112)	-	-	-
DfE/ESFA other grants	-	142,189	(142,189)	-	-	-
Local authority grants	-	250,287	(250,287)	-	-	-
Other educational activities	-	521,801	(844,523)	322,722	-	-
Binfield Pre-opening	16,767	442,569	(205,520)	(175,100)	-	78,716
Pension reserve	(1,563,000)	(1,023,000)	(302,000)	-	964,000	(1,924,000)
	<u>(1,546,233)</u>	<u>7,259,938</u>	<u>(8,670,611)</u>	<u>147,622</u>	<u>964,000</u>	<u>(1,845,284)</u>
Restricted fixed asset funds						
Fixed asset fund	11,643,760	6,642,817	(318,108)	218,211	-	18,186,680
DfE/ESFA capital grants:						
Lyndhurst - DFC	25,691	9,423	(12,449)	-	-	22,665
Ringmer - DFC	14,598	12,476	(4,723)	-	-	22,351
College Park - DFC	-	8,039	-	-	-	8,039
Northern Parade - DFC	-	16,348	-	-	-	16,348
Lyndhurst - CIF	219,050	-	(219,050)	-	-	-
Ringmer - CIF	257,287	-	(257,287)	-	-	-
Capital surplus transferred from local authority:						
College Park	-	142,978	(25,580)	-	-	117,398
Northern Parade	-	5,464	-	-	-	5,464
Local authority funding:						
Northern Parade	-	46,000	-	(46,000)	-	-
	<u>12,160,386</u>	<u>6,883,545</u>	<u>(837,197)</u>	<u>172,211</u>	<u>-</u>	<u>18,378,945</u>
Total restricted funds	<u>10,614,153</u>	<u>14,143,483</u>	<u>(9,507,808)</u>	<u>319,833</u>	<u>964,000</u>	<u>16,533,661</u>
Total of funds	<u>10,879,733</u>	<u>14,565,899</u>	<u>(9,507,808)</u>	<u>-</u>	<u>964,000</u>	<u>16,901,824</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the following funding streams:

- school budget share;
- minimum funding guarantee;
- education services grant;
- rates;
- pre-16 high needs funding.

Pupil premium and other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

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

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

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

Fixed asset fund

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

DfE/ESFA capital grants

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Lyndhurst Junior Academy	269,790	235,661
King's Academy Ringmer	58,026	66,465
College Park Infant School	43,072	-
Northern Parade Schools	11,609	-
Central Services	64,382	(19,779)
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	446,879	282,347
Restricted fixed asset fund	18,378,945	12,160,386
Pension reserve	(1,924,000)	(1,563,000)
	<hr/>	<hr/>
Total	16,901,824	10,879,733
	<hr/>	<hr/>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Lyndhurst Junior Academy	1,311,522	384,145	104,055	535,743	2,335,465	2,629,863
King's Academy Ringmer	1,796,887	580,755	121,131	999,065	3,497,838	3,226,747
College Park Infant School	668,136	172,430	34,962	176,743	1,052,271	-
Northern Parade Schools	1,519,549	387,618	108,325	288,634	2,304,126	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,296,094	1,524,948	368,473	2,000,185	9,189,700	5,856,610
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

KING'S GROUP ACADEMIES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

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

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Reserves	184,061	621,041	(52,658)	(384,281)	-	368,163
Restricted funds						
General Annual Grant (GAG)	-	10,495,025	(10,544,939)	49,914	-	-
Pupil premium	-	675,439	(675,439)	-	-	-
DfE/ESFA other grants	-	294,321	(294,321)	-	-	-
Local authority grants	-	416,435	(416,435)	-	-	-
Other educational activities	-	804,045	(1,126,767)	322,722	-	-
Binfield Pre-opening	-	482,979	(229,163)	(175,100)	-	78,716
Pension reserve	(687,000)	(2,692,000)	(550,000)	-	2,005,000	(1,924,000)
	<u>(687,000)</u>	<u>10,476,244</u>	<u>(13,837,064)</u>	<u>197,536</u>	<u>2,005,000</u>	<u>(1,845,284)</u>
Restricted fixed asset funds						
Fixed asset fund	1,874,386	16,615,992	(536,443)	232,745	-	18,186,680
DfE/ESFA capital grants:						
Lyndhurst - DFC	16,235	18,879	(12,449)	-	-	22,665
Ringmer - DFC	-	27,074	(4,723)	-	-	22,351
College Park - DFC	-	8,039	-	-	-	8,039
Northern Parade - DFC	-	16,348	-	-	-	16,348
Lyndhurst - CIF	182,811	472,334	(655,145)	-	-	-
Ringmer - CIF	-	458,691	(458,691)	-	-	-
Capital surplus transferred from local authority:						
College Park	-	142,978	(25,580)	-	-	117,398
Northern Parade	-	5,464	-	-	-	5,464
Local authority funding:						
Northern Parade	-	46,000	-	(46,000)	-	-
	<u>2,073,432</u>	<u>17,811,799</u>	<u>(1,693,031)</u>	<u>186,745</u>	<u>-</u>	<u>18,378,945</u>
	<u>1,386,432</u>	<u>28,288,043</u>	<u>(15,530,095)</u>	<u>384,281</u>	<u>2,005,000</u>	<u>16,533,661</u>
Total of funds	<u>1,570,493</u>	<u>28,909,084</u>	<u>(15,582,753)</u>	<u>-</u>	<u>2,005,000</u>	<u>16,901,824</u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	18,186,680	18,186,680
Current assets	368,163	1,210,065	192,265	1,770,493
Creditors due within one year	-	(1,131,349)	-	(1,131,349)
Pension liability	-	(1,924,000)	-	(1,924,000)
	<u>368,163</u>	<u>(1,845,284)</u>	<u>18,378,945</u>	<u>16,901,824</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	5,058,091	8,268,240
Adjustment for:		
Depreciation charges	318,108	218,335
Increase in stocks	(39,423)	(12,779)
Decrease/(increase) in debtors	484,311	(544,174)
(Decrease)/increase in creditors	(1,795,875)	2,446,512
Defined benefit pension scheme cost less contributions payable	302,000	248,000
Transfer from Ringmer Community College Academy Trust	-	(8,399,662)
Transfer of College Park & Northern Parade fixed assets from local authority	(6,642,817)	-
Transfer of College Park & Northern Parade pension liability	1,023,000	-
Cash transferred on conversion on College Park & Northern Parade	(444,357)	-
Net cash (used in)/provided by operating activities	<u>(1,736,962)</u>	<u>2,224,472</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	186	108
Notice deposits (less than 3 months)	1,336,547	2,847,441
Total	<u>1,336,733</u>	<u>2,847,549</u>

21. TRANSFER TO KINGS GROUP ACADEMIES

On 1 February 2018 College Park Infant School, Northern Parade Infant School, and Northern Parade Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to King's Group Academies from Portsmouth City Council for £nil consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	6,609,067	6,609,067
- Other tangible fixed assets	-	-	33,750	33,750
Budget surplus/(deficit) on LA funds	295,915	-	148,442	444,357
LGPS pension surplus/(deficit)	-	(1,023,000)	-	(1,023,000)
Net assets/(liabilities)	<u>295,915</u>	<u>(1,023,000)</u>	<u>6,791,259</u>	<u>6,064,174</u>

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>498,939</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £138,126 were payable to the schemes at 31 August 2018 (2017 - 64,212) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £518,608 (2017 - £295,335).

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23. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £419,000 (2017 - £219,000), of which employer's contributions totalled £321,000 (2017 - £175,000) and employees' contributions totalled £98,000 (2017 - £44,000). The agreed contribution rates for future years are 13.1% for employers and 5.5% - 7.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.20 %	3.20 %
Rate of increase for pensions in payment / inflation	3.20 %	3.20 %
Inflation assumption (CPI)	2.30 %	2.30 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.8	25.7
Retiring in 20 years		
Males	25.0	24.9
Females	27.9	27.8

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	5,174,000	3,450,000
Government bonds	1,395,000	1,005,000
Corporate bonds	45,000	28,000
Property	639,000	428,000
Cash	200,000	181,000
Other	106,000	88,000
Total market value of assets	<u>7,559,000</u>	<u>5,180,000</u>

The actual return on scheme assets was £477,000 (2017 - £594,000).

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

	2018 £	2017 £
Current service cost	(571,000)	(264,000)
Past service cost	-	(108,000)
Net interest cost	(52,000)	(51,000)
Total	<u>(623,000)</u>	<u>(423,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	6,743,000	1,432,000
Upon conversion	2,555,000	-
Transferred in on existing academies joining the trust	-	5,354,000
Interest cost	208,000	123,000
Employee contributions	98,000	44,000
Actuarial gains	(643,000)	(519,000)
Current service cost	571,000	264,000
Past service costs	-	108,000
Benefits paid	(49,000)	(63,000)
Closing defined benefit obligation	<u>9,483,000</u>	<u>6,743,000</u>

KING'S GROUP ACADEMIES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	5,180,000	745,000
Upon conversion	1,532,000	-
Transferred in on existing academies joining the trust	-	3,685,000
Interest income	156,000	72,000
Actuarial losses	321,000	522,000
Employer contributions	321,000	175,000
Employee contributions	98,000	44,000
Benefits paid	(49,000)	(63,000)
Closing fair value of scheme assets	<u>7,559,000</u>	<u>5,180,000</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	36,196	16,996
Between 1 and 5 years	61,311	39,667
Total	<u>97,507</u>	<u>56,663</u>

25. MEMBERS' LIABILITY

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

KING'S GROUP ACADEMIES
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NOTES TO THE FINANCIAL STATEMENTS
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26. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions arose during the period:

Chopping, Hart & Biddlecomb Limited - a company controlled by Sir R Fry:
The academy trust provided accounting services to Chopping, Hart & Biddlecomb Limited during the year totalling £7,137, in respect of the time spent by the CFO during trust working hours.