

Registered number: 07633375 (England and Wales)

THE KING EDMUND SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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THE KING EDMUND SCHOOL

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THE KING EDMUND SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Patricia Thorn
Graham Jackson
David Adsett
David Cottis
Alan Stanton

Trustees

David Adsett
David Cottis
Graham Jackson
Patricia Thorn
Malcolm MacDonald Chairman Nominated Trustee
Alan Stanton Nominated Trustee
Ken Wickham Nominated Trustee
Karen Gardiner Vice Chair - Parent Trustee
Anna Stokes Parent Trustee
Jonathan Osborn Headteacher and Accounting Officer
Ben Jacob-Smith Nominated Trustee (Appointed 14.06.21)
(Resigned 12.09.22)
Carolyn Hockridge Nominated Trustee
Emma Thomas Parent Trustee (Appointed 7.11.22)
(Resigned 5.09.2023)
Thomas Day-Hughes Parent Trustee
Ziya Huseyin Nominated Trustee (Appointed 12.06.23)
Debbie-Louise Parker (Appointed 13.11.23)
Jennifer Rawsell (Appointed 13.11.23)

Company Secretary

Christine Packer

Key Management Personnel

Jonathan Osborn (Headteacher)
Christine Packer (School Business Manager)
Marc Feeley (Deputy Headteacher)
Helen Baker (Deputy Headteacher Curriculum) (Resigned 20.07.23)
Jonathan Fuller (Deputy Headteacher Curriculum) (Appointed in post 21.07.23)

Remainder of Senior Management Team

Greg Berman (Assistant Headteacher) – (resigned 31.08.23)
Gemma Kentish (Assistant Headteacher Staff Development) – appointed in post 01.09.2022
Amy Clark (Assistant Headteacher Teaching and Learning) – appointed in post 01.09.2022.
Sarah Evison (Assistant Headteacher)- appointed 12.04.2023
Rebecca Scott (Heatley) (Associate Assistant Headteacher) – appointed 01.09.2022
Kerry Buck (Associate School Business Manager)
Luke Read (Assistant Headteacher Pastoral) – appointed in post 01.09.2023
Sadie Merrick-Cooke (Assistant Headteacher Pupil Progress & Exams) – appointed in post 01.01.2023
Claire Ilett (Assistant Headteacher Sixth Form) – appointed in post 01.01.2023
Adam Roche (Assistant Headteacher Science) appointed in post 01.09.2023
Rebecca Heatley (Associate Assistant Headteacher) – appointed in post 01.09.2022
Michelle Woodard (Associate Assistant Headteacher) – appointed in post 01.09.2022
Laura Impey (Associate Assistant Headteacher) – appointed in post 01.09.2022

Company Name

The King Edmund School

Company Registration Number

07633375 (England & Wales)

Principal and Registered Office

The King Edmund School,
Vaughan Close,
Rochford,
Essex SS4 1TL

THE KING EDMUND SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditor

Baxter & Co
Lynwood House
2-4 Crofton Road
Orpington
BR6 8QE

Bankers

National Westminster Bank PLC
43 High Street
Rayleigh
Essex
SS6 7EW

Solicitors

Stone King
13 Queen Street
Bath
BA1 2HJ

THE KING EDMUND SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the year 01 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Academy Trust operates as a fully comprehensive single academy for pupils aged 11 to 19 serving a catchment area in Rochford, Essex. It has a pupil capacity of 1610 and had a roll of 1507 in the school census in May 2023.

The King Edmund School sits on the border with Southend. Year groups are typically made up of 70% Essex pupils, 30% Southend pupils and the majority of our students come from white, working-class homes. The influence of 4 local grammar schools in Southend skews the intake to the school, taking away some of the higher prior attainment Essex children who would have otherwise come to the school, however we also find that some students choose to attend KES rather than the local Grammar schools due to our values and school ethos.

'In Pursuit of Excellence' is the phrase that captures the true sense of what KES is about - of always wanting to do better and improve on what has already been achieved. It sums up the vision for students and staff and others linked to KES - to always look to achieve their Personal Best in every aspect of school life.

KES has a set of values and expectations of the way that everyone in our school community should treat each other - everyone works together to ensure the school is welcoming and that everyone feels valued. We are #KESway.

KIND SUPPORTIVE PROUD

- We believe that everyone should live without harming each other, do acts of kindness for others, and show respect at all times.
- We encourage and support everyone in the KES community to achieve their Personal Best.
- We are proud of our environment and share responsibility for keeping it safe and clean.

Pastoral care is an essential part of the school's ethos and is central to academic success. There is a strong focus at The King Edmund School on the welfare of every child.

The aim of the curriculum at The King Edmund School is to provide students with a wide range of experiences with the intention of developing well rounded individuals. The students study a broad curriculum over the three-year Key Stage 3 period and are then given an open choice as to which non-core subjects to study at Key Stage 4 (as opposed to a guided choice or students following a particular pathway). The school then enrich the Key Stage 5 curriculum to ensure that students are given sufficient development opportunities.

The school has multiple vocational subjects on the curriculum including construction technology, textiles, hair and beauty and catering

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 The King Edmund School are also the directors of the charitable company for the purposes of company law. The charitable company operates as The King Edmund School.

Details of the trustees who served during the year, and to the date these accounts are approved 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.

THE KING EDMUND SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Trustees' Indemnities

Trustees benefit from qualifying third party indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the School Trust. The cost of this insurance is included within the schools Risk Protection Arrangement with the DfE.

No indemnities or guarantees have been provided to third parties by the charitable company in respect of any of its Trustees.

Method of Recruitment and Appointment or Election of Trustees

Support staff and teaching staff Trustees are invited to apply. If more than one applicant, a secret ballot is held. All staff are entitled to vote.

Nominated Trustees – vacancies are advertised in the school publications and by word of mouth and networking. Any potential candidates are interviewed by the Chair of Trustees and Headteacher before appointment.

Parent Trustees – vacancies are advertised by letter to each parent who has a student in the school. If more than one applicant, a ballot is held. All parents are entitled to vote.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trustees' Induction Policy was adopted in September 2011 and is reviewed annually. All new Trustees attend Induction training for new Trustees.

Over the past year Trustees have also received training in the following areas:

- Risk Management
- Health and Safety
- Safeguarding training for Trustees
- Learning walks for Trustees
- Governor's Exclusion Training
- National Security Cyber Crime

Organisational Structure

The organisational structure consists of three levels: The Trustees, Governing Body Committees and the Senior Leadership Team.

During 2022/2023 committees existed for:

- Standards Committee
- Finance and Premises Committee (incorporating Audit Committee)
- Pay Review Committee
- Student Discipline Committee
- Student Admissions Committee
- Staff Appeals Committee
- Headteacher's Performance Management Review Committee

The Trustees delegate the day to day running of the school to the Headteacher and the Senior Leadership Team. The Trustees are responsible for setting general policy, approving the annual budget, monitoring the use of funding, budgets and making decisions about the direction of the school, capital expenditure, senior staff appointments and supporting the work of the Headteacher and staff (including the performance of the school against agreed targets). The Headteacher is the Accounting Officer, and the School Business Manager is Company Secretary.

The King Edmund School is one organisation, has no subsidiaries and has not participated in any joint ventures.

THE KING EDMUND SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Arrangements for setting pay and remuneration of key management personnel

The Key Management Personnel comprise the Trustees and the Headteacher, Deputy Head-teachers', and the School Business Manager.

Setting pay and remuneration of the executive Key Management Personnel is initially decided by the Governing Body when the post is advertised. Due consideration is given to the Personal Specification, Job Description, Teachers Pay and Conditions and benchmarked against other similar schools in the area. Pay of Key Management Personnel is also banded according to the size of the school and the band is published in the advert.

Annual Performance Management is undertaken by the Headteacher for the Senior Leadership Team and if all performance criteria have been met and the salary is still within the published pay band a recommendation will be made to the Pay Review Committee who meets annually to approve the pay increases.

Annual Performance Management for the Headteacher is undertaken by a committee comprising of three Trustees (from a pool of 7 named Trustees) and an independent Education Advisor from either the Local Authority or an Education Consultancy who review the previous year targets, set the new targets and recommend any progression within the published salary band for the Headteacher. This recommendation is then considered by the Pay Review Committee comprising of three Trustees (from a pool of seven named Trustees). Appeals are heard by the Staff Appeals Committee comprising of three Trustees (from a pool of seven named Trustees).

Trade union facility time

Trade Union facility time is purchased as part of the Essex County Council public duties fund that the Trust subscribes to. The cost equates to £1 per pupil. The Headteachers have regular meetings within directed time with Union representatives. Expenditure is less than 0.1% of the wage bill.

Related Parties and other Connected Charities and Organisations

To avoid any conflict between their businesses and personal interest, every Member, Trustee and staff member with financial influence is required to complete annually a declaration of Business Interest and connected parties. The school maintains a register of these interests, which also includes declarations of any gifts or hospitality received from potential suppliers in accordance with the school's Gifts and Hospitality Policy.

The King Edmund School operates as a standalone academy and is not affiliated or federated with any wider networks. The King Edmund School has one related party transaction for the year 2022-2023. Rochford and District Schools Trust AKA Rochford Extended Services of which Jonathan Osborn is a director. The school pays £10,900 annually for contributions towards the service provided to local secondary and primary schools in the area. Rochford Extended Services are a local service, commissioned by individual schools to provide holistic support to their children and families. In addition to this, during this financial year we have also paid £2250 for 9 days staff supervision and £2000 for Emotional Literacy Support Training for staff. Total expenditure for year = £15150.00

Objectives and activities

Objects and Aims

The principal objective and activity of the charitable company is the operation of The King Edmund School to provide outstanding education for students of all abilities between the ages of 11 and 19.

In accordance with the articles of association, the charitable company has adopted a Scheme of Government approved by the Secretary of State for Education. The Scheme of Government specifies a range of things identifying admission arrangements, provision of special educational needs and guidelines for the curriculum offered by the school.

OUR AIMS

The objects of the School are the advancement of education of boys and girls. The mission and ethos of the school is 'In Pursuit of Excellence'. This phrase captures the true sense of what KES is about - of always wanting to do better and improve on what has already been achieved. It sums up the vision for students and staff and others linked to KES

THE KING EDMUND SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

- to always look to achieve their Personal Best in every aspect of school life.

We aim, to provide a first-class education to students from the ages of 11 to 19. We seek to provide a structured educational environment that develops our pupils' capabilities, competences and skills. We promote the academic, moral and physical development of our pupils through our academic curriculum, pastoral care, sporting and other activities. We provide an educational environment where each student can develop and fulfil his or her potential, building their self-confidence and inculcating a desire to contribute to the wider community. In so doing, we prepare our pupils for the opportunities, responsibilities and experience of later life.

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the School.

- To provide a broad and balanced curriculum that meets the needs of all learners and leads to good outcomes.
- To ensure that all students are well behaved, display positive attitudes and are well equipped for adult life.
- To support all staff with the necessary training and support to fulfil their roles to the highest standard.

Objectives, Strategies and Activities

The main strategy of the school is summarised in the statement "In Pursuit of Excellence". Whilst the Board had agreed a number of improvement actions with the school as part of the ongoing Improvement Plan, the sudden and unexpected enforced closure of the school site on safety grounds by the DfE had a profound impact on those plans, and the capacity of the school to execute them as originally planned.

The school amended its approach to reflect the impact seen from the closure and to prioritise resource accordingly to maximise catch up opportunities, similar to the approach taken following Covid closures.

Activities provided include:

- Opportunities for all students to gain appropriate academic qualifications through consistently good teaching and ongoing support;
- Training and development opportunities for all staff; Wellbeing support following return to school after closure.
- A programme of sporting and enrichment activities for all students; and
- A careers advice scheme to help students progress to further education, higher education, employment or training

The school continues to work to improve the performance and achievement of its students in all aspects of school life. This includes continuing to make every effort to ensure all students enter higher education, further education, employment or training when they leave the school. The school continues to work to maintain its recruitment of students particularly within the Sixth Form to ensure the specified admission capacity is met.

The School Improvement Priorities, strategic aims and areas for improvement for the year up until 31 August 2023 focused on:

Quality of Education

- Year 11 and 13 Catch Up Programme – minimise lost learning through additional out of hours learning sessions following enforced, sudden school closure.
 - Build a new reward programme to support Catch up engagement.
 - Adaptive curriculum in place for all students.
 - Build on success of summer school provision for those joining us from primary schools.
 - Flexible learning zone reviewed with pathways planned beyond Year 7.
 - Focus SEND interventions to support catch up.
 - Outcomes - improve outcomes so that all students make good progress considering their starting points.
 - Building on the current strategy to improve literacy of all students throughout the school.
 - 60% of all home learning to be completed by years 7-10.
-

THE KING EDMUND SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Behaviour & attitudes and personal development

- Promoting diversity and understanding of different cultures and traditions.
- Improve attendance, punctuality, lateness and low level disruption. KPI including: attendance, PA, lateness and LLD.
- Review current mental health and well-being provision and make necessary adjustments.
- Increase the breadth of Extra-Curricular activities and raise student participation.

Leadership and Management

- Curate a staff training programme for staff to deliver an adaptive curriculum and ensuring progress for all students.
- Enhance parental and stakeholder engagement.
- Increase levels of school feedback to parents regarding home learning and progress.
- Improve the Quality of teaching and achieve 85% secure or better in lessons.
- Implement Literacy Development Plan – continued school-wide focus on improving literacy throughout the school.
- Extend partnerships with feeder primaries through more extensive range of activities.
- To support all work associated with the new build project on 40% of the school site.

Strategic report

Achievements and Performance

The Board agreed a set of priorities with the school for the year 2022-23. These were subject to review and amendment following the sudden and unexpected closure of the entire school site on safety grounds by the DfE, for a nine-week period at the end of 2022 into January 2023. Priorities were reassessed to reflect additional catch-up needs following this closure and new priorities added/existing priorities reviewed to ensure resource allocated reflected this need.

Quality of Education

- Catch Up Programme – The loss of nine weeks of normal school time required the design and implementation of a catch up offer to reflect lost learning time to exam groups. Working with RSC and Harris School Trust an online teaching offer was made available to exam groups at the end of the school day. The programme was supported and delivered in quick time and support provided to pupils to engage. Significant oversight was required and monitoring of individual sessions, engagement and attendance. An enhanced reward programme was delivered to maximise student attendance at these sessions. As the offer extended further into the school year the process was brought in house to enable KES staff to deliver catch up sessions. Catch up sessions are to extend into the next Academic year to reflect lost learning time to current Year 10's.
- Curriculum Planning & Development – Adaptive curriculum in place for all students and curriculum journeys/faculty handbooks reviewed to ensure provision of adaptive teaching techniques. These have been added to school website to assist parents. Adaptive approach built into KES10 expectations and learning walks.
- Flexible learning zone launched and students identified who would benefit.
- Home Learning – Building on the approach/outcomes seen in 2021-22, access to Home Learning improved on appropriate platforms for specific subjects, HL shared on Show My Homework platform to assist students and parents. HL club after school to support and challenge HL completion rates. The system for monitoring homework completion was strengthened to remove barriers and allow for timelier student support.

Behaviour & attitudes and personal development

- Attendance – current strategy for improving attendance reviewed and strengthened to ensure a school wide accountability for attendance. External agencies invited into school to review/challenge existing process and systems. Key documentation enhanced for sharing with key school personnel to support proactive discussions with parents.
- Lates – Strategy enhanced to embed a clear structure to monitor and tackle lateness which has resulted in a significant reduction in numbers of students late to school.

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FOR THE YEAR ENDED 31 AUGUST 2023

- Behaviour – Policy reviewed and management strategy strengthened. CPD to staff to support approach and monitored via learning walks. Students identified for additional support to regulate their behaviour.
- Wellbeing – Increased staff understanding of student mental health through working in partnership with the NHS, schools and agencies. Provision strengthened for supporting staff and students with their wellbeing and awareness raised of strategies for overcoming obstacles/barriers.
- Anti-bullying – reviewed role of Anti-Bullying prefects, roles adjusted and training and support provided. Best practice shared with other schools. Achieved Bronze Award Accreditation for Anti-Bullying approach at KES.

Leadership and Management

- Significant management time spent managing through school closure period and return to school following this. Extensive liaison with key personnel at the DfE, local stakeholders, Parents and staff.
- Quality of Teaching – current school system reviewed and amended for evaluation of QoT. KES 10 launched and written reporting of learning walks shared with all stakeholders.
- Implementation of Literacy Development plan – improvements seen in 2021-22 reviewed and KES read programme developed to ensure creation of the 'reading canon' for each year group.
- Continued work on vocabulary by embedding key vocabulary structures within Faculties.
- New build – Partner work with the DfE is ongoing, with building work commencing in June 2023.
- Primary school links – "Wow Days" and secondary-ready events were expanded and offered to a wider number of schools. This has led to good uplift to interest in the school and Year 6-7 numbers increasing. Further work is needed in this area given the demographics of the local area.

Premises

Following regular meetings between the DfE, Contractors, Architects, Governing Body and staff, Kier have been appointed as contractors. The works started in June 2023.

The school has also been successful in securing a fully funded CIF bid for 2022-23 of £185,772 to update our heating distribution system.

Key Performance Indicators

The following key performance indicators were set by the Finance Committee:

1. Percentage salary against income

The approved budget plan for September 2022 showed the following key performance indicators. It should be noted that the KPI for Total Staff Costs as Proportion of Total Expense was set at 80% by the Board. Initial budget indications showed this would be 79% if no alterations were made during the year.

| Key Performance Indicators | |
|--|-----------|
| Total Staff Costs (£) | 7,747,446 |
| Total Staff Costs to EFA Revenue Income (%) | 81% |
| Total Staff Costs to Total Income (%) | 77% |
| Total Staff Costs as Proportion of Total Expense (%) | 79% |

Estimated outturn for the year indicates the following:

| | |
|--|--------|
| Total Staff Costs as Proportion of Total Expense (%) | 81.80% |
|--|--------|

This is due to several new appointments mid-year one of which was a senior leadership position to create more capacity within the senior leadership team due to the turbulent year experienced by staff and students.

THE KING EDMUND SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Planning for next year's budget 2023-24 sets the KPI again at 80% going forward and it is hoped that this will be maintained going forward:

| Key Performance Indicators | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|--|-----------|-----------|-----------|-----------|
| Total Staff Costs (£) | 7,747,446 | 8,332,100 | 8,412,153 | 8,454,155 |
| Total Staff Costs to EFA Revenue Income (%) | 81% | 82% | 87% | 88% |
| Total Staff Costs to Total Income (%) | 77% | 80% | 84% | 85% |
| Total Staff Costs as Proportion of Total Expense (%) | 79% | 80% | 80% | 80% |

2. Attendance

The school's objective for Attendance was to be at least in line with Essex and National attendance trends. At the time of writing, the attendance rate nationally for secondary schools was 90.8% across all schools and 90.9% at Essex Secondary schools.

Whilst there are variances across all year groups and vulnerabilities, for KES the Year 7-11 attendance rate ytd to June was 91.1%, very much in line with both Essex and National.

Whilst the school closure for several weeks has been a positive factor in maintaining the attendance rates, the closure itself has presented additional challenges to good attendance for pupils who have become used to extended school closures following Covid.

Attendance management will be an ongoing key concern for the school in the next Academic year with continued support to those struggling with anxiety and stress that might present a barrier to regular school attendance.

3. 270 Students in each school year

At the start of the academic year the student numbers were:

Census
Autumn Term 2022

| | |
|---------|------|
| Year 7 | 250 |
| Year 8 | 235 |
| Year 9 | 256 |
| Year 10 | 259 |
| Year 11 | 264 |
| Year 12 | 143 |
| Year 13 | 116 |
| Total | 1535 |

Census
Spring Term 2023

| | |
|---------|------|
| Year 7 | 247 |
| Year 8 | 234 |
| Year 9 | 257 |
| Year 10 | 260 |
| Year 11 | 266 |
| Year 12 | 141 |
| Year 13 | 116 |
| Total | 1521 |

Census
Summer Term 2023

| | |
|---------|------|
| Year 7 | 247 |
| Year 8 | 235 |
| Year 9 | 257 |
| Year 10 | 258 |
| Year 11 | 267 |
| Year 12 | 130 |
| Year 13 | 113 |
| Total | 1507 |

The school and board continue to monitor admission data on a regular basis. It is a regularly updated agenda item at our standards committee. The school continue to track catchment and non-catchment trends, and both application preferences and offers made as data becomes available.

For a period of three years the school site has in part resembled a building site with a lack of certainty as to when the buildings would be replaced, the board believe this to be a significant factor in admissions trends, and expects to see increased numbers again as work progresses on the new school building.

Work undertaken with local primaries will continue to showcase the school and all it can offer.

THE KING EDMUND SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Going Concern

There is concern about ongoing education funding that is presenting challenges across the education sector particularly as a result of unfunded pay increases and Energy costs during the coming year. During future years, consideration may need to be given toward using reserves to cover an in year deficit. The financial management is actively managing all cost during 22/23 to avoid this. However, after making appropriate enquiries and consideration of previous performance, the Board of Trustees has a reasonable expectation that the Trust has adequate resources and skill to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

We receive our income from a number of different sources. The greater part of our income comes from central government via the Education and Skills Funding Agency who provides us with a grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts, but as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances were held at 31 August:

| Fund | Category | 2023 £'000 | 2022 £'000 |
|---|-----------------------------|-----------------------|-----------------------|
| GAG | Restricted General Funds | 790 | 357 |
| Other DfE / ESFA | Restricted General Funds | - | 9 |
| Other Government grants | Restricted General Funds | - | 4 |
| Other Restricted funds | Restricted General Funds | 43 | 23 |
| Sub-total – General Restricted Funds | | 833 | 393 |
| Unspent Capital Grants | Restricted Fixed Asset Fund | 52 | 144 |
| Loans | Restricted Fixed Asset Fund | (147) | (142) |
| Other Income | Unrestricted General Fund | 885 | 965 |
| Sub-Total – Spendable Funds | | 1,623 | 1,360 |
| Net Book Value of Fixed Assets | Restricted Fixed Asset Fund | 18,379 | 18,270 |
| Share of LGPS Deficit | Restricted Pension Reserve | (68) | (936) |
| Total – All Funds | | 19,934 | 18,694 |

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FOR THE YEAR ENDED 31 AUGUST 2023

During the year under review there was an increase of £440k (2022: increase of £174k) on general restricted funds, a decrease of £80k on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall increase of £1,240k (2022: increase of £4,059k).

1. Due to the turbulent year experienced by the Trust, particularly with an enforced closure for almost 3 months due to the discovery of asbestos, the impact on the school's finances has been significant. Not only has the school lost vital Lettings income from the MUGA and swimming schools but in order to reduce the damage both educationally and emotionally to both staff and students, additional expenditure has been spent on the following:

Benenden Healthcare for all staff

Staff supervision

Steer mental health programme for students

Contribution to Zenith Academy catch up programme for students in Years 11 and 13

Recruitment during this time has also been challenging and the Trust has utilised agencies to procure staff more this year than traditionally resulting in over £30,000 in recruitment fees.

One of the main factors identified that may potentially affect the Trust's financial performance relates to the critical incident declared in November 2022. Evacuation of school and the potential risk to health and life chances for students have attracted bad press and have possibly damaged the school's reputation due to the discovery of asbestos on the demolition site by the new contractors. The project was tendered, procured and managed by the DfE but in the immediate term the school have been carrying a significant reputational risk. The knock on effect is a fall in income due to a fall in roll and also difficulty in recruiting staff.

2. A future factor to consider is still the loss of key areas of building due to the demolition and rebuild which has led to some activities being restricted. Temporary buildings on site make the marketing of school harder and the school is working hard to mitigate this by increased marketing and more WOW days targeting feeder schools and out of catchment schools so that each school has at least two visits per year prior to applying.

Future pupil forecasting for Year 7 intake have been adjusted downwards to reflect the fall in birth rate in the area and the admission turbulence and competition amongst neighbouring schools in Essex and Southend.

3. The school has been fortunate in successfully winning a DfE CIF (Condition Improvement Fund) bid for the fourth year in succession. This grant was Phase 2 for a water and heating project to replace all boilers, water heaters and associated pipework within large sections of the school. The first phase (2021-2022) secured a grant of £659,125 with a CIF loan of £59880 repayable over 5 years. The second phase (2022-23) secured a fully funded grant of £174825.

The Trust already has in place a further two CIF loans relating to successful bids for the fire alarm system (2020-2021) £96237 over five years and the replacement roof (2019-2020) £43180 over five years.

Reserves Policy

The King Edmund School has established a reserves policy to protect its activities by providing a financial comfort zone against an unpredictable environment and to make sufficient provision for future cash flow requirements and capital procurement. The policy also provides the framework for future strategic planning and decision-making. The development of an effective reserves policy will restrict the impact of any risk upon the continuing operations of the school.

The reserves policy and the establishment of ranges is based upon an annual risk assessment of the internal and external operating environment, as well as having a due regard for the nature of activities undertaken by the school for its beneficiaries. A strategic review will also be undertaken to ensure the difficult task of planning for the future to minimise any risk and maximise the opportunities Brexit presents for us.

Restricted Reserves are only available for expenditure once the school has met its commitments and other planned expenditure and is in accordance with the limitations outlined in the original funding.

THE KING EDMUND SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The board of trustees will identify why the trust should hold reserves and, having identified its needs, will decide how much should be held to meet them.

The financial risk to the trust will be balanced alongside our vision to maintain the highest levels of education.

The trust will hold a minimum reserve of £200,000 as per the ESFA Guidelines 2021 and will set a maximum limit for its reserve funds of £920,000. This equates to 10 percent of the trust's GAG and funds from this will be earmarked for future projects and new builds.

Reserves will be reviewed and monitored by the board of trustees on a termly basis to identify any trends in spending and to rectify issues where they arise.

The cumulative target for Restricted Reserves held for 2022-2023 has been established at 5% of the school's GAG income excluding the impact of the Pension Deficit/Surplus. Early indications are that the reserves for 2022-2023 will equate to 5.65% of GAG funding which is in line with the Trust's Reserves Policy. Approximately 23% of these reserves are ring fenced as an investment in the new building which is due to complete in January 2025. This figure will contribute towards items not included in the DFE Building Framework.

Investment Policy

The policy is to maximise financial returns balanced against the risk profile of the school. Where appropriate, cash funds in excess of immediate requirements are placed in a fixed rate saver account.

This policy governs the investment strategy of The King Edmund School. The management of charitable funds and investments will comply with the requirements of the Charities Act 2011; Trustee Act 2000; Financial Services and Markets Act (FSMA) 2000; and the Charity Commission.

Principal Risks and Uncertainties

The School Trust practises through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by the senior leadership team.

The Trustees have assessed the major risks to which the school is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant inherent financial risk exists, they have ensured they have adequate insurance cover.

The Trustees have reviewed and updated the Risk Register in light of the emerging picture of the building structure and have involved all parties: RPA insurance, Structural Surveyors and members of the DFE in every aspect of this.

Strategies have been put in place to deal with the reputational risk surrounding the critical incident around the demolition and new building with control measures implemented and their effectiveness reviewed on a regular basis.

The direction of travel for national education funding has been difficult to predict. The overall view is taken that the strength of argument in support of increased funding may at best result in neutral funding in real terms. A reduction in pupil numbers would cause a significant impact on long term finances. Value for money checks take place during the year. DfE benchmarking data is used for comparison with other and similar schools.

The Trustees examine the School's financial health formally every term, review performance against budgets with monthly management reports and overall expenditure by means of regular reports at all Full Governing Body and Finance and Premises Committee meetings.

The Trustees ensure sufficient funds are held to cover all known current and anticipated future commitments.

THE KING EDMUND SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the notes to the financial statements, represents a significant potential liability, in terms of impact on potential future contributions. However, as the Trustees consider that the School is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised

Our fundraising practices

Each House within the school chooses a charity for the year to fundraise for. Fundraising events are then arranged throughout the year and at year end a payment is made to the chosen charities. The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Streamlined Energy and Carbon Reporting

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for the future

The School will continue to strive to provide outstanding education and improve the performance of its students at all levels. Much of the school's work to build a culture of engagement and positive relationships between staff and students can be summarised by the tagline #KESway. The school will continue to build on the success of #KESway and drive a culture of high expectations and continual improvement so that every student and every member of staff has the opportunity to achieve their 'personal best' in a safe and healthy environment.

The school will look to recruit staff who share the same vision for the school and can demonstrate #KESway in everything that they do. High-quality training and support will be provided to support the development of all members of the school community.

The school will continue to work with the Department for Education on the confirmed rebuild of a significant part of the school site, and our planning will continue over this period, maximising the benefit of the new build to enhance the life chances for our students.

Our engagement with local feeder schools will continue to support students in Year 5 and Year 6 through engagement days to help with the transition to secondary school, and to maintain and build positive relationships with local parents and the community.

Trustees have high expectations of students, leaders and teachers at the school. Trustees will continue to support and challenge the school in meeting its objectives. Full details of our plans for the future are given in our School Improvement Plan, which is available from the Clerk to the Trustees.

Funds Held as Custodian Trustee on Behalf of Others

The school acts as a custodian trustee on behalf of funds received from 16-19 Bursary Fund Scheme before payment is made to eligible students.

THE KING EDMUND SCHOOL

TRUSTEES' REPORT

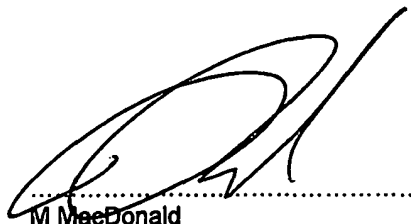
FOR THE YEAR ENDED 31 AUGUST 2023

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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11/12/23 and signed on the board's behalf by:



.....
M MacDonald
Chair of Trustees

THE KING EDMUND SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher 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 The King Edmund School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

GOVERNORS' MEETING ATTENDANCE 2022/23

| Name | Governor | FGB | FGB - AGM | FGB -EGM | Standards | Finance and Premises |
|---|--------------------|-----|-----------|----------|-----------|----------------------|
| Mr J Adsett | Member | | 1/1 | | | |
| Mr D Cottis | Member | | 1/1 | | | |
| Mr C Stanton | Member | | 1/1 | | | |
| Mr G Jackson | Member | | 1/1 | | | |
| Mrs P Thorn | Member | | 1/1 | | | |
| Mr T Day-Hughes | Nominated Governor | 0/4 | 0/1 | 0/2 | 1/4 | 1/6 |
| Mrs K Gardiner (Vice Chairman of Governors) | Nominated Governor | 4/4 | 1/1 | 2/2 | 4/4 | 6/6 |
| Mrs C Hockridge | Nominated Governor | 3/4 | 0/1 | 2/2 | 4/4 | 3/6 |
| Mr Z Huseyn ¹ | Nominated Governor | 1/1 | | | 1/1 | 1/1 |
| Mr B Jacob-Smith ² | Nominated Governor | | | | | |
| Mr M MacDonald (Chairman of Governors) | Nominated Governor | 2/4 | 0/1 | 2/2 | 4/4 | 4/6 |
| Mrs A Stokes | Nominated Governor | 4/4 | 1/1 | 2/2 | 4/4 | 6/6 |
| Mr K Wickham | Nominated Governor | 3/4 | 1/1 | 1/2 | 2/4 | 5/6 |
| Miss E Thomas ³ | Parent Governor | 2/3 | 0/1 | 1/1 | 0/3 | 1/5 |
| Jonathan Osborn (Headteacher) | Headteacher | 3/4 | 1/1 | 2/2 | 3/4 | 6/6 |

¹ Appointed as a Nominated Governor on 12/06/2023

² Resigned from the Governing Body on 31/08/2022

³ Elected as a Parent Governor on 1/11/2022

As Trustees we acknowledge we have overall responsibility for ensuring that the King Edmund School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance. The Board of Trustees has delegated the day-to-day responsibility to the Headteacher 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 The King Edmund School 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.

THE KING EDMUND SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Conflict of interest

Trustees and all staff make their decisions only in the best interests of The King Edmund School. This means that they must consider the issue of a conflict of interest so that any potential effect on decision making is eliminated.

Trustees and all staff have an individual personal responsibility to declare conflicts of interest which may affect them. All governors and senior staff therefore are required to complete a declaration of interests return on an annual basis. In addition, there is an agenda item at all meetings of the Governing Body to make declarations of interest.

- Declaration of Interest form completed annually
- Register of declarations completed annually
- Conflict of Interest Policy
- Governance declarations at each members meetings

Details of any payments and other benefits to any trustees or connected persons - including family members and businesses, are identified to auditors. Relevant interests declared by trustees are listed on the academies website.

Trustees use discretion to determine whether or not a minor or relatively insignificant interest should be included in the public declaration.

Governance reviews

Trustees take the strategic overview of school operation and performance and inform the decision making process. Their skills profile is used to provide rigour and challenge. 2 new Trustees were appointed during the reporting period. Their skill set has allowed for a smooth transition as a Trustee retired. The Scheme of Delegation sets out the responsibilities at the different levels of Trust management and administration. This is reviewed annually. There have been no changes in the last year.

Governor visits to the school take place on a regular basis. They inform the decision making process. Attendance is good and skill levels have been increasing with a greater ability to scrutinise and analyse information and statistics that are presented covering all aspects of the school operation.

The Finance and Premises is a sub-committee of the main Board of Trustees. It meets six times a year. Its purpose is to: monitor, evaluate and review school policy and practice in relation to financial planning and monitoring; to decide how to spend the General Annual Grant and other funds under the control of Trustees for the purposes of the Trust; to monitor and ensure compliance with DfE, EFA, Charity Commission and other relevant bodies and all relevant legal requirements in relation to the proper financial management of Trust; to agree limits of financial delegation; to ensure that full accounts are kept; to ensure appropriate insurance cover is in place; to receive monthly reports from the School Business Manager and to report the Trust's financial position to the full Trustee Board each half term. They also assume the role of an Audit and Risk Committee. This role is further supported by regularity visits from the school's auditors.

At all levels of Governance, an annual audit is carried out of skills and training requirements. LGB support packages such as The Key for Governors are purchased. Professional clerking is provided to all formal meetings.

Data to inform Trustee and LGB considerations is provided by the staff within schools but external benchmarking is considered along with our independent Auditor opinion

The board has reviewed its Funding Agreement and structure of membership and Governing Body, closely supported by Stone King. Agreement was required from the DfE and Charities Commission before any changes could be implemented and this was received during the financial year. The Governing Body has voted to approve and adopt these changes, taking effect from the start of the next financial year 01st September 2022.

All governance activities have reverted back to being in person, rather than remote working online. All governors are linked to key areas of the school's improvement plan and undertake visits to the school as part of this role.

THE KING EDMUND SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Review of Value for Money

As accounting officer, the Headteacher 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 educational and wider societal outcomes, as well as estates safety and management, 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:

Over the last financial period, The King Edmund School has continued to take a wide range of steps to ensure that the education standards and levels of attainment for all pupils continue to improve.

The school has produced a detailed financial analysis of how the pupil premium funding was spent and the impact of the funding for individual pupils. Similarly, funding for catch up groups and 16-19 Bursary are reported in the same way.

The school has internal controls in place to ensure strict financial procedures are followed. The Trustees and managers receive regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste. Bank balances are carefully monitored. The school purchases the RPA insurance package provided at a discount to the DFE to ensure it has adequate cover to manage risks and tops up insurance for other items such as vehicles.

Regular maintenance and refurbishment to the remaining buildings, despite the demolition is ensuring that an attractive and stimulating environment is provided for all pupils. Governance provides strong challenge over such purchases and all contracts and services for the school are always appraised and approved to ensure value for money. On some projects the school may have chosen the option that was not always the cheapest but was the most cost effective over time. The school has a policy of regularly applying for grants to improve the fabric of all its buildings and was successful in its bid to install new water and heating distribution throughout the school.

There is a constant desire within the school to improve through better systems that lead to better outcomes for students. Value for money is a key part of ensuring we are able to do this.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The King Edmund School for the period 01 September 2022 to 31 August 2023 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 September 2022 to 31 August 2023 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 KING EDMUND SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

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 to employ SBM Services to provide supplemental assurance services to external audit.

SBM Services role includes providing supplemental assurance services to external audit, 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 focused on:

Financial Governance
Purchasing and Creditors
Lettings

On an annual basis the auditor reports to the board of trustees, through the School Business Manager on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Key finding from the annual report:

Audit Report Summary

| | High Assurance | Good Assurance | | | Reasonable Assurance | | Limited Assurance | | | |
|------------|----------------|----------------|---|-----|----------------------|-----|-------------------|----|---|---|
| Section 1: | 10 | 67% | 4 | 27% | - | % | 1 | 6% | - | % |
| Section 2: | 8 | 62% | 2 | 15% | 3 | 23% | - | % | - | % |
| Section 3: | 4 | 100% | - | % | - | % | - | % | - | % |

Board Meetings (Limited Assurance – 1)

Has the trust board and appropriate committees met at least six times in the last 12 months? Have minutes been prepared and approved?

Recommendation:

In accordance with the Academy Trust Handbook Section 2.3, the board and its committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective financial management. If the board meets less than six times a year it must describe in its governance statement, accompanying its annual accounts, how it maintained effective oversight of funds with fewer meetings.

THE KING EDMUND SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Management Response:

By the end of the school Academic Year there will have been 4 x FGB meetings and an additional 6 x Finance meetings and Standards meetings, where all board members attend. All trustees attend all meetings, rather than designated to specific committees.

Purchasing and Creditors (Reasonable Assurance - 3)

Are paid invoices supported by appropriately authorised purchase orders?

Recommendation

Raising an order and following a pre-authorisation process ensures funds are available for goods/services. It also ensures the funds required for the goods/services are committed on the accounting system. Orders should therefore be raised in advance of purchases being made and appropriately authorised.

Management Response

Comments Noted. The majority of invoices that were chosen for sampling related to Exam Fees, CIF Bids and School Trips. Some of these invoices had high amounts on and were therefore pre-authorised by the Head teacher and Chair before a payment request was raised. It is not reasonable to raise orders for the above items.

Purchasing and Creditors

Are invoices, which are not supported with an authorised purchase order, signed in accordance with the trust's financial regulations?

Recommendation

From the sample tested, invoices which were not supported by an authorised purchase order were signed in accordance with the trust's financial regulations.

Management Response

Everyday items such as books, educational equipment, furniture, subscriptions are raised on a purchase order either on the Civica system or via the online order form. Items such as food and cleaning products are ordered via the individual department budget holder, we do not raise orders for these items but they are managed by the approval processing stage. Budget holders have online access to their budget reports to see spending and commitments, we also have regular exercises in ensuring that we achieve value for money.

Purchasing and Creditors

Can the trust provide evidence that written quotations are obtained in accordance with their financial regulations?

Recommendation

It is recommended quotes are obtained in accordance with the trust's financial regulations and to ensure best value. Where this is not possible the purchase should be discussed at a meeting of the Finance Committee and approval should be included in the minutes of the meeting.

Management Response

Comments Noted. For specialist services such as exams or trips the expenditure amounts over £15k are to be discussed within finance committee meetings for approval.

These types' of expenditure (amounts over £15K) can be raised in the School Business Managers Finance Report which is reviewed and discussed by the governing body at the Finance Committee Meetings.

THE KING EDMUND SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

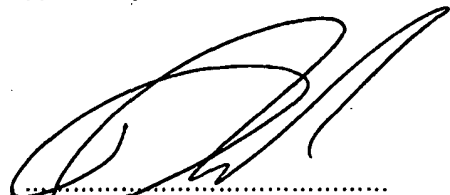
Review of Effectiveness

As accounting officer, the Headteacher, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work the external auditor;
- the financial management and governance self-assessment process
- the work of the School Business Manager who has the 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 Business Manager 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 11/12/23 and signed on its behalf by:



M MacDonald

Chair of Trustees



J Osborn

Accounting Officer

THE KING EDMUND SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of The King Edmund School, I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.


I confirm that I and the Academy Trust's 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 Academy Trust Handbook 2022.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Governors and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and ESFA.

Matter 1: Finance lease

In the role as Reporting Accountants, Baxter & Co have advised us that the trust have entered into a finance lease agreement, without obtaining ESFA approval. This constitutes a breach of the Academy Trust Handbook (Section 5.26). The total value of the commitment under the lease is £31k.

J Osborn
Accounting Officer


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THE KING EDMUND SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of The King Edmund School for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

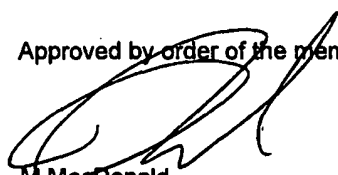
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- 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 that 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 11/12/23 and signed on its behalf by:



M. MacDonald
Chair of Trustees

THE KING EDMUND SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KING EDMUND SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the Financial Statements of The King Edmund School for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

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 'Auditor's 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the Financial Statements themselves. 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.

THE KING EDMUND SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KING EDMUND SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Opinions 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 incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 incorporated 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.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees 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 charitable company, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal assurance reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

THE KING EDMUND SCHOOL

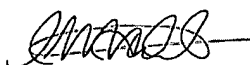
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KING EDMUND SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Louise Hallsworth FCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

20 December 2023

Chartered Certified Accountants
Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

THE KING EDMUND SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KING EDMUND SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 5 February 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The King Edmund School during the period 1 September 2022 to 31 August 2023 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 The King Edmund School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The King Edmund School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The King Edmund School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The King Edmund School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The King Edmund School's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academy Trust Handbook 2022, issued by the ESFA.

THE KING EDMUND SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KING EDMUND SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

In the course of our work, except for the matters referred to below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1: Finance lease

The trust have entered into a finance lease agreement, without obtaining ESFA approval. This constitutes a breach of the Academy Trust Handbook (Section 5.26). The total value of the commitment under the lease is £31k.

Baxter & Co.

Reporting Accountant

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 20 December 2023

THE KING EDMUND SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | Unrestricted funds £'000 | Restricted funds: General £'000 | Fixed asset £'000 | Total 2023 £'000 | Total 2022 £'000 |
|--|----------|--------------------------------|---------------------------------------|----------------------|------------------------|------------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 3 | - | 112 | 115 | (13) |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 300 | 10,498 | - | 10,798 | 9,863 |
| Other trading activities | 5 | 52 | - | - | 52 | 77 |
| Investments | 6 | 29 | - | - | 29 | 1 |
| Total | | 384 | 10,498 | 112 | 10,994 | 9,928 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | - | 4 | - | 4 | 7 |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | 231 | 10,013 | 456 | 10,700 | 10,255 |
| Total | 7 | 231 | 10,017 | 456 | 10,704 | 10,262 |
| Net income/(expenditure) | | 153 | 481 | (344) | 290 | (334) |
| Transfers between funds | 19 | (233) | (123) | 356 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains on defined benefit pension schemes | 21 | - | 950 | - | 950 | 4,393 |
| Net movement in funds | | (80) | 1,308 | 12 | 1,240 | 4,059 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 965 | (543) | 18,272 | 18,694 | 14,635 |
| Total funds carried forward | | 885 | 765 | 18,284 | 19,934 | 18,694 |

THE KING EDMUND SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

| Comparative year information | | Unrestricted | Restricted funds: | | Total |
|--|-------|--------------|-------------------|---------------|---------------|
| Year ended 31 August 2022 | | funds | General | Fixed asset | 2022 |
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 11 | - | (24) | (13) |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | 198 | 9,665 | - | 9,863 |
| Other trading activities | 5 | 77 | - | - | 77 |
| Investments | 6 | 1 | - | - | 1 |
| Total | | <u>287</u> | <u>9,665</u> | <u>(24)</u> | <u>9,928</u> |
| Expenditure on: | | | | | |
| Raising funds | 7 | - | 7 | - | 7 |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 198 | 9,695 | 362 | 10,255 |
| Total | 7 | <u>198</u> | <u>9,702</u> | <u>362</u> | <u>10,262</u> |
| Net income/(expenditure) | | 89 | (37) | (386) | (334) |
| Transfers between funds | 19 | - | (287) | 287 | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 21 | - | 4,393 | - | 4,393 |
| Net movement in funds | | 89 | 4,069 | (99) | 4,059 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>876</u> | <u>(4,612)</u> | <u>18,371</u> | <u>14,635</u> |
| Total funds carried forward | | <u>965</u> | <u>(543)</u> | <u>18,272</u> | <u>18,694</u> |

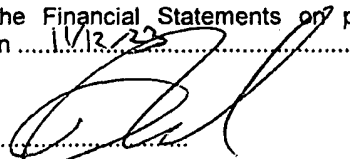
THE KING EDMUND SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2023

| | | 2023 | 2022 |
|---|-------|---------------|---------------|
| | Notes | £'000 | £'000 |
| Fixed assets | | | |
| Intangible assets | 12 | 25 | - |
| Tangible assets | 13 | 18,354 | 18,270 |
| | | <u>18,379</u> | <u>18,270</u> |
| Current assets | | | |
| Stock | 14 | 4 | 5 |
| Debtors | 15 | 430 | 477 |
| Cash at bank and in hand | | 2,222 | 1,879 |
| | | <u>2,656</u> | <u>2,361</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 16 | (900) | (891) |
| Net current assets | | <u>1,756</u> | <u>1,470</u> |
| Total assets less current liabilities | | <u>20,135</u> | <u>19,740</u> |
| Creditors: amounts falling due after more than one year | 17 | (133) | (110) |
| Net assets excluding pension liability | | <u>20,002</u> | <u>19,630</u> |
| Defined benefit pension scheme liability | 21 | (68) | (936) |
| Total net assets | | <u>19,934</u> | <u>18,694</u> |
| Funds of the Academy Trust: | | | |
| Restricted funds | 19 | | |
| - Fixed asset funds | | 18,284 | 18,272 |
| - Restricted income funds | | 833 | 393 |
| - Pension reserve | | (68) | (936) |
| Total restricted funds | | <u>19,049</u> | <u>17,729</u> |
| Unrestricted income funds | 19 | <u>885</u> | <u>965</u> |
| Total funds | | <u>19,934</u> | <u>18,694</u> |

The Financial Statements on pages 28 to 54 were approved by the Trustees and authorised for issue on 11/12/23 and are signed on their behalf by:


M MacDonald
Chair of Trustees

Company registration number 07633375 (England and Wales)

THE KING EDMUND SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | 2023 £'000 | 2022 £'000 | 2022 £'000 |
|--|-------|---------------|---------------|---------------|
| Cash flows from operating activities | | | | |
| Net cash provided by operating activities | 22 | | 745 | 1,211 |
| Cash flows from investing activities | | | | |
| Dividends, interest and rents from investments | | 29 | | 1 |
| Capital grants from DfE Group | | 112 | | (24) |
| Purchase of intangible fixed assets | | (38) | | - |
| Purchase of tangible fixed assets | | (527) | | (1,030) |
| Net cash used in investing activities | | | (424) | (1,053) |
| Cash flows from financing activities | | | | |
| Repayment of long term loan | | 5 | | 84 |
| Capital element of hire purchase and finance leases | | 22 | | - |
| Finance costs | | (5) | | - |
| Net cash provided by financing activities | | | 22 | 84 |
| Net increase in cash and cash equivalents in the reporting period | | | 343 | 242 |
| Cash and cash equivalents at beginning of the year | | | 1,879 | 1,637 |
| Cash and cash equivalents at end of the year | | | <u>2,222</u> | <u>1,879</u> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

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 Financial Statements 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

1.3 Income

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

Grants

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

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

Donations

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

Other income

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

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software - 3 years

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 or more per item are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

| | |
|--------------------------------|-----------------|
| Freehold Land and buildings | 50 years |
| Assets under constr'n | Not depreciated |
| Computer equipment | 3 years |
| Fixtures, fittings & equipment | 5 years |
| Motor vehicles | 3 years |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

1.8 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.9 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. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.12 Pensions benefits

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

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.13 Fund accounting

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact on 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|-----------------|--------------------------------|------------------------------|------------------------|------------------------|
| Capital grants | - | 112 | 112 | (24) |
| Other donations | 3 | - | 3 | 11 |
| | <u>3</u> | <u>112</u> | <u>115</u> | <u>(13)</u> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the Academy Trust's educational operations

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|------------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 9,008 | 9,008 | 8,789 |
| Other DfE/ESFA grants: | | | | |
| - Pupil premium | - | 388 | 388 | 363 |
| - Others | - | 566 | 566 | 257 |
| | - | 9,962 | 9,962 | 9,409 |
| Other government grants | | | | |
| Local authority grants | - | 280 | 280 | 172 |
| COVID-19 additional funding | | | | |
| DfE/ESFA | | | | |
| Catch-up premium | - | - | - | (27) |
| Other DfE/ESFA COVID-19 funding | - | 142 | 142 | 77 |
| Non-DfE/ESFA | | | | |
| Other COVID-19 funding | - | - | - | 14 |
| | - | 142 | 142 | 64 |
| Other funding | | | | |
| Catering income | 159 | - | 159 | 172 |
| Trips income | 141 | - | 141 | - |
| Other incoming resources | - | 114 | 114 | 46 |
| | 300 | 114 | 414 | 218 |
| Total funding | 300 | 10,498 | 10,798 | 9,863 |

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding". The funding received for coronavirus exceptional support covers £142k of staff and other costs. These costs are included in notes 7 and 8 below as appropriate.

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Other trading activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|-------------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities | 34 | - | 34 | 63 |
| Income from facilities and services | 7 | - | 7 | 8 |
| Other income | 11 | - | 11 | 6 |
| | <u>52</u> | <u>-</u> | <u>52</u> | <u>77</u> |

6 Investment income

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|---------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Short term deposits | 29 | - | 29 | 1 |
| | <u>29</u> | <u>-</u> | <u>29</u> | <u>1</u> |

7 Expenditure

| | Staff costs £'000 | Non-pay expenditure Premises £'000 | Other £'000 | Total 2023 £'000 | Total 2022 £'000 |
|----------------------------------|----------------------|--|----------------|------------------------|------------------------|
| Expenditure on raising funds | | | | | |
| - Direct costs | - | - | 4 | 4 | 7 |
| Academy's educational operations | | | | | |
| - Direct costs | 7,252 | 366 | 862 | 8,480 | 7,962 |
| - Allocated support costs | 1,086 | 487 | 647 | 2,220 | 2,293 |
| | <u>8,338</u> | <u>853</u> | <u>1,513</u> | <u>10,704</u> | <u>10,262</u> |

Net income/(expenditure) for the year includes:

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Operating lease rentals | 4 | 5 |
| Depreciation of tangible fixed assets | 456 | 362 |
| Fees payable to auditor for: | | |
| - Audit | 10 | 9 |
| - Other services | 7 | 7 |
| Finance lease interest | 2 | - |
| Bank and loan interest | 3 | - |
| Net interest on defined benefit pension liability | 33 | 77 |
| | <u>512</u> | <u>450</u> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Expenditure

(Continued)

Included within expenditure are the following transactions:

| | Total | Individual items over £5,000 |
|---|-------|------------------------------------|
| | 2023 | 2023 |
| | £ | £ |
| Gifts made by the Academy Trust - total | 1,264 | |

Clarification – While the majority of disclosure in these accounts are rounded to £'000, the disclosure of gifts made is not. The value of gifts for the year is £1,264 (and not £1,264k).

8 Charitable activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Direct costs | | | | |
| Educational operations | - | 8,480 | 8,480 | 7,962 |
| Support costs | | | | |
| Educational operations | 231 | 1,989 | 2,220 | 2,293 |
| | <u>231</u> | <u>10,469</u> | <u>10,700</u> | <u>10,255</u> |

Analysis of costs

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Direct costs | | |
| Teaching and educational support staff costs | 7,252 | 6,914 |
| Staff development | 25 | 40 |
| Depreciation | 366 | 290 |
| Technology costs | 26 | 65 |
| Educational supplies and services | 298 | 347 |
| Examination fees | 223 | 173 |
| Educational consultancy | 38 | 18 |
| Other direct costs | 252 | 115 |
| | <u>8,480</u> | <u>7,962</u> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities (Continued)

| | | |
|--|--------------|--------------|
| Support costs | | |
| Support staff costs | 1,037 | 788 |
| Defined benefit pension scheme - staff costs (FRS102 adjustment) | 49 | 421 |
| Depreciation | 90 | 72 |
| Technology costs | 102 | 68 |
| Maintenance of premises and equipment | 90 | 109 |
| Cleaning | 18 | 19 |
| Energy costs | 172 | 162 |
| Rent, rates and other occupancy costs | 76 | 128 |
| Insurance | 34 | 40 |
| Security and transport | 18 | 12 |
| Catering | 231 | 196 |
| Finance costs | 5 | - |
| Defined benefit pension scheme - finance costs (FRS102 adjustment) | 33 | 77 |
| Legal costs | - | 2 |
| Other support costs | 259 | 186 |
| Governance costs | 6 | 13 |
| | <u>2,220</u> | <u>2,293</u> |

9 Staff

Staff costs

Staff costs during the year were:

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 6,022 | 5,579 |
| Social security costs | 613 | 570 |
| Pension costs | 1,334 | 1,221 |
| Defined benefit pension scheme - staff costs (FRS102 adjustment) | 49 | 421 |
| | <u>8,018</u> | <u>7,791</u> |
| Staff costs - employees | 8,018 | 7,791 |
| Agency staff costs | 320 | 330 |
| Staff restructuring costs | - | 2 |
| | <u>8,338</u> | <u>8,123</u> |
| Total staff expenditure | 8,338 | 8,123 |

Staff restructuring costs comprise:

| | | |
|---------------------|----------|----------|
| Redundancy payments | - | 2 |
| | <u>-</u> | <u>2</u> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

(Continued)

Staff numbers

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

| | 2023 Number | 2022 Number |
|----------------------------|----------------|----------------|
| Teachers | 106 | 91 |
| Administration and support | 115 | 110 |
| Management | 3 | 11 |
| | <u>224</u> | <u>212</u> |

The number of persons employed, expressed as a full time equivalent, was as follows:

| | 2023 Number | 2022 Number |
|----------------------------|----------------|----------------|
| Teachers | 96 | 80 |
| Administration and support | 60 | 57 |
| Management | 3 | 11 |
| | <u>159</u> | <u>148</u> |

Higher paid staff

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

| | 2023 Number | 2022 Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000 | 5 | 4 |
| £70,001 - £80,000 | 2 | 2 |
| £100,001 - £110,000 | - | 1 |
| £110,001 - £120,000 | 1 | - |
| | <u>8</u> | <u>7</u> |

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £359,490 (2022: £412,496).

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

J Osborn (Headteacher):

- Remuneration: £110,000 - £115,000 (2022: £105,000 - £110,000)
- Employers pension contributions: £25,000 - £30,000 (2022: £25,000 - £30,000)

During the period ended 31 August 2023 expenses totalling £1,856 (2022: £nil) were reimbursed or paid directly to 2 Trustees (2022: 0 Trustees).

11 Trustees' and officers' insurance

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

12 Intangible fixed assets

| | Computer software £'000 |
|------------------------|-------------------------------|
| Cost | |
| At 1 September 2022 | - |
| Additions | 38 |
| | <hr/> |
| At 31 August 2023 | 38 |
| | <hr/> |
| Amortisation | |
| At 1 September 2022 | - |
| Charge for year | 13 |
| | <hr/> |
| At 31 August 2023 | 13 |
| | <hr/> |
| Carrying amount | |
| At 31 August 2023 | 25 |
| | <hr/> |
| At 31 August 2022 | - |
| | <hr/> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets

| | Freehold Land and buildings £'000 | Assets under constr'n £'000 | Computer equipment £'000 | Fixtures, fittings & equipment £'000 | Motor vehicles £'000 | Total £'000 |
|-----------------------|--|--------------------------------------|--------------------------------|---|----------------------------|----------------|
| Cost | | | | | | |
| At 1 September 2022 | 22,426 | 3 | 592 | 481 | 19 | 23,521 |
| Transfer | 3 | (3) | - | - | - | - |
| Additions | 406 | - | 55 | 66 | - | 527 |
| | <u>22,835</u> | <u>-</u> | <u>647</u> | <u>547</u> | <u>19</u> | <u>24,048</u> |
| Depreciation | | | | | | |
| At 1 September 2022 | 4,413 | - | 432 | 389 | 17 | 5,251 |
| Charge for the year | 307 | - | 93 | 43 | - | 443 |
| | <u>4,720</u> | <u>-</u> | <u>525</u> | <u>432</u> | <u>17</u> | <u>5,694</u> |
| Net book value | | | | | | |
| At 31 August 2023 | <u>18,115</u> | <u>-</u> | <u>122</u> | <u>115</u> | <u>2</u> | <u>18,354</u> |
| At 31 August 2022 | <u>18,013</u> | <u>3</u> | <u>160</u> | <u>92</u> | <u>2</u> | <u>18,270</u> |

Finance leases and hire purchase contracts

Included above in ICT equipment are assets held under a finance lease with a net book value of £20k (2022: £nil).

14 Stock

| | 2023 £'000 | 2022 £'000 |
|----------------|---------------|---------------|
| Catering stock | <u>4</u> | <u>5</u> |

15 Debtors

| | 2023 £'000 | 2022 £'000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 21 | 3 |
| VAT recoverable | 94 | 125 |
| Prepayments and accrued income | 315 | 349 |
| | <u>430</u> | <u>477</u> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

16 Creditors: amounts falling due within one year

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Government loans | 26 | 32 |
| Net obligations under finance lease and hire purchase contracts | 10 | - |
| Trade creditors | 149 | 224 |
| Other taxation and social security | 160 | 134 |
| ESFA creditors | 20 | 64 |
| Other creditors | 181 | 159 |
| Accruals and deferred income | 354 | 278 |
| | <u>900</u> | <u>891</u> |

17 Creditors: amounts falling due after more than one year

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Government loans | 121 | 110 |
| Net obligations under finance leases and hire purchase contracts | 12 | - |
| | <u>133</u> | <u>110</u> |

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Analysis of loans | | |
| Not wholly repayable within five years by instalments | 11 | - |
| Wholly repayable within five years | 136 | 142 |
| | <u>147</u> | <u>142</u> |
| Less: included in current liabilities | (26) | (32) |
| Amounts included above | <u>121</u> | <u>110</u> |

| | | |
|---|------------|------------|
| Loan maturity | | |
| Debt due in one year or less | 26 | 32 |
| Due in more than one year but not more than two years | 38 | 32 |
| Due in more than two years but not more than five years | 72 | 78 |
| Due in more than five years | 11 | - |
| | <u>147</u> | <u>142</u> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Creditors: amounts falling due after more than one year (Continued)

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Net obligations under finance leases and hire purchase contracts | | |
| Repayable within one year | 10 | - |
| Repayable between one and five years | 12 | - |
| | <u>22</u> | <u>-</u> |
| Less: finance charges and interest allocated to future accounting periods | - | - |
| | <u>22</u> | <u>-</u> |
| Less: included in liabilities falling due within one year | (10) | - |
| | <u>12</u> | <u>-</u> |
| Included above | <u>12</u> | <u>-</u> |

Two CIF loans were entered into, one in 2019/2020 and another in 2020/2021, as part of two capital projects.

One finance lease was signed at the start of this academic year, totalling £31k.

18 Deferred income

| | 2023 £'000 | 2022 £'000 |
|-------------------------------------|---------------|---------------|
| Deferred income is included within: | | |
| Creditors due within one year | 71 | 106 |
| | <u>71</u> | <u>106</u> |
| Deferred income at 1 September 2022 | 106 | 87 |
| Released from previous years | (106) | (87) |
| Resources deferred in the year | 71 | 106 |
| | <u>71</u> | <u>106</u> |
| Deferred income at 31 August 2023 | <u>71</u> | <u>106</u> |

Deferred income arises because of income received in advance and relates to school trip income of £65k (2022: £77k), rates income of £nil (2022: £24k) and other income of £6k (2022: £5k).

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Funds

| | Balance at 1 September 2022 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2023 £'000 |
|---|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 357 | 9,008 | (8,452) | (123) | 790 |
| Pupil premium | - | 388 | (388) | - | - |
| Other DfE/ESFA COVID-19 funding | - | 142 | (142) | - | - |
| Other DfE/ESFA grants | 9 | 566 | (575) | - | - |
| Other government grants | 4 | 280 | (284) | - | - |
| Other restricted funds | 23 | 114 | (94) | - | 43 |
| Pension reserve | (936) | - | (82) | 950 | (68) |
| | <u>(543)</u> | <u>10,498</u> | <u>(10,017)</u> | <u>827</u> | <u>765</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 15,240 | - | (239) | - | 15,001 |
| DfE group capital grants | 2,088 | 112 | (71) | 19 | 2,148 |
| Capital expenditure from GAG and other funds | 944 | - | (146) | 337 | 1,135 |
| | <u>18,272</u> | <u>112</u> | <u>(456)</u> | <u>356</u> | <u>18,284</u> |
| Total restricted funds | <u>17,729</u> | <u>10,610</u> | <u>(10,473)</u> | <u>1,183</u> | <u>19,049</u> |
| Unrestricted funds | | | | | |
| General funds | 782 | 384 | (231) | (50) | 885 |
| MUGA funds | 183 | - | - | (183) | - |
| | <u>965</u> | <u>384</u> | <u>(231)</u> | <u>(233)</u> | <u>885</u> |
| Total funds | <u>18,694</u> | <u>10,994</u> | <u>(10,704)</u> | <u>950</u> | <u>19,934</u> |

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

The Restricted General Funds are used to fund the general operating costs of the Trust.

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 2023.

The Restricted LGPS Fund represents the Trust's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets of £18,379k (2022: £18,270k), plus the unspent balance of capital funds of £52k (2022: £144k) less CIF Roof Loan balance of £147k (2022: £142k). When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds includes the designated MUGA fund, which represents surpluses generated in unrestricted funds from sports lettings up until 31 August 2023 which has now been used to partly fund the resurface the MUGA pitch.

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Funds

(Continued)

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

| | Balance at 1 September 2021 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2022 £'000 |
|---|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 216 | 8,789 | (8,361) | (287) | 357 |
| Pupil premium | - | 363 | (363) | - | - |
| Catch-up premium | - | (27) | 27 | - | - |
| Other DfE/ESFA COVID-19 funding | - | 77 | (68) | - | 9 |
| Other Coronavirus funding | - | 14 | (14) | - | - |
| Other DfE/ESFA grants | - | 257 | (257) | - | - |
| Other government grants | - | 172 | (168) | - | 4 |
| Other restricted funds | 3 | 20 | - | - | 23 |
| Pension reserve | (4,831) | - | (498) | 4,393 | (936) |
| | <u>(4,612)</u> | <u>9,665</u> | <u>(9,702)</u> | <u>4,106</u> | <u>(543)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 15,479 | - | (239) | - | 15,240 |
| DfE group capital grants | 2,148 | (24) | (52) | 16 | 2,088 |
| Capital expenditure from GAG and other funds | 744 | - | (71) | 271 | 944 |
| | <u>18,371</u> | <u>(24)</u> | <u>(362)</u> | <u>287</u> | <u>18,272</u> |
| Total restricted funds | <u>13,759</u> | <u>9,641</u> | <u>(10,064)</u> | <u>4,393</u> | <u>17,729</u> |
| Unrestricted funds | | | | | |
| General funds | 693 | 287 | (198) | - | 782 |
| MUGA funds | 183 | - | - | - | 183 |
| | <u>876</u> | <u>287</u> | <u>(198)</u> | <u>-</u> | <u>965</u> |
| Total funds | <u>14,635</u> | <u>9,928</u> | <u>(10,262)</u> | <u>4,393</u> | <u>18,694</u> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Analysis of net assets between funds

| | Unrestricted Funds £'000 | Restricted funds: General £'000 | Fixed asset £'000 | Total Funds £'000 |
|--|--------------------------------|---------------------------------------|----------------------|-------------------------|
| Fund balances at 31 August 2023 are represented by: | | | | |
| Intangible fixed assets | - | - | 25 | 25 |
| Tangible fixed assets | - | - | 18,354 | 18,354 |
| Current assets | 885 | 1,719 | 52 | 2,656 |
| Current liabilities | - | (874) | (26) | (900) |
| Non-current liabilities | - | (12) | (121) | (133) |
| Pension scheme liability | - | (68) | - | (68) |
| Total net assets | 885 | 765 | 18,284 | 19,934 |

| | Unrestricted Funds £'000 | Restricted funds: General £'000 | Fixed asset £'000 | Total Funds £'000 |
|--|--------------------------------|---------------------------------------|----------------------|-------------------------|
| Fund balances at 31 August 2022 are represented by: | | | | |
| Tangible fixed assets | - | - | 18,270 | 18,270 |
| Current assets | 965 | 1,252 | 144 | 2,361 |
| Current liabilities | - | (859) | (32) | (891) |
| Non-current liabilities | - | - | (110) | (110) |
| Pension scheme liability | - | (936) | - | (936) |
| Total net assets | 965 | (543) | 18,272 | 18,694 |

21 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £153k were payable to the schemes at 31 August 2023 (2022: £141k) 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

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

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £994k (2022: £925k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25% for employers and 5.5% to 12.5% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

| Total contributions made | 2023 £'000 | 2022 £'000 |
|--------------------------|---------------|---------------|
| Employer's contributions | 340 | 299 |
| Employees' contributions | 81 | 74 |
| Total contributions | <u>421</u> | <u>373</u> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Pension and similar obligations

(Continued)

| Principal actuarial assumptions | 2023 % | 2022 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.90 | 3.95 |
| Rate of increase for pensions in payment/inflation | 2.90 | 2.95 |
| Discount rate for scheme liabilities | 5.30 | 4.25 |
| CPI Inflation | 2.90 | 2.95 |

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

| | 2023 Years | 2022 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 20.7 | 21.0 |
| - Females | 23.2 | 23.5 |
| Retiring in 20 years | | |
| - Males | 22.0 | 22.3 |
| - Females | 24.6 | 24.9 |

Scheme liabilities would have been affected by changes in assumptions as follows:

| | 2023 £'000 | 2022 £'000 |
|-------------------------------|---------------|---------------|
| Discount rate + 0.1% | 5,355 | 5,518 |
| Discount rate - 0.1% | 5,552 | 5,783 |
| Mortality assumption + 1 year | 5,599 | 5,809 |
| Mortality assumption - 1 year | 5,309 | 5,493 |
| Salary rate + 0.1% | 5,456 | 5,660 |
| Salary rate - 0.1% | 5,448 | 5,638 |
| Pensions rate + 0.1% | 5,550 | 5,774 |
| Pensions rate - 0.1% | 5,356 | 5,527 |

Defined benefit pension scheme net liability

| | 2023 £'000 | 2022 £'000 |
|--------------------|---------------|---------------|
| Scheme assets | 5,384 | 4,713 |
| Scheme obligations | (5,452) | (5,649) |
| Net liability | (68) | (936) |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

21 Pension and similar obligations

(Continued)

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

| | 2023 Fair value £'000 | 2022 Fair value £'000 |
|--------------|-----------------------------|-----------------------------|
| Equities | 3,132 | 2,651 |
| Bonds | - | 209 |
| Gilts | 69 | 91 |
| Cash | 158 | 141 |
| Property | 422 | 446 |
| Other assets | 1,603 | 1,175 |
| | <u>5,384</u> | <u>4,713</u> |

The actual return on scheme assets was £395,000 (2022: £11,000).

Amount recognised in the statement of financial activities

| | 2023 £'000 | 2022 £'000 |
|-------------------------|---------------|---------------|
| Current service cost | 386 | 718 |
| Interest income | (206) | (75) |
| Interest cost | 239 | 152 |
| Administration expenses | 3 | 2 |
| | <u>422</u> | <u>797</u> |

Changes in the present value of defined benefit obligations

| | 2023 £'000 |
|------------------------|---------------|
| At 1 September 2022 | 5,649 |
| Current service cost | 386 |
| Interest cost | 239 |
| Employee contributions | 81 |
| Actuarial (gain) | (761) |
| Benefits paid | (142) |
| | <u>5,452</u> |
| At 31 August 2023 | |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

| | | | | |
|-----------|--|-------------------------|-------------------|-----------------------|
| 21 | Pension and similar obligations | | | (Continued) |
| | Changes in the fair value of the Academy Trust's share of scheme assets | | | |
| | | | | 2023 |
| | | | | £'000 |
| | At 1 September 2022 | | | 4,713 |
| | Interest income | | | 206 |
| | Actuarial gain | | | 189 |
| | Employer contributions | | | 340 |
| | Employee contributions | | | 81 |
| | Benefits paid | | | (142) |
| | Administration expenses | | | (3) |
| | | | | <u>5,384</u> |
| | At 31 August 2023 | | | <u>5,384</u> |
| 22 | Reconciliation of net income/(expenditure) to net cash flow from operating activities | | | |
| | | Notes | 2023 | 2022 |
| | | | £'000 | £'000 |
| | Net income/(expenditure) for the reporting period (as per the statement of financial activities) | | 290 | (334) |
| | Adjusted for: | | | |
| | Capital grants from DfE and other capital income | | (112) | 24 |
| | Investment income receivable | 6 | (29) | (1) |
| | Finance costs payable | | 5 | - |
| | Defined benefit pension costs less contributions payable | 21 | 49 | 421 |
| | Defined benefit pension scheme finance cost | 21 | 33 | 77 |
| | Depreciation of tangible fixed assets | | 456 | 362 |
| | Decrease/(increase) in stocks | | 1 | (2) |
| | Decrease in debtors | | 47 | 443 |
| | Increase in creditors | | 5 | 221 |
| | | | <u>745</u> | <u>1,211</u> |
| | Net cash provided by operating activities | | <u>745</u> | <u>1,211</u> |
| 23 | Analysis of changes in net funds | | | |
| | | 1 September 2022 | Cash flows | 31 August 2023 |
| | | £'000 | £'000 | £'000 |
| | Cash | 1,879 | 343 | 2,222 |
| | Loans falling due within one year | (32) | 6 | (26) |
| | Loans falling due after more than one year | (110) | (11) | (121) |
| | Finance lease obligations | - | (22) | (22) |
| | | <u>1,737</u> | <u>316</u> | <u>2,053</u> |

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

24 Long-term commitments

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2023 £'000 | 2022 £'000 |
|-----------------------------------|---------------|---------------|
| Amounts due within one year | 4 | 4 |
| Amounts due in two and five years | 10 | 11 |
| | <u>14</u> | <u>15</u> |

25 Capital commitments

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Expenditure contracted for but not provided in the Financial Statements | 16 | 181 |
| | <u>16</u> | <u>181</u> |

At 31 August 2023, the Trust was committed to completing an astro resurface project, with total expected costs of £249k. Costs of £233k were incurred during the year, with anticipated costs to completion as at 31 August 2023 of £16k.

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 the Trustees have an interest. The following related party transactions took place in the financial period.

The Headteacher of the Trust, is also a Director of Rochford District Schools Partnership Trust, a company incorporated in the UK (England and Wales), company number 06545269. During the year, payments of £15,150 (2022:£11,554) were made and income received of £nil (2022: £1,754). At 31 August 2023 £nil (2022: £nil) was due to or from Rochford District Schools Partnership Trust.

E Terris, close family member of P Thorn, a Trustee, is employed by the Academy Trust. The appointment of E Terris was made in open competition and P Thorn was not involved in the decision making process regarding the appointment. E Terris is paid within normal pay scale for their role and receives no special treatment as a result of their relationship to P Thorn.

S Schofiled, close family member of P Schofiled, a Trustee, is employed by the Academy Trust. The appointment of S Schofiled was made in open competition and P Schofiled was not involved in the decision making process regarding the appointment. S Schofiled is paid within normal pay scale for their role and receives no special treatment as a result of their relationship to P Schofiled.

In entering into the transactions above the Academy Trust had not complied with the requirements of the ESFA's Academy Trust Handbook 2022 for one transaction that took place after March 2023.

THE KING EDMUND SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

27 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

28 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust had unspent funding brought forward of £18k (2022: £14k), received £29k (2022: £28k) and disbursed £18k (2022: £24k) from the fund. An amount of £29k (2022: £18k) is included within other creditors: amounts falling due in less than one year.