

Company registration number 07982516 (England and Wales)

KINGS ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

KINGS ACADEMY TRUST

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KINGS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

L Cooper (Chair of Trustees)
Cllr J Collinson (resigned 1 Mar 2023)
M Burgin
J Bond (resigned 4 Dec 2022)
L Smith
E Twell (resigned 1 Mar 2023)
A Nicholson (accounting officer)
(resigned as trustee 30 Jan 2023)
L Shannon (appointed 3 Mar 2023)
G Myers (appointed 3 Mar 2023)
J Hughes (appointed 3 Mar 2023)
J Davis (appointed 1 Jun 2023)

Members

L Cooper (resigned 1 Mar 2023)
S Wild (resigned 15 Mar 2023)
S Whatmore
S Woodgate (resigned 10 Jul 2023)
P Kelly (resigned 12 Jul 2023)
Cllr J Collinson (appointed 3 Mar 2023)
E Twell (appointed 3 Mar 2023)
K Hart (appointed 9 Aug 2023)
R Palin (appointed 9 Aug 2023)

Senior Management Team

- CEO / Executive Principal / Accounting Officer	A Nicholson
- Head Teacher – Oakwood Academy	L Southwood
- Head Teacher – The Kassia Academy	L Regan
- Head Teacher – Arbour Academy	J Owen
- Head Teacher – Moss Valley Academy	D Nightingale
- Director of Teaching and Learning	A Ellis
- Director of Inclusion	M Navin
- Trust Business Manager	E Eley (appointed 1 September 2022)
- Chief Operating Officer	D Donnelly
- Chief Finance Officer	J Poole

Company Name

Kings Academy Trust

Company Registration Number

07982516 (England and Wales)

Registered Office

City Approach
1 Albert Street
Eccles
Manchester, M30 0BL

Academies operated

Oakwood Academy
Kassia Academy
Arbour Academy
Moss Valley Primary Academy

Location

Salford
Warrington
Salford
Salford

Principal

L Southwood
L Regan
J Owen
D Nightingale

KINGS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Independent Auditor

DJH Mitten Clarke Audit Limited
Bridge House
Ashley Road
Hale
Altrincham, WA14 2UT

Bankers

Lloyds Bank Plc
King Street
Manchester, M2 3AU

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham, NG2 1BJ

KINGS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their report with the financial statements of the charitable company for the year ended 31 August 2023. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The academy trust currently operates four academies for pupils aged 9 to 19 serving a catchment area covering Greater Manchester and Warrington. At 1 September 2022, there were two schools in the Trust, Oakwood Academy and Kassa Academy, with Arbour Academy joining on 1 April 2023, and Moss Valley Academy joining on 1 June 2023. Three schools are subject to place funding, with commissioned pupil numbers of 470 agreed for September 2023 intake. Moss Valley started the academic year 2023/24 with 140 pupils on roll, giving the overall number of funded places as 610.

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 Kings Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates four academies: Oakwood Academy, The Kassa Academy, Moss Valley Primary Academy and Arbour Academy. 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.

Principal activities

Kings Academy Trust converted to academy trust status on 1 May 2012 at which point the entity's current operations commenced. The academy trust's principal activities are to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

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

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased professional Indemnity and directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on academy business. Further details are disclosed in note 11.

Method of recruitment and appointment or election of trustees

The members of the trust are responsible for the appointment of trustees except the parent trustees and staff trustees who will be appointed through an election process directed by the board of trustees. The number of trustees shall be not less than three and shall not be subject to a maximum.

Policies and procedures adopted for the induction and training of trustees

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the academy trust, attend a briefing and receive an induction pack on the role and responsibilities of trustees that is provided via a service level agreement with Governor Services.

During the year, trustees were offered all necessary training.

Organisational structure

The governance of the academy trust is defined in the memorandum and articles of association together with the funding agreement with the Department for Education.

All trustees are members of the board of trustees. In addition, trustees are members of committees which report to the board of trustees. The board of trustees meets once each term to receive reports from its sub-committees and manage its strategic objectives. The sub-committee structure was revised during the year, with the new committees being:

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Finance and Resources Committee, which meets a minimum of four times per year. The Finance and Resources Committee is responsible for ensuring Trust's finances and resources are managed effectively, enabling the Trust to deliver against its aims and objectives.

- Audit and Risk Committee, which meets a minimum of three times per year. The Audit and Risk Committee is responsible for overseeing and approving the Trust's programme of internal scrutiny and ensuring that risks are being addressed appropriately through internal scrutiny.
- Quality of Education Committee, which meets termly to discuss key issues affecting pupils with the main focus being quality of education.

Day to day management is delegated to the Chief Executive Officer, who has appointed a senior leadership team, which meets weekly to ensure operational activities are carried out effectively and day to day responsibilities are delegated accordingly.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel performance management reviews are held on a termly basis, culminating in the final review which is presented to the pay committee in the first available meeting of the new academic year. In order to determine the pay recommendations to the pay committee: the performance management reviews for the executive management team are held with a panel of three governors and the executive principal. The executive team members are invited to present to the panel. All recommendations are presented to the pay committee. The executive principal, head of school and chair meet to review the performance of the remaining senior leadership team and all recommendations are again presented to the pay committee.

Trade union facility time

There were no relevant union officials during 2022/23 and consequently there was no time or pay bill spent on either facility time or any paid trade union activities.

Related parties and other connected charities and organisations

Kings Academy Trust is not connected to any other organisations as defined by the relevant Charities SORP with which it has transacted. The members, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Objectives and activities

Objects and aims

The academy trust's object is to advance for the public benefit education for children aged 9 to 19 by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum.

The trustees' vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this.

Pupils and students are offered a supportive, positive and dynamic learning environment that enables them to focus on their studies and extra-curricular activities. As a result, students achieve academic and technological excellence and extend their sporting, artistic and musical accomplishments.

The academy trust fosters personal development that helps students to find meaning in their lives and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

Objectives, strategies and activities

The academy trust's main objective for the year ended 31 August 2023 was to positively affect the lives of more young people through growth of the trust, and the development of three distinct hubs within the Trust, covering SEND schools, PRUs and mainstream primary schools.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Admission: Oakwood Academy is commissioned by the local authority (Salford Council) for 225 Pre 16 places KS2 to KS4 places. The academy is commissioned by the local authority for 80 places which include both Post 16 KS5 places and the internship programme.

Kassia Academy is commissioned by the local authority (Warrington Council) to provide 60 places.

Arbour Academy is commissioned by the local authority (Salford Council) to provide 65 places.

Moss Valley is a one-form entry primary school with a capacity for 157 pupils. As at November 2023, there are 142 pupils on roll.

Permanent exclusions: The aim is to have exclusions only in exceptional circumstances. Kings Academy Trust had no permanent exclusions during the period from 1 September 2022 to 31 August 2023. During the same period there were no fixed term exclusions.

Staffing: The average number of (full time equivalent) staff employed during the year to 31 August 2023 was 117.

Public benefit

The academy trust will promote for the benefit of local inhabitants the provision of facilities for recreation or other leisure activities. Provision will be made for individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

Strong educational performance continued at the two established Trust schools. For the two schools that joined the Trust towards the end of the academic year, the Trust has already made inroads into improving the quality of education with the expectation that improved outcomes will follow.

The Trust engages with a number of external partners to drive educational standards including reviews by OFSTED inspectors and educational leaders from other MATs.

At Moss Valley, this review and support process has made a significant impact on the quality of teaching and learning, combined with the secondment of Catherine McLoughlin to the school.

The focus across the trust is reading. Amanda Ellis, the Trust's Director of Teaching and Learning, is supporting schools across the trust in phonics.

An overview of educational performance of the three schools for secondary age pupils is: -

Oakwood Academy

	Number of Pupils (cohort 43)	%
GCSE in both English & Maths	4	9
Qualification in English & Maths (GCSE/EL/FS)	42	98
Maths Qualification (GCSE/EL/FS)	43	100
English Qualification (GCSE/EL/FS)	42	98
5 GCSEs	0	0
Entry Level Qualification	43	100
5 Qualifications at EL (or better)	38	88

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Kassia Academy

	Number of Pupils (cohort 13)	%
GCSE in both English & Maths	9	69
Qualification in English & Maths (GCSE/EL/FS)	11	85
Maths Qualification (GCSE/EL/FS)	13	100
English Qualification (GCSE/EL/FS)	11	85
5 GCSEs	8	62
5 GCSEs inc. English & Maths	7	54
Entry Level Qualification	13	100
5 Qualifications at EL (or better)	13	100

Arbour Academy

	Number of Pupils (cohort 18)	%
GCSE in both English & Maths	6	33
Qualification in English & Maths (GCSE/EL/FS)	17	94
Maths Qualification (GCSE/EL/FS)	16	89
English Qualification (GCSE/EL/FS)	16	89
5 GCSEs	3	17
Entry Level Qualification	0	0
5 Qualifications at EL (or better)	4	22

The key headlines for **Moss Valley** are: -

EYFS

At the end of reception 69% of children gained a Good Level of Development (first 12 ELGs) in line with National data for last year which was 65%. This was an increase of 19% from last year.

Headlines:

- 92% of the cohort have achieved all three statements of the prime area PSED.
- 85% of the cohort have achieved GLD in maths and expressive arts.
- 54% of the cohort have achieved GLD in past and present.
- 69% of the cohort have achieved GLD in the prime area of CLL.

The fact that 'past and present' GLD is lower than all others is one of the reasons that we put a great emphasis on trips and visits linked to humanities. Many of our children do not have experiential opportunities at home and therefore these need to be provided in school.

Year 1

Headlines:

- 25% of the cohort are in The Orchard and are all working below in all areas.
- 100% of girls are EXS in RWM.
- 55% of the cohort are on track in reading and maths.
- 45% of the cohort are on track in writing which has pulled down the % of children achieving combined.
- Boys are underperforming compared to girls in RWM.

Year 2

Headlines:

- The outcomes for main school are above national in all areas
- The girls are more confident in reading and writing – 83%
- The boys are confident in maths- 80%
- 83% of the SEN children achieved EXS in Maths. Whilst 69% of children achieved RWM the combined was 56%
- Only 56% of the PP children achieved EXS in Maths.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Year 3

Headlines:

- 65% of the cohort are boys
- All 3 children in The Orchard are boys
- There has been a high level of mobility with this cohort
- 61% of the cohort achieved EXS in reading and Maths
- 52% of children achieved EXS in writing and this has impacted on the combined (39%)
- Girls are underperforming in RWM compared to boys

Year 4

It should be noted that this year group have had three different teachers over the year which has impacted upon progress.

Headlines:

- This cohort were highly impacted due to school closures
- 60% of the cohort are boys
- The 3 children in the Orchard are all boys
- 1 out of the 8 girls in the class has a severe medical condition
- Boys are stronger than girls in RWM
- The cohort is stronger at reading
- Writing is impacting the combined

Year 5

Headlines:

- 6 children are in the Orchard which significantly impacts on data
- The cohort is stronger at reading.
- Writing impacts on the combined %

Year 6

Headlines:

- Girls are more confident in reading and writing.
- Boys are more confident in Maths.
- 67% of the EAL children achieved EXS in maths.
- The girls are outperforming the boys across the board.

Core Subjects Performance Across the Whole School

Core subjects are assessed using a combination of subject quizzes and teacher assessment. Most subjects are taught in blocks of weeks over the year to enable children to work at depth in that subject and so that learning is not fragmented.

Please note that Computing data is not yet recorded as we are yet to finish the summer block of Computing.

Headlines:

In Year 1 standards are highest in Science and Design Technology with good standards in Geography, History, RE and Music. The weakest subject in Year 1 is Art.

In Year 2 all core subjects are at a high standard with Geography and Art showing the lowest.

In Year 3 Science and Design Technology are the strongest subjects. French and music are at a good standard. Geography, History, RE and Art are the weakest subjects.

In Year 4 Science is the strongest subject. Music and French are at a good standard. The weakest subjects are Geography, History, RE and Art.

In Year 5 all subjects are at a high standard.

In Year 6 all subjects are at a high standard.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Attendance data dashboard from summer 2023:

Academy	Attendance (%)	Auth Abs (%)	Unauth Abs (%)	Persistent Abs (%)
Oakwood	91	97	3	27
Kassia	62	17.1	20.8	91.7 (67/73)
Arbour	70	96	4.0	57
Moss Valley	93.8	3	3	18.6
Academy	Exclusions (no.)	FSM (%)	SEND (%)	PP (%)
Oakwood	0	52.6	100	64
Kassia	18	61.6 (45/73)	100 (23.2 EHCP)	39.7 (29/73)
Arbour	0	70	100	80
Moss Valley	0	61	39	66

Financial review

The trust's financial position for the year to 31 August 2023 demonstrates total income of £11,356,000. This income received and the associated expenditure are shown as restricted funds in the statement of financial activities.

An operational surplus of £663,000 (excluding restricted fixed asset funds and movement on the pension reserve) was declared for the year ended 31 August 2023.

At 31 August 2023, the net book value of tangible fixed assets was £5,102,000 and movements in tangible fixed assets are shown in note 14 to the financial statements. A significant increase to the value of fixed assets resulted from the incorporation of Moss Valley Academy and Arbour Academy into the Trust. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the trust.

Key performance indicators

The Trust monitors financial and non-financial performance against a number of Key Performance Indicators (KPIs). The KPIs used for the financial year 2022/23 are: -

Financial

- General reserves at year end to be a minimum of £500,000 plus one month's payroll costs (in line with reserves' policy).
Target met. General reserves at year end totalled £1,673,000 which was above the minimum threshold amount.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2. The Trust has budgeted to spend general reserves that are above the upper limit of £500,000 plus two months' payroll costs.
3. Cash in bank accounts, including high-interest deposit accounts, to be above £250,000 at all times.
Target met. Minimum total bank balance during year = £1,159,000.
4. Overall financial performance to match or exceed budget outturn.
Target met. General reserves at year-end were £1,673,000 compared to a budgeted carry forward of £1,253,000.
5. Staff costs to be between 60% and 70% of total grant income.
Target met. Staff costs for the year corresponded to 68.6% of grant income.

Non-financial

1. Pupil attendance – attendance at all Trust schools to be at least in line with the national average for the type of provision.
Target met.
2. All OFSTED inspections during the period to be at least 'Good'.
Target met. No inspections during the year. Oakwood is currently rated 'Excellent', Kassia and Arbour are both rated 'Good', and Moss Valley 'Requires Improvement'.
3. Growth in number of pupils and/or number of schools when compared to the previous year.
Target met. Largely driven by increase in number of schools from two to four, with numbers at individual schools remaining relatively stable.

Going concern

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

Reserves policy

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of facilities and equipment renewal and any other unforeseen contingencies. The Trust operates a GAG-pooling model, but within this model individual academies are expected to contribute towards central costs. However, the Trust recognises that this is not feasible in some cases where academies have low pupil numbers, lower funding levels or have recently joined the Trust having been in difficult circumstances and require additional resources. In these cases, the Trust supports those academies in deficit and works with them to return the academy to a healthy financial position.

Restricted general reserves

Restricted Income Funds must be spent by the Trust on the provision of education. At 31 August 2023 these funds totalled £1,123,000 excluding Pension Reserves which the Trust Board intends to use to fund capital investment in the Trust's school buildings and infrastructure. Transfers from the Restricted Income Fund to the Fixed Asset Reserves will be reflected annually as these projects are completed.

Pension assets totalled £nil giving a net surplus on Restricted General Reserves of £1,123,000.

Unrestricted reserves

Unrestricted Income Funds are those that the Trust can spend how they believe appropriate within the aims and objectives of the Trust. The mission of the Trust states "pupils and their needs are our priority" and any reserves are always invested with this objective in mind. As at the year ended 31 August 2023, the unrestricted reserves of the Trust are £550,000. The combined reserves of the Trust for restricted income funds and unrestricted income funds are £1,673,000.

The Trust aims to hold contingency reserves of between £1.3m and £2.0m equivalent to a base amount of £0.5m plus 1-2 months' total staff costs. The split of reserves across each school will be flexed subject to historical levels of reserve, local budget pressures and the educational needs of students. All reserves in excess of this contingency reserve level are allocated to revenue or capital projects in line with the Trust's charitable objects. In 2023/24 and beyond the Trust plans to spend a further £0.1m on existing contractually committed capital projects and has allocated £0.1m to further capital projects. The capital projects are focused on ensuring all school buildings are fit for purpose.

As at 31 August 2023 the academy trust held restricted general funds (excluding pension reserve) of £1,123,000, plus unrestricted reserves of £550,000.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Additionally, the trust held restricted fixed asset reserves of £5,433,000, which amount can only be realised by disposing of the related tangible fixed assets.

The balance against local government pension schemes at 31 August 2023 was £nil.

A strategic capital plan has been prepared and reviewed by the trustees in order that reserves can be prioritised and spent according to the needs of the academy trust.

Investment policy

The policy of Kings Academy Trust is to invest surplus funds only in risk free deposits with well known "high street" institutions in order to minimise risk. The director of business and finance is required periodically (at least annually) to review interest rates and compare with other similar investment opportunities. Any decision to invest will have due regard to the liquidity requirements of the academy trust. Changes to this policy require the approval of trustees via the Finance and Audit Committee.

Principal risks and uncertainties

Kings Academy Trust has adopted a risk management policy and risk review process. The risk registers are scrutinised by the Finance and Audit committee each term, and by the trust board each year. The objectives will be to determine an approach and where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The principal risks are seen as the loss of reputation through falling standards, falling student rolls and failure to safeguard our students. A key element of safeguarding our students is ensuring that the Trust's estate is safe, well-maintained and complies with relevant regulations.

Key controls in place are:

- the review of the current organisational structure and the defined roles, responsibilities and authorisation levels;
- terms of reference for the committees of the board of trustees;
- maintenance of risk registers for analysing, reviewing and agreeing mitigation strategies;
- use of compliance software for oversight of estate issues, policies etc;
- financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- detailed analysis of all data on a regular basis;
- robust internal controls across all financial processes to ensure continued rigour across the academy;
- formal written and published policies for employees;
- vetting procedure as required by law for the protection of the vulnerable; and
- adherence to the Academies Financial Handbook to ensure that all 'musts' are employed without exception.

The academy trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with FRS102. A surplus has been recognised at 31 August 2023. Future contribution rates are adjusted by the scheme managers so as to reduce this deficit.

Fundraising

The academy approaches fundraising through its Friends of Oakwood group. This has been very successful in lifting parental engagement across the whole school. In addition to planned events such as the Christmas Fair, the Friends have successfully launched a charitable shop within a local outlet mall. In addition to raising funds, this enterprise is providing sixth form students at Oakwood with retail experience and life skills. This runs as a charity organisation associated with the academy that follows PTA standards. There are no direct commercial participators that work with the PTA. All information is always shared with the school community through letters and other forms of social media. The trust has not received any complaints relating to this fundraising over the 2022-23 period.

The academy monitors the fundraising carried out on its behalf in monthly meetings, with a member of the SLT present, that are minuted to ensure that the PTA acts reasonably in its fundraising approaches, confirming that it does not unduly pressure the community to donate.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

Kings Academy Trust became a multi academy trust in July 2015 and a sponsor academy in July 2018. In Spring 2019 the trust was informed that it had been successful in its application to open a secondary free school in Salford. Acer Academy ASD provision is now expected to open in summer 2025, following a number of unforeseen delays. The Trust has also put in a bid to open a primary provision through the free schools programme. In respect of this, an interview with the DfE is scheduled for December 2023. In addition to the two Salford schools which joined the Trust during 2022/23, the Trust continues to work closely with a number of local schools. It is expected that some of these links will lead to more schools joining the Trust during the 2024/25 financial year.

Three year strategic plan

A key element of the Trust's strategic plan is to facilitate growth to reach a maximum of 12 schools by 2030. The Trustees aim to develop three hubs of schools with the following characteristics: -

1. Special schools to develop key educational and operational links with Oakwood Academy.
2. Alternative Provision units.
2. Mainstream primary schools with a high level of deprivation and/or high numbers of SEND pupils.
3. Each hub is to comprise a maximum of four schools, and all schools are to be located within Salford or the immediate surrounding areas.

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps 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.

DJH Mitten Clarke (formerly Haines Watts) has been appointed as the company's auditor. The audit report has therefore been issued by DJH Mitten Clarke.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:

.....
L Cooper
Chair of trustees

KINGS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the chief executive, as accounting officer, for ensuring financial controls conform to 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 Kings Academy Trust 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 three times during the period. Attendance during the meetings of the board of trustees was as follows:

Full board of trustees' meetings

Trustees	Meetings attended	Out of possible
L Cooper (Chair)	3	3
J Collinson	0	1
M Burgin	2	3
E Twell	0	1
L Smith	2	3
A Nicholson	1	1
J Hughes	2	2
G Myers	2	2
L Shannon	2	2
J Davis	1	1

It should be noted that the third board meeting was deferred to 7 September 2023 due to last-minute logistical issues. The board membership was reorganised during the year, to ensure no conflicts of interest between members and trustees, and to bolster the financial and educational expertise at trustee level.

Areas covered at board meetings during the year include: -

- Onboarding Moss Valley and Arbour into the Trust.
- Oversight of work carried out by the CEO, sub-committees and LGB hub in accordance with the scheme of delegation.
- Monitoring of KPIs and educational performance.
- The work of the trust's responsible officer and external audit.
- Consideration of trust strategies including mission statement, aims and objectives.
- New and ongoing projects including the free school bid and Excell Hub.
- Oversight of Policies.
- Updated Growth Plan and future strategies.
- Trustee training.
- Investment, particularly at Moss Valley and Arbour..

Trustees are satisfied that the data used by the board is accurate through a variety of means. Typically, the data presented have been independently verified, either externally or internally as appropriate. For example, pupil performance information has been produced directly from Trust MIS systems, and previously presented to the Senior Leadership Team and Local Governing Board. Robust challenge of data is encouraged at all levels.

KINGS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conflicts of interest

Trustees, members and senior leaders complete an annual declaration stating any business interests, particularly those where there is a potential conflict of interest. In addition, declaration of conflicts of interest is a standing item on the agenda of all members, trustees and sub-committee meetings.

Meetings

Although the board meets less than six times per year, effective oversight is maintained through the establishment of appropriate committees. The committees comprise suitably qualified, knowledgeable and skilled members, with responsibilities defined through the Scheme of Delegation and committees' Terms of Reference.

Governance review

The board undertakes an annual self-evaluation and skills review. Throughout 2022/23, the board has focussed on ensuring that the governance structure for the trust will be appropriate to ensure effective management and oversight as the multi-academy trust grows. There has been continued development of roles and responsibilities, including delegated responsibilities at each level of governance.

Committees with financial responsibility

The Finance and Audit Committee was a sub-committee of the main board of trustees. Its purpose was to report to the full board of trustees on a timely basis regarding the finances of the academy trust, enabling the board to maintain effective oversight of funds. In March 2023, there was a reorganisation of trustee committees, with the finance and audit committee superseded by separate finance and resources, and audit and risk committees. Attendance at meetings in the period was as follows:

Finance and Audit Committee

Trustees	Meetings attended	Out of possible
L Cooper (Chair)	2	4
Cllr J Collinson	3	3
G Myers	1	1
A Nicholson (Associate Member)	3	3
A Nicholson (in attendance)	1	1
Jonathan Poole (in attendance)	4	4
David Donnelly (in attendance)	2	4

Finance and Resources Committee

Trustees	Meetings attended	Out of possible
L Cooper (Chair)	1	1
G Myers	1	1
A Nicholson (in attendance)	1	1
Jonathan Poole (in attendance)	1	1
David Donnelly (in attendance)	1	1

Audit and Risk Committee

Trustees	Meetings attended	Out of possible
L Shannon (Chair)	1	1
M Burgin	1	1
J Hughes	1	1
Jonathan Poole (in attendance)	1	1

Review of value for money

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

The Accounting Officer considers how the Multi-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 available.

KINGS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The main areas in which the Accounting Officer has delivered improved value for money during the year are within staffing: -

- Development of hub model to share staff and services across groups of schools.
- Further expanding the remit of senior leaders' roles to work across the Trust rather than one specific school.
- Implementing a number of Trust-wide strategies and processes, reducing duplication of work.

The trustees, via the authority delegated to committees, are strongly involved in the financial management of the academy trust, challenging where appropriate to ensure strong financial governance. The multi-academy trust's internal financial procedures demand that all budget holders seek to obtain best value for money and any major capital purchases are put out to formal tender, in line with the rules set out in the Scheme of Delegation.

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's 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 at Kings Academy Trust for the year ended 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 of identifying, evaluating and managing the academy trust's significant risks that have been in place for the year ended 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 risk and control framework

The academy trust's system of internal 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;
- provision of five year forecasted budget with scenarios provided to support future decisions;
- regular reviews by the Business and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting realistic targets to measure financial and other performance;
- clearly defining purchasing (assets purchase or capital investment) guidelines;
- delegation of authority and segregations of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed Mr M Prior FCA as internal assurance officer.

This option has been chosen because Trustees are of the view that the internal assurance officer is knowledgeable, appropriately skilled, has an extensive knowledge of the sector, and represents good value for money.

The internal assurance officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the internal assurance officer reports to the Audit and Risk Committee on the operation of the systems of control. The reviews undertaken in the year did not identify any material control issues arising as a result of the reviewer's work.

KINGS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

In particular, the checks carried out in the current period included:

- procurement
- property and estates management
- health and safety
- monthly financial closedown procedures
- management information and reports
- payroll and HR
- safeguarding
- scheme of delegation.

The internal assurance officer completed his most recent review in July 2023.

Review of effectiveness

As accounting officer, the executive principal 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 executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the Finance & Audit Committee;
- the work of the internal assurance officer; and
- the work of the external auditors.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

.....
L Cooper
Chair of trustees

.....
A Nicholson
Accounting officer

KINGS ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of Kings Academy Trust, 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 no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

.....
A Nicholson
Accounting Officer

Date:

KINGS ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of Kings Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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 accounts may differ from legislation in other jurisdictions.

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

.....
L Cooper
Chair of Trustees

KINGS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of Kings Academy Trust (the 'parent academy trust') and its subsidiaries (the 'group') 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 accounts, 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 accounts:

- 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 accounts' 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 accounts 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 accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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.

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 accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

KINGS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 accounts 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 accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, 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 accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the group's or the parent charitable company's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.

KINGS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

.....
Candice Beynon FCCA (Senior Statutory Auditor)
for and on behalf of DJH Mitten Clarke Audit Limited
Chartered Accountants
Statutory Auditor
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Date:

KINGS ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 2 October 2023 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 Kings Academy Trust 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 Kings Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Kings Academy Trust 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 Kings Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kings Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kings Academy Trust's funding agreement with the Secretary of State for Education dated 1 May 2012 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.

KINGS ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.

.....
DJH Mitten Clarke Audit Limited
Reporting Accountant

Date:

KINGS ACADEMY TRUST

STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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	9	-	667	676	27
Donations - transfer from local authority on conversion	29	-	155	2,146	2,301	-
Charitable activities:						
- Funding for educational operations	4	-	8,207	-	8,207	6,186
The Excell Hubb	10	83	-	-	83	64
Investments	6	27	-	-	27	-
Other trading activities	5	13	49	-	62	69
Total		<u>132</u>	<u>8,411</u>	<u>2,813</u>	<u>11,356</u>	<u>6,346</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	56	8,284	182	8,522	6,810
The Excell Hubb	10	94	-	-	94	59
Total	7	<u>150</u>	<u>8,284</u>	<u>182</u>	<u>8,616</u>	<u>6,869</u>
Net income/(expenditure)		(18)	127	2,631	2,740	(523)
Transfers between funds	18	-	(204)	204	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(280)	-	(280)	4,635
Net movement in funds		<u>(18)</u>	<u>(357)</u>	<u>2,835</u>	<u>2,460</u>	<u>4,112</u>
Reconciliation of funds						
Total funds brought forward		568	1,480	2,598	4,646	534
Total funds carried forward		<u>550</u>	<u>1,123</u>	<u>5,433</u>	<u>7,106</u>	<u>4,646</u>

KINGS ACADEMY TRUST

STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted	Restricted funds:		Total
		funds £(000)	General £(000)	Fixed asset £(000)	2022 £(000)
Income and endowments from:					
Donations and capital grants	3	1	-	26	27
Charitable activities:					
- Funding for educational operations	4	-	6,186	-	6,186
- The Excell Hubb	10	64	-	-	64
Other trading activities	5	-	69	-	69
Total		<u>65</u>	<u>6,255</u>	<u>26</u>	<u>6,346</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	-	6,621	189	6,810
- The Excell Hubb	10	59	-	-	24
Total	7	<u>59</u>	<u>6,621</u>	<u>189</u>	<u>6,869</u>
Net income/(expenditure)		6	(366)	(163)	(523)
Transfers between funds	18	-	(123)	123	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	4,635	-	4,635
Net movement in funds		6	4,146	(40)	4,112
Reconciliation of funds					
Total funds brought forward		<u>562</u>	<u>(2,666)</u>	<u>2,638</u>	<u>534</u>
Total funds carried forward		<u>568</u>	<u>1,480</u>	<u>2,598</u>	<u>4,646</u>

KINGS ACADEMY TRUST

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2023

		2023		2022	
	Notes	£(000)	£(000)	£(000)	£(000)
Fixed assets					
Tangible assets	14		5,102		2,576
Current assets					
Debtors	16	1,170		288	
Cash at bank and in hand		2,085		1,820	
		<u>3,255</u>		<u>2,108</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(1,251)		(365)	
		<u></u>		<u></u>	
Net current assets			2,004		1,743
Net assets excluding pension asset			7,106		4,319
Defined benefit pension scheme asset	20		-		327
			<u></u>		<u></u>
Total net assets			<u>7,106</u>		<u>4,646</u>
Funds of the academy trust: Restricted funds	18				
- Fixed asset funds			5,433		2,598
- Restricted income funds			1,123		1,153
- Pension reserve			-		327
			<u></u>		<u></u>
Total restricted funds			6,556		4,078
Unrestricted income funds	18		550		568
			<u></u>		<u></u>
Total funds			<u>7,106</u>		<u>4,646</u>

The accounts were approved by the trustees and authorised for issue on.....and are signed on their behalf by:

.....
L Cooper
Chair of Trustees

Company registration number 07982516 (England and Wales)

KINGS ACADEMY TRUST

ACADEMY BALANCE SHEET

AS AT 31 AUGUST 2023

		2023		2022	
	Notes	£(000)	£(000)	£(000)	£(000)
Fixed assets					
Tangible assets	14		5,102		2,576
Current assets					
Debtors	16	1,188		306	
Cash at bank and in hand		2,075		1,798	
		<u>3,263</u>		<u>2,104</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(1,251)		(365)	
		<u> </u>		<u> </u>	
Net current assets			2,012		1,739
			<u> </u>		<u> </u>
Net assets excluding pension liability			7,114		4,315
			<u> </u>		<u> </u>
Defined benefit pension scheme asset/(liability)	20		-		327
			<u> </u>		<u> </u>
Total net assets			7,114		4,643
			<u> </u>		<u> </u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			5,433		2,598
- Restricted income funds			1,123		1,153
- Pension reserve			-		327
			<u> </u>		<u> </u>
Total restricted funds			6,556		4,078
			<u> </u>		<u> </u>
Unrestricted income funds	18		558		565
			<u> </u>		<u> </u>
Total funds			7,114		4,643
			<u> </u>		<u> </u>

The accounts were approved by the trustees and authorised for issue on..... and are signed on their behalf by:

.....
L Cooper
Chair of Trustees

Company registration number 07982516

KINGS ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £(000)	£(000)	2022 £(000)	£(000)
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20		(27)		666
Cash funds transferred on conversion	27		246		-
			<u>219</u>		<u>666</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		27		-	
Capital grants from DfE Group		667		26	
Purchase of tangible fixed assets		(648)		(498)	
		<u>46</u>		<u>(472)</u>	
Net cash provided by/(used in) investing activities			<u>46</u>		<u>(472)</u>
Net increase in cash and cash equivalents in the reporting period			<u>265</u>		<u>194</u>
Cash and cash equivalents at beginning of the year			1,820		1,626
Cash and cash equivalents at end of the year			<u><u>2,085</u></u>		<u><u>1,820</u></u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Kings Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.3 Basis of consolidation

These financial statements consolidate the results of the academy trust and its sole subsidiary undertaking, Excell Hubb Limited. As a consolidated group statement of financial activities is published, a separate statement of financial activities for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

1.4 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Moorfield Community Primary School and The Canterbury Centre to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

1.5 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.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.6 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. This includes redundancy and severance payments.

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.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.7 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	Land - 125 years, Buildings - 50 years
Outdoor equipment	10 years
Assets under construction	Nil until brought into use
Fixtures, fittings & equipment	7 years
Motor vehicles	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 the fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.8 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.

1.9 Leased assets

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

1.10 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.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

1.11 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 are held separately from those of the academy trust.

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 the Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.14 PFI charge

The academy buildings were built under a PFI agreement, as at 31 August 2023 the agreement had a further 7 years to run. The local authority will continue to pay the unitary charge to the PFI provider under the pre-existing PFI contract. In turn, the academy trust will continue to pay the local authority but there may be a shortfall, known as an affordability gap, which fluctuates based on the number of pupils attending the school in any given academic year. The local authority will fund the affordability gap until the contract expires.

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

3 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2023 £(000)	Total 2022 £(000)
Capital grants	-	667	667	26
Other donations	9	-	9	1
	<u>9</u>	<u>667</u>	<u>676</u>	<u>27</u>

KINGS ACADEMY TRUST

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)	-	3,978	3,978	3,265
Other DfE/ESFA grants:				
- Pupil premium	-	180	180	136
- Others	-	570	570	137
	<u>-</u>	<u>4,728</u>	<u>4,728</u>	<u>3,538</u>
Other government grants				
Local authority grants	-	3,479	3,479	2,628
	<u>-</u>	<u>3,479</u>	<u>3,479</u>	<u>2,628</u>
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	-	-	20
	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>
Total funding	<u>-</u>	<u>8,207</u>	<u>8,207</u>	<u>6,186</u>

The academy trust received £3,479,000 (2022: £2,628,000) from the local authority in the year being £3,000 (2022: £40,000) out of borough funding, £25,000 (2022: £12,000) pupil premium funding, £3,296,000 (2022: £2,491,000) High Needs funding, £41,000 teachers pay grant (2022: £22,000) and £114,000 teachers' pension grant (2022: £62,000)

There were no unfulfilled conditions or other contingencies relating to the grants in the year.

5 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2023 £(000)	Total 2022 £(000)
Catering income	-	3	3	2
Parental contributions	-	14	14	25
Other income	96	32	128	106
	<u>96</u>	<u>49</u>	<u>145</u>	<u>133</u>

6 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2023 £(000)	Total 2022 £(000)
Short term deposits	27	-	27	-
	<u>27</u>	<u>-</u>	<u>27</u>	<u>-</u>

KINGS ACADEMY TRUST

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

7 Expenditure

	Staff costs £(000)	Non-pay Premises £(000)	expenditure Other £(000)	Total 2023 £(000)	Total 2022 £(000)
Academy's educational operations					
- Direct costs	3,509	143	709	4,361	3,202
- Allocated support costs	2,435	1,479	341	4,255	3,667
	<u>5,944</u>	<u>1,622</u>	<u>1,050</u>	<u>8,616</u>	<u>6,869</u>

Net income/(expenditure) for the year includes:

	2023 £(000)	2022 £(000)
Operating lease rentals	171	142
Depreciation of tangible fixed assets	182	189
Fees payable to auditor for:		
- Audit	14	10
- Other services	7	4
Net interest on defined benefit pension liability	(13)	65
	<u> </u>	<u> </u>

8 Central services

Central services were provided by the academy trust to its academies during the year. However, no central charges arose as the academy trust pools its GAG resources and therefore any costs incurred by the central trust are covered through these funds.

9 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2023 £(000)	Total 2022 £(000)
Direct costs				
Educational operations	150	4,211	4,361	3,202
Support costs				
Educational operations	-	4,255	4,255	3,667
	<u>150</u>	<u>8,466</u>	<u>8,616</u>	<u>6,869</u>

KINGS ACADEMY TRUST

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

9 Charitable activities	(Continued)	
	2023 £(000)	2022 £(000)
Direct costs		
Teaching and educational support staff costs	3,512	2,559
Staff development	48	34
Depreciation	143	172
Technology costs	170	100
Educational supplies and services	272	175
Examination fees	27	16
Educational consultancy	172	146
Other direct costs	17	-
	<u>4,361</u>	<u>3,202</u>
Support costs		
Support staff costs	2,452	2,433
Depreciation	39	17
Technology costs	2	4
Maintenance of premises and equipment	496	270
Cleaning	59	30
Energy costs	30	25
Rent, rates and other occupancy costs	789	600
Insurance	66	42
Security and transport	54	44
Catering	45	-
Interest on defined benefit pension scheme	(13)	65
Legal costs	83	51
Other support costs	131	72
Governance costs	22	14
	<u>4,255</u>	<u>3,667</u>

Included within rent, rates and other occupancy costs is £509,000 (2022: £510,000) in relation to the cost of the PFI building.

KINGS ACADEMY TRUST

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

10 The Excell Hubb Limited trading account

	2023	2022
	£'000	£'000
Income		
Sales	83	64
	<u>83</u>	<u>64</u>
Total income	83	64
Expenditure		
Direct costs		
Direct staff costs	81	46
	<u>81</u>	<u>46</u>
Other costs		
Rent, rates and other occupancy costs	12	12
Other support costs	1	1
	<u>13</u>	<u>13</u>
Total expenditure	<u>94</u>	<u>59</u>
Surplus/(deficit) for the period to 31 August 2023	(11)	5
The Excell Hubb Limited at 1 September 2022	<u>3</u>	<u>(2)</u>
The Excell Hubb Limited at 31 August 2023	<u>(8)</u>	<u>3</u>

11 Staff

Staff costs

Staff costs during the year were:

	2023	2022
	£(000)	£(000)
Wages and salaries	4,155	3,222
Social security costs	419	313
Pension costs	922	1,221
	<u>5,496</u>	<u>4,756</u>
Staff costs - employees	5,496	4,756
Agency staff costs	435	217
Staff restructuring costs	13	19
	<u>5,944</u>	<u>4,992</u>
Staff development and other staff costs	68	34
	<u>6,012</u>	<u>5,026</u>
Total staff expenditure	<u>6,012</u>	<u>5,026</u>
Staff restructuring costs comprise:		
Severance payments	<u>13</u>	<u>19</u>

KINGS ACADEMY TRUST

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

11 Staff

(Continued)

Severance payments

The academy trust paid 1 severance payments in the year, disclosed in the following bands:

£0 - £25,000 1

Special staff severance payments

Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements. Included in staff restructuring costs are special severance payments totalling £12,515 (2022: £11,687). Individually, there was one payment of £12,515.

Staff numbers

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

	2023 Number	2022 Number
Teachers	38	31
Administration and support	85	77
Management	16	9
	<u>139</u>	<u>117</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	3	-
£70,001 - £80,000	2	1
£120,001 - £130,000	-	1
£150,001 - £160,000	1	-
	<u>6</u>	<u>2</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 employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £509,000 (2022: £647,000).

KINGS ACADEMY TRUST

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

12 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

A Nicholson (CEO and trustee - resigned 31 January 2023)
Remuneration £60,001 - £65,000 (2022: £110,001 - £115,000)
Employer pension contribution paid £10,001 - £15,000 (2022: £25,001 - £30,000)

During the year ended 31 August 2023, no expenses were reimbursed or paid directly to trustees (2022: £nil).

13 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.

14 Tangible fixed assets – group and academy

	Land and buildings £(000)	Outdoor equipment £(000)	Assets under construction £(000)	Fixtures, fittings & equipment £(000)	Motor vehicles £(000)	Total £(000)
Cost						
At 1 September 2022	2,029	347	-	703	152	3,231
Transfer on conversion	-	2,060	-	-	-	2,060
Additions	-	67	406	175	-	648
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	2,029	2,474	406	878	152	5,939
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation						
At 1 September 2022	38	120	-	396	101	655
Charge for the year	29	47	-	83	23	182
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	67	167	-	479	124	837
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value						
At 31 August 2023	1,962	2,307	406	399	28	5,102
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	1,991	227	-	307	51	2,576
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Tangible fixed assets – group and academy

(Continued)

The academy buildings at Oakwood Academy are provided on a PFI contract which at 31 August 2023 had a further 7 years to run. The land and buildings are owned by City of Salford Council.

The academy buildings at Kassia Academy and Support Services are owned by Warrington Borough Council and are on a 125 year lease from January 2018.

The academy buildings at Moss Valley Primary Academy are owned by City of Salford Council and are on a 125 year lease from June 2023.

The academy buildings at Arbour Academy are owned by City of Salford Council and are on a 125 year lease from April 2023.

15 Investments

The academy trust formed a company limited by guarantee in the name of The Excell Hub Limited, a company incorporated in England, registration number 12893279. The principal activity of the company is provision of educational support to college level students. This is the company's first year of trading.

Turnover for the period ended 31 August 2023 was £83,000 (2022: £64,000), expenditure was £94,000 (2022: £60,000) and the loss for the year was £11,000 (2022: profit of £4,000). The assets of the company at 31 August 2023 were £73,000 (2022: £49,000), liabilities were £ 81,000 (2022: £46,000) and capital and reserves were a deficit of £8,000 (2022: surplus of £3,000).

16 Debtors – group and academy

	Group	Group	Academy	Academy
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	90	70	37	62
VAT recoverable	442	93	442	93
Prepayments and accrued income	638	124	709	151
	<u>1,170</u>	<u>287</u>	<u>1,188</u>	<u>306</u>

17 Creditors: amounts falling due within one year – group and academy

	2023	2022
	£(000)	£(000)
Trade creditors	816	82
Other taxation and social security	123	83
Other creditors	145	104
Accruals	167	96
	<u>1,251</u>	<u>365</u>

KINGS ACADEMY TRUST

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

18 Funds - group

	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)	1,123	3,978	(3,804)	(204)	1,093
Pupil premium	-	180	(180)	-	-
Other DfE/ESFA grants	30	570	(570)	-	30
Other government grants	-	3,479	(3,479)	-	-
Other restricted funds	-	209	(209)	-	-
Pension reserve	327	(5)	(42)	(280)	-
	<u>1,480</u>	<u>8,411</u>	<u>(8,284)</u>	<u>(484)</u>	<u>1,123</u>
Restricted fixed asset funds					
Inherited on conversion	1,592	2,146	(36)	-	3,702
DfE group capital grants	588	667	(43)	-	1,212
Capital expenditure from GAG	334	-	(56)	204	482
Expenditure from unrestricted funds	84	-	(47)	-	37
	<u>2,598</u>	<u>2,813</u>	<u>(182)</u>	<u>204</u>	<u>5,433</u>
Total restricted funds	<u>4,078</u>	<u>11,224</u>	<u>(8,466)</u>	<u>(280)</u>	<u>6,556</u>
Unrestricted funds					
General funds	565	49	(56)	-	558
The Excell Hub	3	83	(94)	-	(8)
	<u>568</u>	<u>132</u>	<u>(150)</u>	<u>-</u>	<u>550</u>
Total funds	<u>4,646</u>	<u>11,356</u>	<u>(8,616)</u>	<u>(280)</u>	<u>7,106</u>

KINGS ACADEMY TRUST

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

18 Funds - group

(Continued)

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

The pension values as at 31 August 2023 have been determined by the actuary which is showing the following pension assets within the academy trust at the balance sheet date:

Arbour Academy – pension asset £46,000
Kassia Academy – pension asset £193,000
Moss Valley Primary Academy – pension asset £70,000
Oakwood Academy – pension asset £1,040,000

This results in the academy trust's consolidated position showing a pension asset and pension fund surplus. In accordance with applicable accounting standards, the asset values in the academy trust have been capped at an asset ceiling value on the basis that the academy trust has minimum funding requirements existing for future service. This has reduced the pension asset and pension fund to £nil accordingly.

Restricted general funds of £30,000 carried forward relates to the free school grant the trust has received, expected to be completed by January 2025.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy. This is made up of the net book value of £5,102,000 plus unspent DFC grants of £39,000 and unspent CIF grants of £292,000

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are the discretion of the trustees.

The transfer of £204,000 from General Annual Grant to Capital Expenditure from GAG is to cover the capital additions not covered by specific capital grants in the year.

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.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds - group

(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)	1,029	3,265	(3,048)	(123)	1,123
Pupil premium	-	136	(136)	-	-
Other DfE/ESFA COVID-19 funding	-	20	(20)	-	-
Other DfE/ESFA grants	-	137	(107)	-	30
Other government grants	-	2,628	(2,628)	-	-
Other restricted funds	-	69	(69)	-	-
Pension reserve	(3,695)	-	(613)	4,635	327
	<u>(2,666)</u>	<u>6,255</u>	<u>(6,621)</u>	<u>4,512</u>	<u>1,480</u>
Restricted fixed asset funds					
Inherited on conversion	1,613	-	(21)	-	1,592
DfE group capital grants	606	26	(44)	-	588
Capital expenditure from GAG	287	-	(76)	123	334
Expenditure from unrestricted funds	132	-	(48)	-	84
	<u>2,638</u>	<u>26</u>	<u>(189)</u>	<u>123</u>	<u>2,598</u>
Total restricted funds	<u>(28)</u>	<u>6,281</u>	<u>(6,810)</u>	<u>4,635</u>	<u>4,078</u>
Unrestricted funds					
General funds	564	1	-	-	565
The Excell Hub	(2)	64	(59)	-	3
	<u>562</u>	<u>65</u>	<u>(59)</u>	<u>-</u>	<u>568</u>
Total funds	<u>534</u>	<u>6,346</u>	<u>(6,869)</u>	<u>4,635</u>	<u>4,646</u>

KINGS ACADEMY TRUST

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

18 Funds - Academy

	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)	1,123	3,978	(3,803)	(204)	1,093
Pupil premium	-	180	(180)	-	-
Other DfE/ESFA grants	30	725	(725)	-	30
Other restricted funds	-	3,324	(3,324)	-	-
Other restricted funds	-	209	(209)	-	-
Pension reserve	327	(5)	(42)	(280)	-
	<u>1,480</u>	<u>8,411</u>	<u>(6,619)</u>	<u>(484)</u>	<u>1,123</u>
Restricted fixed asset funds					
Inherited on conversion	1,592	2,146	(36)	-	3,702
DfE group capital grants	588	667	(43)	-	1,212
Capital expenditure from GAG	334	-	(56)	204	482
Expenditure from unrestricted funds	84	-	(47)	-	37
	<u>2,598</u>	<u>2,813</u>	<u>(182)</u>	<u>204</u>	<u>5,433</u>
Total restricted funds	<u>4,078</u>	<u>11,224</u>	<u>(8,465)</u>	<u>(280)</u>	<u>6,556</u>
Unrestricted funds					
General funds	565	49	(56)	-	558
	<u>565</u>	<u>49</u>	<u>(56)</u>	<u>-</u>	<u>558</u>
Total funds	<u>4,643</u>	<u>11,273</u>	<u>(8,521)</u>	<u>(280)</u>	<u>7,114</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds - academy

(Continued)

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

The pension values as at 31 August 2023 have been determined by the actuary which is showing the following pension assets within the academy trust at the balance sheet date:

Arbour Academy – pension asset £46,000
Kassia Academy – pension asset £193,000
Moss Valley Primary Academy – pension asset £70,000
Oakwood Academy – pension asset £1,040,000

This results in the academy trust's consolidated position showing a pension asset and pension fund surplus. In accordance with applicable accounting standards, the asset values in the academy trust have been capped at an asset ceiling value on the basis that the academy trust has minimum funding requirements existing for future service. This has reduced the pension asset and pension fund to £nil accordingly.

Restricted general funds of £30,000 carried forward relates to the free school grant the trust has received, expected to be completed by January 2025.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy. This is made up of the net book value of £5,102,000 plus unspent DFC grants of £39,000 and unspent CIF grants of £292,000

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are the discretion of the trustees.

The transfer of £204,000 from General Annual Grant to Capital Expenditure from GAG is to cover the capital additions not covered by specific capital grants in the year.

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.

KINGS ACADEMY TRUST

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

18 Funds - academy

(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)	1,029	3,265	(3,047)	(123)	1,123
Pupil premium	-	136	(136)	-	-
Other DfE/ESFA COVID-19 funding	-	20	(20)	-	-
Other DfE/ESFA grants	-	221	(191)	-	30
Other government grants	-	2,543	(2,543)	-	-
Other restricted funds	-	69	(69)	-	-
Pension reserve	(3,695)	-	(613)	4,635	327
	<u>(2,666)</u>	<u>6,254</u>	<u>(6,619)</u>	<u>4,512</u>	<u>1,480</u>
Restricted fixed asset funds					
Inherited on conversion	1,613	-	(21)	-	1,592
DfE group capital grants	606	26	(44)	-	588
Capital expenditure from GAG	287	-	(76)	123	334
Expenditure from unrestricted funds	132	-	(48)	-	84
	<u>2,638</u>	<u>26</u>	<u>(189)</u>	<u>123</u>	<u>2,598</u>
Total restricted funds	(28)	6,280	(6,808)	4,635	4,078
Unrestricted funds					
General funds	564	1	-	-	565
	<u>564</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>565</u>
Total funds	<u>536</u>	<u>6,281</u>	<u>(6,808)</u>	<u>4,635</u>	<u>4,643</u>

KINGS ACADEMY TRUST

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

18 Funds	(Continued)	
Total funds analysis by academy		
	2023	2022
	£(000)	£(000)
Fund balances at 31 August 2023 were allocated as follows:		
Oakwood Academy	-	1,894
Kassia Academy	-	(235)
The Excell Hub	(8)	3
Arbour Academy	-	-
Moss Valley Primary Academy	-	-
Central services	1,681	59
	<u>1,673</u>	<u>1,721</u>
Total before fixed assets fund and pension reserve	1,673	1,721
Restricted fixed asset fund	5,433	2,598
Pension reserve	-	327
	<u>7,106</u>	<u>4,646</u>
Total funds	<u><u>7,106</u></u>	<u><u>4,646</u></u>

From 1 September 2022 the academy trust pooled its GAG resources, therefore all funds are held centrally and not in individual schools, hence a breakdown by academy is not included in these accounts.

Total cost analysis by academy

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

	Teaching and educational support staff £(000)	Other support staff costs £(000)	Educational supplies £(000)	Other costs excluding depreciation £(000)	Total 2023 £(000)	Total 2022 £(000)
Oakwood Academy	2,159	1,624	334	1,271	5,388	4,862
Kassia Academy	600	482	133	226	1,441	1,300
The Excell Hub	-	81	-	13	94	-
Arbour Academy	236	154	21	43	454	-
Moss Valley Primary Academy	137	95	19	102	353	-
Central services	378	76	72	117	643	458
	<u>3,510</u>	<u>2,512</u>	<u>579</u>	<u>1,772</u>	<u>8,373</u>	<u>6,620</u>
	<u><u>3,510</u></u>	<u><u>2,512</u></u>	<u><u>579</u></u>	<u><u>1,772</u></u>	<u><u>8,373</u></u>	<u><u>6,620</u></u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Analysis of net assets between funds - Group

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	5,102	5,102
Current assets	550	2,374	331	3,255
Creditors falling due within one year	-	(1,251)	-	(1,251)
Defined benefit pension liability	-	-	-	-
	<u>550</u>	<u>1,123</u>	<u>5,433</u>	<u>7,106</u>
Total net assets	<u><u>550</u></u>	<u><u>1,123</u></u>	<u><u>5,433</u></u>	<u><u>7,106</u></u>

	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	-	-	2,576	2,576
Current assets	568	2,086	22	2,676
Creditors falling due within one year	-	(933)	-	(933)
Defined benefit pension liability	-	327	-	327
	<u>568</u>	<u>1,480</u>	<u>2,598</u>	<u>4,646</u>
Total net assets	<u><u>568</u></u>	<u><u>1,480</u></u>	<u><u>2,598</u></u>	<u><u>4,646</u></u>

Analysis of net assets between funds – Academy

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	5,102	5,102
Current assets	558	2,374	331	3,263
Creditors falling due within one year	-	(1,251)	-	(1,251)
Defined benefit pension liability	-	-	-	-
	<u>558</u>	<u>1,123</u>	<u>5,433</u>	<u>7,114</u>
Total net assets	<u><u>558</u></u>	<u><u>1,123</u></u>	<u><u>5,433</u></u>	<u><u>7,114</u></u>

KINGS ACADEMY TRUST

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

19 Analysis of net assets between funds – Academy

	Unrestricted Funds £(000)	General £(000)	Restricted funds: Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	2,576	2,576
Current assets	563	2,083	22	2,668
Creditors falling due within one year	-	(928)	-	(928)
Defined benefit pension liability	-	327	-	327
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total net assets	<u>563</u>	<u>1,482</u>	<u>2,598</u>	<u>4,643</u>

20 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 Tameside Metropolitan Borough Council for Oakwood Academy, Arbour Academy and Moss Valley Primary Academy and Warrington Metropolitan Borough Council for Kassia Academy and Support Services. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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 2019.

Contributions amounting to £125,000 were payable to the schemes at 31 August 2023 (2022: £95,000) 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.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 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 charge)
- 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 pension costs paid to the TPS in the period amounted to £498,000 (2022: £361,000).

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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for Oakwood Academy, Arbour Academy and Moss Valley Primary Academy (Greater Manchester Pension Fund) for future years are 21.2% for employers and 5.5 to 8.5% for employees. The agreed contribution rates for Kassia Academy and Support Services (Cheshire Pension Fund) for future years are 20.1% for employers and 5.5 to 8.5% for employees

As described in note 29 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Oakwood Academy, Arbour Academy and Moss Valley Primary Academy (Greater Manchester Pension Fund)

(Continued)

Total contributions made	2023 £(000)	2022 £(000)
Employer's contributions	317	251
Employees' contributions	94	73
	<u>411</u>	<u>324</u>
Principal actuarial assumptions	2023	2022
	%	%
Rate of increase in salaries	3.75 – 3.8	3.8
Rate of increase for pensions in payment/inflation	2.95 – 3.0	3.0
Discount rate for scheme liabilities	5.2	4.3
	<u> </u>	<u> </u>

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	18.4 – 21.0	20.3
- Females	23.3 – 24.0	23.2
Retiring in 20 years		
- Males	21.2	21.6
- Females	24.2 – 24.9	25.1
	<u> </u>	<u> </u>

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Sensitivity analysis – Oakwood Academy

Changes in assumptions at 31 August 2023	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	116
1 year increase in member life expectancy	4%	198
0.1% increase in the Salary Increase Rate	0%	11
0.1% increase in Pension Increase Rate	2%	107

KINGS ACADEMY TRUST

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

20 Oakwood Academy, Arbour Academy and Moss Valley Primary Academy

(Continued)

Sensitivity analysis – Moss Valley Primary Academy

Changes in assumptions at 31 August 2023	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	14
1 year increase in member life expectancy	4%	23
0.1% increase in the Salary Increase Rate	0%	2
0.1% increase in Pension Increase Rate	2%	12

Sensitivity analysis – Arbour Academy

Changes in assumptions at 31 August 2023	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	15
1 year increase in member life expectancy	4%	22
0.1% increase in the Salary Increase Rate	1%	3
0.1% increase in Pension Increase Rate	2%	12

The academy trust's share of the assets in the scheme

	2023 Fair value £(000)	2022 Fair value £(000)
Equities	5,061	3,754
Bonds	1,013	761
Property	578	490
Other assets	578	435
Total market value of assets	<u>7,230</u>	<u>5,440</u>

The actual return on scheme assets was £289,000 (2022: £70,000).

Amount recognised in the statement of financial activities

	2023 £(000)	2022 £(000)
Current service cost	360	699
Interest income	(257)	(87)
Interest cost	246	143
Total operating charge	<u>349</u>	<u>755</u>

KINGS ACADEMY TRUST

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

20 Oakwood Academy, Arbour Academy and Moss Valley Primary Academy

(Continued)

Changes in the present value of defined benefit obligations

	2023 £(000)	2022 £(000)
At 1 September 2022	5,182	8,367
Transferred in on converted academies joining the academy trust	1,204	-
Current service cost	360	699
Interest cost	246	143
Employee contributions	94	73
Actuarial loss/(gain)	253	(3,993)
Benefits paid	(109)	(107)
	<u>7,230</u>	<u>5,182</u>
At 31 August 2023	<u>7,230</u>	<u>5,182</u>

Changes in the fair value of the academy trust's share of scheme assets

	2023 £(000)	2022 £(000)
At 1 September 2022	5,440	5,153
Transferred in on converted academies joining the academy trust	1,199	-
Interest income	257	87
Actuarial (gain)/loss	32	(17)
Employer contributions	317	251
Employee contributions	94	73
Benefits paid	(109)	(107)
	<u>7,230</u>	<u>5,440</u>
At 31 August 2023	<u>7,230</u>	<u>5,440</u>

Kassia Academy and Support Services (Cheshire Pension Fund)

Total contributions made

	2023 £(000)	2022 £(000)
Employer's contributions	65	48
Employees' contributions	19	15
	<u>84</u>	<u>63</u>
Total contributions	<u>84</u>	<u>63</u>

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	3.65	3.80
Rate of increase for pensions in payment/inflation	2.95	3.10
Discount rate for scheme liabilities	5.20	4.30
	<u>5.20</u>	<u>4.30</u>

KINGS ACADEMY TRUST

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

20 Kassia Academy and Support Services (Cheshire Pension Fund)

(Continued)

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	21.0	21.2
- Females	23.9	23.8
Retiring in 20 years		
- Males	19.3	22.1
- Females	<u>24.7</u>	<u>25.5</u>

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2023	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	17
1 year increase in member life expectancy	4%	23
0.1% increase in the Salary Increase Rate	0%	3
0.1% increase in Pension Increase Rate	3%	15

The academy trust's share of the assets in the scheme

	2023 Fair value £(000)	2022 Fair value £(000)
Equities	397	340
Bonds	252	222
Property	107	90
Other assets	<u>7</u>	<u>42</u>
Total market value of assets	<u>763</u>	<u>694</u>

The actual return on scheme assets was £15,000 (2022: £55,000).

Amount recognised in the statement of financial activities

	2023 £(000)	2022 £(000)
Current service cost	77	148
Interest income	(31)	(12)
Interest cost	<u>29</u>	<u>21</u>
Total operating charge	<u>75</u>	<u>157</u>

KINGS ACADEMY TRUST

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

20 Kassia Academy and Support Services (Cheshire Pension Fund)

Changes in the present value of defined benefit obligations	2023 £(000)	2022 £(000)
At September 2022	625	1,167
Current service cost	77	148
Interest cost	29	21
Employee contributions	19	15
Actuarial loss/(gain)	13	(726)
	<u>763</u>	<u>625</u>
At 31 August 2023	<u>763</u>	<u>625</u>
Changes in the fair value of the academy trust's share of scheme assets	2023 £(000)	2022 £(000)
At September 2022	694	686
Interest income	31	12
Actuarial loss	(46)	(67)
Employer contributions	65	48
Employee contributions	19	15
	<u>763</u>	<u>694</u>
At 31 August 2023	<u>763</u>	<u>694</u>

The pension values as at 31 August 2023 have been determined by the actuary which is showing the following pension assets within the academy trust at the balance sheet date:

Arbour Academy – pension asset £46,000
Kassia Academy – pension asset £193,000
Moss Valley Primary Academy – pension asset £70,000
Oakwood Academy – pension asset £1,040,000

This results in the academy trust's consolidated position showing a pension asset and pension fund surplus. In accordance with applicable accounting standards, the asset values in the academy trust have been capped at an asset ceiling value on the basis that the academy trust has minimum funding requirements existing for future service. This has reduced the pension asset and pension fund to £nil accordingly.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Notes	2023 £(000)	2022 £(000)
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		2,740	(523)
Adjusted for:			
Net surplus on conversion to academy	27	(2,301)	-
Capital grants from DfE and other capital income		(667)	(26)
Investment income receivable	6	(27)	-
Defined benefit pension costs less contributions payable	19	55	548
Defined benefit pension scheme finance (income)/cost	19	(13)	65
Depreciation of tangible fixed assets		182	189
(Increase)/decrease in debtors		(882)	442
Increase/(decrease) in creditors		886	(29)
Net cash (used in)/provided by operating activities		<u>(27)</u>	<u>666</u>

22 Analysis of changes in net funds

	1 September 2022 £(000)	Cash flows £(000)	31 August 2023 £(000)
Cash	1,820	265	2,085
	<u>1,820</u>	<u>265</u>	<u>2,085</u>

23 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	171	211
Amounts due in two and five years	74	76
	<u>245</u>	<u>287</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

24 Long-term commitments

(Continued)

Other contractual commitments

At 31 August 2023 the total of the academy trust's future minimum lease payments under other contractual commitments was:

	2023 £(000)	2022 £(000)
Amounts due within one year	509	510
Amounts due in two and five years	1,527	1,530
Amounts due after five years	1,527	2,040
	<u>3,563</u>	<u>4,080</u>

The academy buildings at Oakwood Academy are provided on a PFI contract which at 31 August 2023 had a further 7 years to run. The basic annual payment and affordability gap paid for the 12 months to 31 August 2023 was £509,000 (2022: £510,000) and the cost for period 1 September 2023 to 31 August 2024 is expected to be £509,000.

25 Capital commitments

	2023 £(000)	2022 £(000)
Expenditure contracted for but not provided in the accounts	292	-
	<u>292</u>	<u>-</u>

The academy trust has capital commitments of £292,000 as at 31 August 2023 being £225,000 for the installation of a portacabin and £67,000 for the heating works at Kassia Academy and Support Services. Both are to be completed in 2023-24 with the academy contributing £116,000 from reserves.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

26 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period:

S Whatmore, a trustee, is also a governor at Bridgewater High Academy. During the period, £84 (2022: £nil) was received by the academy for provision of services. At the balance sheet date, no amounts were owed to the academy trust.

A Nicholson, CEO, is also a governor at Warrington Primary Academy. During the period, £1,750 (2022: £nil) was received by the academy for provision of services. At the balance sheet date, no amounts were owed to the academy trust.

J West, daughter of L Cooper, a trustee, is employed by the academy trust as a teaching assistant. J West's appointment was made in open competition and L Cooper was not involved in the decision-making process regarding appointment.

K West, son in law of L Cooper, a trustee, is employed by the academy trust as a teaching assistant. K West's appointment was made in open competition and L Cooper was not involved in the decision-making process regarding appointment.

All employees noted above are employed under normal employment conditions and no favourable terms are given.

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 ESFA. In the accounting period ending 31 August 2023 the academy trust received £13,831 (2022: £7,402) and disbursed £14,452 (2022: £1,113) from the fund. An amount of £6,781 (2022: £9,119) is included in other creditors. This solely relates to unspent funds from year ending 31 August 2023 carried forward.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

29 Conversion to an academy

On 01 April 2023 The Canterbury Centre converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kings Academy Trust from the City of Salford Local Authority for £nil consideration. The academy changed its name to Arbour Academy on conversion.

On 01 June 2023 the Moorfield Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kings Academy Trust from the City of Salford Local Authority for £nil consideration. The academy changed its name to Moss Valley Primary Academy on conversion.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Arbour Academy	Salford	1 April 2023
Moss Valley Primary Academy	Salford	1 June 2023

Group

	Unrestricted funds £(000)	Restricted funds:		Total 2023 £(000)
		General £(000)	Fixed asset £(000)	
Net assets transferred:				
Leasehold land and buildings	-	-	2,060	2,060
Cash	-	160	86	246
Pension scheme deficit	-	(5)	-	(5)
	<u>-</u>	<u>155</u>	<u>2,146</u>	<u>2,301</u>
	<u><u>-</u></u>	<u><u>155</u></u>	<u><u>2,146</u></u>	<u><u>2,301</u></u>

	Unrestricted funds £(000)	Restricted funds:		Total 2023 £(000)
		General £(000)	Fixed asset £(000)	
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	2,146	2,146
LA budget funds	-	160	-	160
LGPS pension funds	-	(5)	-	(5)
	<u>-</u>	<u>155</u>	<u>2,146</u>	<u>2,301</u>
	<u><u>-</u></u>	<u><u>155</u></u>	<u><u>2,146</u></u>	<u><u>2,301</u></u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

29 Conversion to an academy

(Continued)

Arbour Academy

	Unrestricted funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2023 £(000)
Net assets transferred:				
Leasehold land and buildings	-	-	560	560
Cash	-	51	73	124
Pension scheme deficit	-	(48)	-	(48)
	-----	-----	-----	-----
	-	3	633	636
	=====	=====	=====	=====

	Unrestricted funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2023 £(000)
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	633	633
LA budget funds	-	51	-	51
LGPS pension funds	-	(48)	-	(48)
	-----	-----	-----	-----
	-	3	633	636
	=====	=====	=====	=====

Moss Valley Primary Academy

	Unrestricted funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2023 £(000)
Net assets transferred:				
Leasehold land and buildings	-	-	1,500	1,500
Cash	-	43	13	56
Pension scheme deficit	-	109	-	109
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	-	152	1,513	1,665
	=====	=====	=====	=====

	Unrestricted funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2023 £(000)
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	1,513	1,513
LA budget funds	-	109	-	109
LGPS pension funds	-	43	-	43
	-----	-----	-----	-----
	-	152	1,513	1,665
	=====	=====	=====	=====