



*The*  
**King's School**  
*Ottery St. Mary*

The King's School Academy Trust

# **The King's School Ottery St Mary**

(A Company Limited by Guarantee)

Company Registration: 07560660

DfE Registration: 878/4005

DfE URN: 136673

## **Annual Report & Financial Statements**

**Year Ended 31 August 2018**

The King's School  
Cadhay Lane  
Ottery-St-Mary  
Devon  
EX11 1RA



## Reference and Administrative Details

Year Ended August 2018

### Trustees

Dr D Bebbber (terminated 13/09/17)	Mr T Bloomfield
Mr G Bryant* (appointed 10/05/18)	Mrs S Cade
Mrs E Charles #	Mr S Ellison *#
Mrs S Fallows (Chair)*#	Dr J Fearn-Smith #
Mr R Gammon* (Headteacher)	Dr C Hawkins (staff Trustee) (appointed 01/09/2017)
Mrs C Hollingshead	Mrs R Jacobs* (staff Trustee) (appointed 01/09/2017)
Lady L Kennaway*	Mr J Lavender*
Ms R Miles-Haynes	Mr R Mitchell
Mr M Molloy*# (terminated 12/07/18)	Mr D Nicholson (staff Trustee)
Mr A Paterson*	Mrs S Starr*

\* Members of the Resources Committee

# Members of the Trust

### Company Secretary / Business Manager

Mr L Evans

### Senior Leadership Team

Deputy Head	Inclusion	Mrs P Farrand
Deputy Head	Student Support	Mr M Garrick
Deputy Head	Teaching, Learning and Professional Development	Miss E Mower
Deputy Head	Curriculum	Mr D Williams
Assistant Head	Post 16 Learning	Mr R Gerry

### Principal and registered Office

The King's School  
Cadhay Lane  
Ottery St Mary  
Devon  
EX11 1RA

### Company Registration number

07560660 (England and Wales)

### Independent Auditor

Thompson Jenner LLP  
1 Colleton Crescent,  
Exeter, Devon.  
EX2 4DG

### Bankers

Lloyds TSB  
234 High Street  
Exeter  
Devon  
EX4 3NL

Aldermore  
Aldermore 1<sup>st</sup> Floor  
Block B Western House  
Lynch Wood  
Peterborough  
PE2 6FZ

### Solicitors

Browne Jacobson LLP  
1 Manor Court  
Dix's Field  
Exeter  
EX1 1UP

## **Trustees' Report**

Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period from 1 September 2017 to 31 August 2018. The company was incorporated on 11 March 2011 and commenced operations on April 1<sup>st</sup> 2011. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

### **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 trust operates an academy for pupils aged 11 to 18 serving a catchment area in East Devon.

The Trustees of The King's School Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The King's School Ottery St Mary.

Details of the Trustees who have served throughout the year are shown in the Reference and Administrative details on page 1.

#### **Members' Liability:**

There are five members of the Charitable Trust: S. Fallows, S. Ellison, J Fearn-Smith, M Molloy and E. Charles. Each member of the Charitable Trust undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

#### **Trustees' Indemnities:**

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

#### **Principal Activities:**

The principal activity of the Academy is specifically restricted to the following: 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.

#### **Methods of Recruitment and Appointment or Election of Trustees:**

The number of Trustees shall be not less than three and shall not be more than twenty one.

The Academy's Board of Trustees comprises the Headteacher, up to seven Parent Trustees, up to two Teacher Trustees, one support staff Trustee and up to eleven appointed or co-opted Trustees. The Trustees may also appoint Associate Members operating within the remit or such and without voting rights at the Board of Trustees.

Parent Trustees are elected by the parents of current students of the Academy Trust and Staff Trustees (teaching and support) are elected by the staff currently employed at the Academy Trust.

With regard to the appointment of other Trustees, the Board will give consideration to the skills mix of the Trustees in order to ensure that the Board of Trustees has the necessary skills and expertise to contribute fully to the Academy's development.

All Trustees are appointed to serve for a period of four years with the exception of associate Trustees who are appointed on an annual basis and have no voting rights and the Headteacher who is able to serve for the duration of their appointment as Headteacher. The Chair and Vice Chair of Trustees are elected annually.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees:**

All new Trustees participate in a voluntary induction programme with training offered from a local provider. All Trustees are issued with a copy of the DfE Governors Handbook giving a wide range of information and guidance relating to the governance of an academy. A programme of Trustee Training is provided according to need and specific roles. A skills audit is carried out bi-annually and training accessed according to needs indicated. Annually, the Board of Trustees has a training event which looks at Trustees' roles, responsibilities and addresses key issues for Trustee and school development.

#### **Organisational Structure:**

The Board of Trustees normally meets four times a year. The Board establishes an overall framework for the governance of the Academy and agrees membership of Committees and Statutory and other Panels. It receives reports from its Committees and monitors their activities through the minutes of the meetings. It also establishes the Terms of Reference and Procedures for its Committees. The Board of Trustees may also, from time to time, establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved to the Board of Trustees: to determine any proposals for the alteration, closure or change of category of the Academy; to amend the constitution of the Board of Trustees; to appoint or remove the Chairman and/or Vice Chairman; to appoint the Secretary to the Trustees; to suspend Trustees; to delegate specific responsibilities to any Trustee, Committee, the Headteacher or other holder of an executive office, and to determine and review annually the terms of reference, constitution and membership of all Committees; to publish an annual report and accounts; to make arrangements for staff dismissal appeals; to set up panels for the selection of the Headteacher; to approve the annual School Development Plan; to approve the school budget and to monitor the annual Register of Interests.

For the period 1 September 2017 until 31 August 2018 there have been three Trustee sub-committees as follows:

Committee	Responsibilities
Resources	Dealing with all matters relating to finance, sites and buildings.
Curriculum & Quality	Dealing with all matters relating to the quality of teaching and learning including the curriculum and general staffing issues.
Pay & Performance Committee	Dealing with the specific issues relating to performance related pay for the staff and the Headteacher's Remuneration.

The Headteacher is the Accounting Officer as required by the Funding Agreement with the Department for Education. The responsibilities of the Accounting Officer are defined in the Governance Statement on page 17. A Trustee who reports to the Resources Committee for this period is the nominated Responsible Officer and conducts a series of internal audits during the period.

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

The Headteacher must demonstrate sustained high quality of performance, with particular regard to leadership, management and pupil progress at the school and will be subject to a review of performance against their performance objectives before any pay increase will be awarded. The clarification of the application of the criteria (STPCD 2018: 6.1: 11.6.2 guidance) for Leadership Group progression will be taken fully into account. No pay progression for this post is automatic. Any progression is reviewed and agreed by governors taking into account performance in role and national benchmarks including STPCD.

The Senior Leadership Team (SLT) must demonstrate sustained high quality of performance in respect of school leadership and management and pupil progress and will be subject to a review of performance against their performance objectives before any performance points will be awarded. The clarification of the application of the criteria (STPCD 2018: 13.1.1: 13.2.5 guidance) for Leadership Group progression will be taken fully into account. Annual pay progression within the pay range for these posts is not automatic. Any progression will normally be by one point, but the governing body may consider movement by two points in exceptional circumstances. The national leadership scales as agreed by all unions in 2018 based on STPCD recommendations apply.

### **Risk Management:**

The Trustees are responsible for the management of risks to which the Academy Trust is exposed, and have undertaken a review of risks associated with its activities.

The key controls used by the Academy Trust include:

- Formal agendas for Trustees' meeting
- Detailed terms of reference for all committees
- A clear School Development Plan identifying key strategic planning objectives and the resources required to achieve them
- Comprehensive budget planning, monitoring and review
- Clear financial delegation levels
- Clear health and safety policy with a regular action log
- Formal written policies reviewed on a regular basis
- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement and attainment to ensure continuing high standards
- Comprehensive planning and review of admissions processes
- A succession planning policy

The Board of Trustees has reviewed the major risks, focusing on operational, financial, governance, compliance and reputational risk, and has taken steps to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk. All of these are documented in an academy risk register which is updated and reviewed biennially.

The Board of Trustees is satisfied therefore that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

### **Connected Organisations, including Related Party Relationships:**

The King's School is committed to working with other organisations which contribute to the improvement in provision for students and to ensure that their achievement and well being is maximised.

The school is part of a successful and vibrant learning community which includes the 5 partner primary schools. We work in partnership to provide effective transition arrangements and best value, involving procurement and services. We have long held relationships with other organisations such as Exeter University in order to provide a high quality training programme for ITE students. We are a strategic partner within the Jurassic Coast Teaching School Alliance, working alongside schools, Higher Education and the NCTL. We have led on a SEND and EBT project as part of the Teaching School and have trained teachers through the School Direct programme, all of which are employed. There are three middle leaders appointed as Senior Leaders in Education who work within the Jurassic Teaching School Alliance on school to school support. The school is also an active member of The West Country Teaching School Alliance.

The school was a specialist Sports College. The ethos remains at the heart of the school's drive to provide rich and memorable learning experiences which have led to high quality learning and personal development. The impact legacy of specialism is clearly visible through partnership working. The school hosts the East Devon School Games Organiser who works with 57 primary schools, one special school and 10 secondary schools supporting their engagement in the School Games programme.

The school's aspiration is to provide a personalised curriculum suited to meet the needs of students within the resources available. This is very much supported by the school's careers and work related learning provision in partnership with local business partners, some of whom are business mentors to some of our most vulnerable young people. We have a close relationship with the Careers SW personal advisor whose services we purchase to provide impartial Careers Education Information Advice and Guidance to students. The school actively participates in the East Devon Reintegration Panel supporting the school's ethos of 'achievement for all'. The school continues to work closely with the LA and contributes to the Headteacher' Associations.

The school has developed an increasing network of partnerships with other providers such as a SENCo group and is a member of The South West Academies Group – academies from across the South West who work collaboratively on school improvement.

As well as a strong local network of connected organisations the schools has active links with national and international partners including schools in India and Melanesia. Students also take part in foreign language visits to France and we host students from Spain for several weeks each year.

The Academy Trust's association with all of these networks is to further promote the opportunities and achievements of our students and to enable our staff to share good practice and so raise the standard of teaching and learning.

## Objectives and Activities

### **Public Benefit:**

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The Academy Trust provides education to children and young people that is:

- balanced and broad
- promotes the spiritual, moral, cultural, mental and physical development of students at the school and of society
- prepares students at the school for the opportunities, responsibilities and experiences of later life
- promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The Academy Trust is an 11-18 comprehensive school serving Ottery St Mary and surrounding villages. It works closely with its five main partner primary schools and draws mainly from these schools to fill its Planned Admission Number (PAN) of 180 from years 7-11. It has a fully mixed ability and gender intake and as it is over-subscribed, it employs Devon Local Authority to manage admissions and all appeals for places. It is subject to the current statutory arrangements as laid down in the National Admissions Code. Current arrangements for entry to the school are available in the section of the school website dealing with admissions arrangements.

### **Objectives:**

The Academy Trust's objective is specifically restricted to the following: 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.

The King's School ambition is to be one of the best comprehensive schools in the country. Our ambition is to develop all students academically, socially and emotionally in a happy, organised and disciplined environment so that they can make full use of their opportunities in life.

To be achieved by creating a place:

- Where all students have the highest aspirations for themselves and each other
- Where all staff have the highest aspirations for their students and themselves
- With staff who are confident in seeking out opportunities to develop their own practice and are happy to share their ideas and expertise with colleagues
- With a curriculum that is best suited to the current and future needs of the individual student in the best learning environment possible
- Where there is universal high quality teaching and learning so that students have true equality of opportunity
- Where there is a consistent message to students in terms of our expectations about behaviour, uniform, how we work together and how we treat each other
- Which empowers and involves its parents in helping and supporting their child to achieve



## Strategic Report

A new set of Strategic Objectives have been set for the period 2018-21 which reflect the current educational climate and the needs of the school. The objectives have been influenced significantly by changes to assessment at all key stages, new measures of school performance and the changing post-16 landscape in the area.

	Strategic Objectives (2017-20)
Leadership and Management	To improve students outcomes by maintaining a culture of high expectations, aspirations, ambition and achievement for all students and staff
Teaching Learning and Assessment	To further improve the quality of teaching and learning through the cultivation, widening and embedding of outstanding practice across the school so that it is consistently the best it can be.
Personal Development, Behaviour and Wellbeing	To ensure that all students become confident, resilient and self-assured learners and to ensure their spiritual, moral, social and cultural development equips them to be caring and active citizens both within school and modern Britain
Outcomes	To improve student outcomes for identified groups by ensuring that students from all key groups make substantial and sustained progress, developing excellent skills and knowledge, given their different starting points.
6 <sup>th</sup> Form	To ensure sustainable and high quality 16-19 provision for all students
School Organisation	To lead the school in a way that secures educational standards, preserves our values and ethos and leads to financial stability in the future.

In order to deliver against the strategic objectives, the trust have established a set of Operational Priorities for 2018-21. These most pressing of these for 2018-19 are:

### Leadership and Management

- Monitor and review annually the use of the Pupil Premium Grant to ensure that it is targetted to maximise the progress of disadvantaged students
- To ensure that the the collection of academic performance data is timely, used to inform teaching and communicated effectively to all parents
- Develop a personalised CPD pathway for staff with a particular focus on developing the leadership skills of new and inexperienced middle leaders and those aspiring to leadership positions within and beyond the school
- Ensure the effective introduction of a new school uniform which better reflects the high aspirations of the school.
- Shape a cost effective curriculum at Key Stages 3 and 4 to enable students to develop the skills they need to be successful

### Teaching, Learning and Assessment

- To develop a system of rigorous but 'non-judgement' lesson observations based on Teachers' Standards
- Develop the use of learning walks by a wide range of staff, including SLT and middle leadership, to share outstanding practice
- Continue to develop skills in the classroom that enable boys and those from disadvantaged backgrounds to secure progress which is as strong as others within the school
- Review the effectiveness of the new KS3 assessment system and ensure that new KS3 and 4 assessment and reporting are securely understood by all students, parents and staff
- Ensure that the new Marking and Feedback Policy is being implemented consistently and to a high quality by all staff
- Review the Homework Policy
- To develop a strategic plan for the use of ICT that embraces new technologies and their use within the classroom

## **Personal Development and Wellbeing**

- Develop a clear strategy for communicating high expectations to all students on issues such as behaviour, presentation work and uniform
- To improve the attendance and behaviour of students with a focus on disadvantaged students and boys
- To develop the careers provision to ensure that the school meets the revised statutory guidance
- To implement and embed C-POMS to ensure that child protection procedures are robust and that safeguarding arrangements meet requirements of the revised statutory guidance

## **Outcomes**

- Embed the use of academic performance data so that all staff are confident to track student progress, especially in key groups, and plan appropriate intervention
- Ensure the accuracy of predictions given new specifications (GCSE and A Level) and gradings 9-1
- To ensure that the progress of disadvantaged students from different starting points matches the progress of other students
- To ensure that the progress of boys from different starting points matches the progress of girls

## **Sixth Form**

- Review the post-16 curriculum offer and entry requirements in light of the new academic focus of the reformed A levels
- To embed the post-16 programme and calendar in light of it being a two year programme from 2017
- To monitor and improve the quality of teaching and outcomes to ensure that they are consistently strong across all subjects
- To review the format of reporting and assessment at KS5 in light of whole school changes at KS3 and 4
- To explore meaningful collaboration and new ways of marketing to support post-16 recruitment within and beyond King's

## **School Organisation**

- To work with other local schools to establish meaningful collaborative working to support the education of all students in the local area
- Effectively manage the school budget to ensure that the school can operate without a deficit by 2021 whilst minimising the impact on the effective functioning of the school and students' outcomes.
- Undertake a review of the schools MIS

## **Curriculum**

The King's School ensures that it is fully up to date with the latest Department for Education announcements on curriculum reform. Among many others these include: changes to the Level 2 equivalent qualifications, the introduction of the EBacc qualifications for certain GCSE subjects, the changed structure to existing GCSEs, changes to the format of AS/A2 Levels and new GCSEs and A Levels.

During the academic year 2017-18, the school re-modelled its PE curriculum which saw the overall number of classes reduce from 8 to 6 in every year at Key Stage 3. This also necessitated a re-structuring within the PE department.

At Key Stage 4 and 5 the school continued to ensure that its curriculum was efficient whilst also ensuring that it provided the best progression routes for our students. Consequently the following courses were removed: Electronic Products at Key Stage 4 and Media and Economics at Key Stage 5.

Finally, students now start their Core RE GCSE course in Year 9. This is a short course qualification equivalent to 0.5 of a GCSE. Students will complete this across Year 9 and Year 10 (which ensures greater time for the delivery of this course). The time saved by removing it from year 11 will be re-deployed across the key stage 4 curriculum to ensure that sufficient time is given to deliver the increased content of the new GCSE courses. This will benefit all key stage 4 courses and also remove the need to revise for an additional qualification in Year 11 which would support our students during their revision and examination times.

### **Pupil Premium (PP)**

The school receives a sum of money based on Free School Meals (FSM) + 6 (anyone taking or having taken FSM in the last 6 years), students whose parents are in the services, those who are Looked After or adopted from care (post LAC). This is a proxy measure designed to address performance of students who are deemed to be suffering from, or at risk of, deprivation. The school must use the lump sum of money to address progress of any students who we deem to be at risk of deprivation inhibiting their learning and progress. The money is spent on:

- Reducing class sizes in maths and English through years 7-11 – with some further decrease in year 7 for a targeted literacy lesson each week.
- Buying in additional teachers to release key maths and English staff to provide small group targeted intervention for disadvantaged students.
- Employing two Learning coaches who mentor students, track progress and ensure that provision is targeted.
- Employing two Thrive practitioners to support the emotional needs of our disadvantaged students
- Providing financial support to families to pay for subject specific materials or trips/visits to enable students to access the full curriculum.
- Providing one-to-one tuition for year 11 students in maths and English.
- Supporting families financially to enable their children to access the full range of extra-curricular activities which have included drama tuition and music lessons
- Running a daily homework club specifically for disadvantaged students
- The school employs a designated teacher who attends Personal Education Plan meetings and any other meeting (and maintain the necessary paperwork) relating to the student in care.
- Providing students in receipt of free school meals with ICT equipment
- Running an ASPIRE programme to provide a range of opportunities to inspire and raise the aspirations of disadvantaged students
- Working with other agencies such as the Donkey Sanctuary to provide mental health support to vulnerable students
- The purchase of additional EWO hours to support improved attendance for our disadvantaged students.
- Providing counselling specifically for disadvantaged students
- Providing alternative learning environments such as the King's garden
- Supporting girls from disadvantaged families with sanitary products
- Providing all year 7 students in receipt of free school meals with a school starter kit, including stationery and calculator

### **Achievements and Performance**

In 2018, students sat the new, reformed GCSEs in (almost) all of their subjects. These are wider and deeper in content and have either seen the removal of all coursework components or a reduced weighting given to the practical elements compared to the theory examination. In 2019, all students will be examined in the new GCSE subjects.

The King's School consistently maintains high academic standards at both Key Stage 4 and 5. The attainment of students at GCSE is significantly above national figures, as shown in the percentages of students achieving grade 5 or above in English and maths GCSE (51% against 40.7% nationally) and in our Attainment 8 score: 50.8 against 45.6 nationally.

The school sets targets using Fischer Family Trust benchmarks based on progress in the top 20% of schools nationally. Detailed breakdown of data is available from the school website and from ASP (Analysing School Performance).

The school does not report outcomes separately for EAL or LAC students as the numbers are too few to be significant and may allow for identification of the individual. SEN data is reported under progress, as is FSM.

The tables below show data for 2017 and 2018:

#### A Level Results 2017:

Grade	No	%	Percentage Grades				
A*	34	11.4	29.9	55	74.1	92.2	98.9
A	55	18.5					
B	75	25.1					
C	57	19.1					
D	54	18.1					
E	20	6.7					
U	3	1.0					

#### A Level Results 2018:

Grade	No	%	Percentage Grades				
A*	10	2.9	20.3	44.1	76.9	93.2	98.9
A	62	18.3					
B	93	27.5					
C	97	28.6					
D	52	15.3					
E	21	6.2					
U	3	0.8					

#### Points Scores: A Level 2017

Group	Average Total Pt score per student	Average Total Pt score per entry
Males	102.8	35.16
Females	114.1	37.91
All Students	108.0	36.44

Key    A\* = 60                      A = 50                      B = 40

#### Points Scores: A Level 2018

Group	Average Total Pt score per student	Average Total Pt score per entry
Males	99.89	33.3
Females	103.46	34.71
All Students	101.8	34.05

C=30                      D=20                      E=10

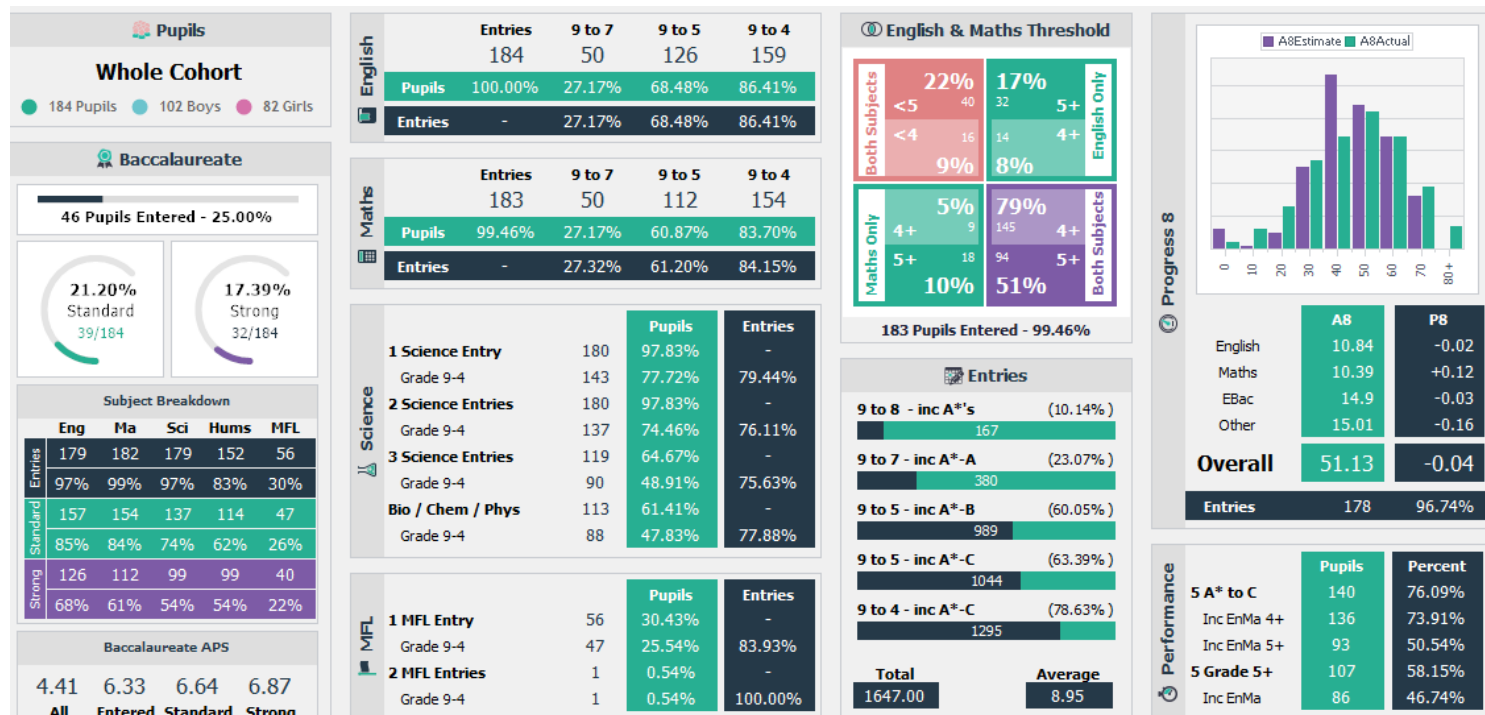
#### Extended Project Results 2017:

Grade	No	%	Percentage Grades				
A*	41	44.5	57.5	72.7	81.4	91.2	95.5
A	12	13.0					
B	14	15.2					
C	8	8.7					
D	9	9.8					
E	4	4.3					
U	4	4.3					

#### Extended Project Results 2018:

Grade	No	%	Percentage Grades				
A*	42	46.1	69.1	81.1	96.4	98.5	100
A	21	23.0					
B	11	12.0					
C	14	15.3					
D	2	2.1					
E	1	1.0					
U	0	0					

## GCSE RESULTS



## Narrowing the Gap 2018

	Disadvantaged pupils	Other pupils
Number of Pupils	25	158
Percentage of Pupils	14%	86%
Percentage achieving grade 5+ in English & maths	36%	54%
Attainment 8	47.04	52.01
Progress 8	-0.16	-0.02

## Key Performance Indicators

Although the key measures of success for the Academy Trust are reflected in the earlier achievements section of this report, the Trustees have agreed a number of key performance indicators which support the assessment and monitoring of the school's performance. These are as follows:

KPI	Aug 2018	Aug 2017	Aug 2016	Aug 2015	Aug 2014	Aug 2013	Aug 2012	Comment
Total Staffing costs as a percentage of GAG* income	84.9%	88.0%	87.3%	88.4%	87.6%	87.7%	83.2%	Staffing costs including non-teaching (excluding catering and cleaning staff)
Income per pupil	£5,217	£4,963	£4,987	£4,840	£4,937	£4,812	£4,872	Income on an annualised basis (excluding catering, Restricted General other Funds, Income from Conversion and Capital) - Pupils on roll at Jan census
Pupil to Teacher (FTE) ratio	18.33	17.94	18.29	17.78	17.34	17.78	17.83	Includes Unqualified Teachers
Current Ratio	2.23	4.20	7.10	3.47	3.32	2.74	2.85	The ability of the school to meet its short term financial obligations
Admissions Ratio	1.91	1.80	2.06	2.14	1.93	1.83	2.04	No of applications (1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Preference) to the number accepted on roll
Non-GAG to GAG* ratio	14.03%	13.07%	15.34%	13.84%	12.08%	11.1%	10.1%	Target increasing funding from non-GAG sources (excluding Restricted General other Funds, Income from Conversion and Capital)

\*GAG – General Annual Grant provided by the DfE.

## Other Achievements

### Students

The Academy Trust provides for a comprehensive extra-curricular programme which over the period has included:

- Fielding five teams in Ten Tors 2018 – all of whom completed.
- Further extended the link with a Children's home and school in Tamil Nadu, India through a UK based charity.
- Sending 126 Christmas boxes to our link charity in Moldova.
- Raising over £13,500 for charity.
- Sending students to New York, Paris, Normandy, Ardeche, India (and more) as curriculum enhancement.
- Holding a highly successful project week with all students taking part in activities abroad or in the UK.
- Continuing to develop our leadership programme with advanced leadership schemes sitting alongside the prefect system, JSLA, CSLA, Literacy Leaders, Maths Leaders, Language Leaders, House Leaders and more.
- Encouraging volunteering amongst the student body to achieve both internal and external accreditation.
- Developing Mindfulness Leaders to work alongside our Teen Health Group, our 6<sup>th</sup> Form Teen Health Group, Anti Bullying Ambassadors and Mental Health volunteers.
- Students in Years 7, 8 and 9 took part in The Big Draw competition to promote visual literacy.
- Ensuring that the House Councils feed into the School Parliament so that it is more accountable to the student body.
- Further enhanced a Spanish Exchange Programme with a school in Madrid and a French exchange with a school in Strasbourg.
- Extending links with Higher Education providers including a G&T trip to Oxford University developing a strong link with Exeter College, Oxford.
- Hosted an International Youth on the Air Day event.

### General

- Held a Sports Presentation Evening for students and parents.
- Held an Academic Presentation Evening for students and parents.
- Held a final Record of Achievement ceremony for students and parents.

- Staged a Production of Hound of the Baskervilles.
- Staged an Arts and Technology Celebration Evening.
- Staged a "Battle of the Bands" evening.
- Held workshops by a range of visiting guests.
- Hosted visits from Town and County councillors.
- Trained new teachers to the profession.
- Maintained and developed our Business Forum to ensure that students get regular contact with local Business Partners and the world beyond school.
- Conducted Mock Interviews with local business partners for all Year 11 students.
- A number of students completed their bronze and silver Duke of Edinburgh Award.

## External Achievements

U1 Boys East Devon CrossCountry Runners Up	U16 Boys East Devon Cross Country Champions
U12 Boys East Devon Cross Country Runners Up	U16 Girls East Devon Cross Country Runners Up
U13 Boys East Devon Indoor Cricket Runners Up	U13 Boys Devon Indoot Cricket Champions
U15 Girls Exeter and East Devon Softball Cricket Champions	U16 Boccia Ability Counts Devon and South West Champions
Boys East Devon Badminton Champions	U15 Girls East Devon Badminton Champions
U13 Boys Badminton East Devon Runners Up	U14 Girls Devon Badminton Champions
U18 Boys Badminton Devon Champions	U18 Girls Badminton Devon Runners Up
U12 Boys East Devon Futsal Champions	U12 Devon Futsal Bronze Medallists
U18 Boys Football Devon Runners Up	U16 Boys Football Exeter and East Devon Runners Up
U15 Boys Devon Handball Runners Up	U16 Boys Hockey East Devon Champions
U13 Girls Hockey East Devon Champions	Overall East Devon Swimming Runners Up
U13 East Devon Swimming Runners Up	U15 Girls Athletics East Devon Champions
U15 Boys Athletics East Devon Champions	U13 Girls Athletics East Devon Champions
Overall Boys Athletics East Devon Champions	Overall Girls Athletics East Devon Champions
U12 Athletics East Devon Super 8 Champions	U12 Athletics Devon Super 8 Runners Up
U14 Athletics East Devon Super 8 Champions	U14 Athletics Devon Super 8 Bronze Medallists
Winner of the Exeter Schools Cook off at the Exeter Food Festival	
The school was awarded the National Schools Games Mark Gold Award for the third year running	
1 <sup>st</sup> Place in the Devon Round of the National Schools Karting Championships	

## Going Concern

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

## Financial review

Despite continued financial uncertainty and turbulence in government funding and projected in-year deficits from 2018/19 onwards, the Trustees are content that the Academy Trust is in a strong financial position due to a culture and history of prudent financial management and governance. The Trustees remain committed to ensuring that any funds expended, will impact positively on the teaching and learning of our students.

### *Restricted funds:*

Over this reporting period, the Academy Trust received a General Annual Grant of £5,259k which is the primary mechanism for funding the schools objectives. Despite our GAG carry forward from last year being £52k our additional income from other sources allowed us to spend £5,889k on the academies primary educational operational expenditure (£5,259k of which came from GAG). A transfer of £249k from GAG was completed in this period to support capital investments.

The income relating to pupil premium remained at the same rate as the prior reporting period at £935 per eligible pupil. The specific interventions relating to Pupil Premium are highlighted earlier in this report. The expenditure is supplemented by GAG as some interventions support a wider student population than just those who are identified as warranting pupil premium intervention.

The fund to support developing schools across the Jurassic Coast Teaching Schools Alliance (JCTSA), remains in place this year as the project continues. Similarly our role as a School Games Organiser continues therefore the Sports Partnership and Games fund remains.

### *Restricted Fixed Asset Funds:*

During the period, the school has seen significant investment in Capital projects both through investment directly from the school and devolved capital funds with additions of £1,003k. The school was successful in obtaining funds from local development to support a canteen extension of £515k.

### *Unrestricted:*

The Academy trust brought forward an Unrestricted Fund balance of £862k. During the reporting period incoming resources associated with Canteen Income, Traded activities and donations amounted to £433k and the cost of generating such income was £365k. The unrestricted funds at the end of the period are £687k. A transfer of £243k from Unrestricted funds was completed in this period to support capital investments.

## **Reserves Policy:**

The Trustees recognise the need to maintain a reserve to support:

- The need for working capital.
- Unexpected expenditure due to risks materialising.
- Short-term shortfalls in income if payments from income sources were delayed or incorrect.
- The three year projected costs of the Academy Trust in an environment where government income falls below the inflationary costs of the academy.

The main reason for maintaining reserves is to support significant unforeseen risks that materialise despite mitigations that have been put in place. A level of resources from the Unrestricted Fund will be carried forward as a risk budget but to also support capital investment (at the end of this period £687K).

The amount to be carried forward from the General Annual Grant is no longer subject to restrictions stipulated by the DfE as a deed of variation was agreed between the Trust and the DfE on the 11<sup>th</sup> April 2013 but at the end of this period was £nil.



Balancing the risks associated with a site and facilities that require investment to maintain effectively, the total reserves across the three funds will be in the long term maintained between two thresholds:

Reserve Min: £200,000

Reserve Max: £450,000 (approximately 1 month operational costs)

If the level of reserves exceeds the maximum stated, the Trustees would seek to invest the funds in capital improvements for the benefit of the school. However, at the current time the trust are very conscious that the 3 year forecast for the academy, projects an in-year deficit due to restrained government income, the local interpretation of the National Funding Formula by DCC coupled with rising costs such as Teachers' Pensions and the abolition of discounted National Insurance contributions. Whilst some re-structuring of the curriculum has taken place to ensure the school is on a more sustainable footing, the uncertainty and fluctuations with the Trust's main source of income continues to challenge longer term decision making as such reserves are held at a higher level than identified in the policy.

The minimum reserve should be maintained where possible and not used for standard operational expenditure. The reserve is held to meet the objectives described above and as such should only be drawn from in the event of a risk materialising or a short term shortfall in income to meet expenditure. This policy is subject to an annual review and will be adjusted to ensure the needs of the academy are met dependent on the financial environment at the time.

#### **Investment Policy:**

Although the current economic climate is not conducive to achieving high returns in low risk investments, the Trustees are committed to ensuring that all funds managed by the academy on their behalf are used in such a way as to maximise return whilst minimising risk. This is not a key activity for the school and the risk profile of any investments made should be low but should provide an effective utilisation of school assets.

The cash held by the school will only be deposited in bank accounts with an FSA Approved provider. Where cash is not required to meet operating expenses, the Trustees will seek to invest this in higher rate, low risk deposit accounts.

Where significant funds have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, Trustees may consider the investment of these funds in order to generate a longer term income or capital fund. The approval of the Resources Committee is required before any investments are made.

#### **Principal Risks and Uncertainty:**

With the delayed implementation of the National Funding Formula until September 2021, there remains significant financial uncertainty in the government funding of schools and its impact on The King's School. The continued uncertainty around the local DCC application of the national funding factors and with the additional weighting placed on deprivation factors and prior attainment remains a significant risk to the school. Further uncertainty regarding the government's funding arrangements for schools in relation to increasing employer pension contributions and teachers' pay awards also present a risk. Post 16 numbers and significant SEN funding changes all add significant uncertainty, complexity and risk into forward financial planning. This poses a significant challenge in modelling the future financial position of the school, and poses risks to our operational expenditure. In response to these risks and the level of uncertainty in the five year budget, the school continues to ensure its staffing and curriculum model is financially lean and provides excellent value for money and seeks to maintain best value from all of its procurement.

#### **Plans for Future Periods:**

The strategic priorities for the school are highlighted on Page 7 of this document. The most significant issue facing the school is to maintain excellent educational experiences at both GCSE and A level with a significantly reduced income and rising costs. The published School Improvement Plan details the key aspects of changes or improvements that we are actively pursuing.


#### **Auditor:**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- and

- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 13<sup>th</sup> December 2018 and signed on the board's behalf by:

A handwritten signature in black ink, reading "Stephen Ellison". The signature is written in a cursive style and is positioned above a light blue horizontal line.

Steve Ellison  
Chair of Trustees

## **Governance Statement**

### **Scope of Responsibility:**

As Trustees, we acknowledge we have overall responsibility for ensuring that The King's School 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.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The King's School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the 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 7 times during the reporting period. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meeting Attended	Out of a possible
Dan Bebber	0	0
Ted Bloomfield	4	7
Gordon Bryant	1	1
Sue Cade	3	7
Liz Charles	4	7
Steve Ellison	6	7
Sue Fallows	6	7
Jason Fearn-Smith	3	7
Rob Gammon	7	7
Charlotte Hawkins	0	0
Charlotte Hollingshead	7	7
Becky Jacobs	0	0
Lucy Kennaway	5	7
John Lavender	6	7
Ruth Miles-Haynes	7	7
Robin Mitchell	0	7
Maurice Molloy	6	7
Dave Nicholson	5	7
Alan Paterson	3	7
Susan Starr	5	7

Maurice Molloy, a qualified accountant had accepted the role of Responsible Officer and completed the internal audit for the trust during his time as Trustee; Gordon Bryant has since joined the Trust as a Trustee and is also a qualified accountant and has accepted the role of Responsible Officer.

Since the last reporting period, Dr D Bebber, Mrs C Dunford, Mrs R Higginson and Mr M Molloy have left the Board of Trustees and Mr G Bryant, Dr C Hawkins, Mrs R Jacobs were appointed.

The Trustees maintain a full skills audit of the board members in order to inform future appointments and identify any gaps in knowledge as well as support development of existing board members.

The table below describes the three formal committees of the Board of Trustees during the period and the attendance is shown in the following table.

Committee	Responsibilities
Resources	Dealing with all matters relating to finance, sites and buildings including all salary related issues.
Curriculum & Quality	Dealing with all matters relating to the quality of teaching and learning including the curriculum and staffing issues.
Pay and Performance	Annual review and approval of staff performance and related salary changes.

	Resources		Curriculum & Quality		Pay & Performance	
Trustee	Meeting Attended	Out of a possible	Meeting Attended	Out of a possible	Meeting Attended	Out of a possible
Dan Bebber	-	-	0	0	-	-
Ted Bloomfield	-	-	3	5	0	1
Gordon Bryant	1	1	-	-	-	-
Sue Cade	-	-	4	5	1	1
Liz Charles	-	-	4	5	1	1
Steve Ellison	4	5	-	-	1	1
Sue Fallows	4	5	5	5	-	-
Jason Fearn-Smith	-	-	3	5	-	-
Rob Gammon	5	5	5	5	1	1
Charlotte Hawkins	-	-	3	5	-	-
Charlotte Hollingshead	-	-	5	5	-	-
Becky Jacobs	2	5	-	-	-	-
Lucy Kennaway	4	5	-	-	-	-
John Lavender	5	5	-	-	1	1
Ruth Miles-Haynes	-	-	5	5	-	-
Robin Mitchell	-	-	1	5	0	1
Maurice Molloy	5	5	-	-	-	-
Dave Nicholson	-	-	5	5	-	-
Alan Paterson	4	5	-	-	-	-
Susan Starr	3	5	-	-	-	-

As well as the above formal committees the Governing Board has established a working party focused on Academic Data. It does not hold any delegated powers or decision making responsibility however supports the relevant committee by deepening governors understanding of academic data.

## **Review of Value for Money**

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the 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. The accounting officer for the academy trust has delivered improved value for money during the year by:

### *1. Improving outcomes with appropriate use of financial oversight and governance*

The School is governed by a body drawn from staff, parents, and those appointed by the Trustees themselves to ensure that the governing board maintain the breadth of skills required to support and challenge the school. The Board of Trustees meets at least four times a year and is committed to ensuring that governance of the School's financial management is robust. It approves the budget and reviews it throughout the year and is mindful of the need to balance expenditure against income to ensure the Academy remains a "going concern". As such the budget is always completed on an annual income vs. expenditure basis with little or no reliance on the schools reserves. The Board of Trustees takes an active interest in teaching and learning within the Academy, receiving updates on tracking data and holding the Senior Leadership Team accountable for performance.

More detailed financial oversight is supplied by the Resources Committee, which currently meets five times per year. The Committee has a clear Terms of Reference which is reviewed annually. The Committee membership includes the Headteacher and Responsible Officer (a qualified accountant). The Committee receives regular budget monitoring management reports which are provided in a consistent format and with explanatory notes. They receive 3 reports a year from the Responsible Officer's review of the schools controls and financial management systems. They consider and ratify policies, scrutinise the schools budget forecast and ensure that the school complies with agreed policies and procedures. Spending proposals outside of the budget setting process are brought to the Resources committee for approval. The Committee considers the annual reports and financial statements, and makes recommendations to the Governing Board, who approve the Annual Report and Accounts.

The Resources Committee is also responsible for maintenance of the School's Risk Register, which it reviews at bi-annually, taking into account changes in the wider political and economic climate. This helps direct the school plan strategically to avoid wasting time, money or resources.

The school's senior leadership team reviews the detailed budget performance every half term as a standing agenda item in senior leadership meetings so that the impact on teaching and learning and hence value for money is a key consideration across the senior staff. The school has a clear financial delegation and control framework as set out in our financial policy and management handbook (available on our website) which details budget holders and other responsibilities and accountabilities. When setting the budget the Senior Leadership Team and Trustees, consider a number of options and scenarios to both deliver the core aims and objectives of the academy and elements of the school development plan that require specific financial and other resources.

### *2. Improved Purchasing*

The School takes a prudent approach to expenditure. As around 85% of the Academy's government budget is spent on staffing, the staffing is reviewed annually to ensure that value for money in meeting the needs of our students and delivering the objectives detailed in the school development plan. Temporary changes to permanent contracts are frequently used to ensure that longer term value for money is achieved.

All of the schools supply contracts are regularly reviewed (at least annually) to ensure they are delivering value for money and re-negotiated / tendered as appropriate and remain fit for purpose. A particular focus of recent contract negotiation has been success criteria and ensuring that contract wording is focussed on the positive outcomes for the school. The school has a clear procurement and purchasing policy as laid down in the Financial Policy and Management Handbook which is available on our website. All purchasing follows best value principles. A scheme of delegation is in place, as are separation of duties. Purchases of over £5,000 require three written quotations, and contracts and orders over £10,000 are authorised by the Resources Committee. All goods and services ordered with a value of over £50,000, or for a series of contracts which in total exceed £50,000 are subject to formal tendering

procedures and authorised by the Resources Committee. Competitive tendering procedures are detailed in the Finance Policy and Management Handbook.

Locally sourced and national benchmarking data is used to inform the procurement process; however, sharing procurement experiences, detailed approaches to specific requirements and lessons learnt with other organisations has delivered significant benefits. Where possible and beneficial, the school will seek to obtain best value from economies of scale purchasing either between schools, frameworks or using Devon county purchasing services. Caution must be exercised however as we have found that the cost associated with administration and management of some larger bulk contracts (such as cleaning and grounds maintenance and payroll) have not provided value for money and alternative approaches have been adopted. Options for different approaches for delivery of the schools core services are always considered when contracts are reviewed (e.g. bringing Payroll in house which increased the quality of service provided to employees and reduced the total cost by greater than 30%).

### *3. Improving Income Generation*

The school has a lettings policy in place and explores opportunities to generate income through the hire of the premises outside of core curriculum time. A proactive approach is taken towards bids for possible future funding as well as seeking opportunities to support the wider educational community in school improvement and support services.

### *4. Reviewing Costs and Managing Risks*

The Board of Trustees has reviewed the major risks, focusing on operational, financial, governance, compliance and reputational risk, and has taken steps to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk. All of these are documented in an academy risk register which is updated and reviewed biennially.

The Trustees review the reserve levels of the Academy annually and we have a Reserves Policy in place which is again reviewed annually. The reserves policy is maintained to deal with some unforeseen risks, those that are cost prohibitive to mitigate further, those that are not covered by our comprehensive insurance policy and provide sufficient working capital to cover any delays between receiving income and committing expenditure. Insurance levels are reviewed annually to ensure appropriate cover is in place and the solution is cost effective.

### *5. Lessons Learned*

The very close link between the curriculum and the budget is even more evident now than ever. The school recognises the importance of early information gathering with regards to option choices at year 9 and 11 so that the curriculum and staffing match can be as accurate as possible. This enables the school to design a timetable and staff timetable which minimises any wastage in staffing costs. The school has also recognised that some of the collaborative partnerships can pool finances to achieve better outcomes: E.g. the purchasing of the NISAI programme by three local schools jointly funding the purchase. As the staffing costs for the school are high compared to other schools we know we have to ensure that this provides value for money in terms of outcomes for students. Currently a large number of our staff are highly experienced thus generate high salary costs. However, we have learnt that in terms of student outcomes we would always appoint the best person for the role irrespective of their staffing cost as they are likely to provide the best outcomes for the students. Our results justify this budgetary decision as does our Outstanding OfSTED judgement in all categories in March 2014.

### **The Purpose of the System of Internal Control:**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The King's School Academy Trust for the period 1<sup>st</sup> September 2017 to 31<sup>st</sup> August 2018 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk:**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The Risk and Control Framework:**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, for the year ending 31<sup>st</sup> August 2018, the Trustees have appointed Mr M. Molloy, a Trustee and qualified accountant, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems including testing payroll, control accounts and purchasing systems. On a termly basis, the RO reports to the Board of Trustees on the operation of the systems of control.

### **Review of Effectiveness:**

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the Business Manager within the Academy Trust who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources 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 13<sup>th</sup> December 2018 and signed on its behalf by:



Steve Ellison  
Chair of Trustees



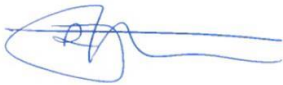
Robert Gammon  
Accounting Officer

## **Statement on Regularity, Propriety and Compliance**

As accounting officer of The King's School 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 ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.



Robert Gammon  
Accounting Officer

13th December 2018



## **Statement of Trustees' Responsibilities**

The Trustees (who act as Trustees for charitable activities of The King's School Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

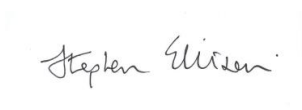
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the members of the Board of Trustees on 13<sup>th</sup> December 2018 and signed on its behalf by:



Steve Ellison  
Chair of Trustees

## **Independent Auditor's Report on the Financial Statements to the Board of Trustees of The King's School Academy Trust**

### **Opinion**

We have audited the financial statements of The King's School Academy Trust for the year ended 31 August 2018 which comprises the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006;
- have been prepared in accordance with the Academies Annual Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

### **Basis for Opinion**

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

### **Conclusion relating to going concern**

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

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

### **Other information**

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

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

## **Independent Auditor's Report on the Financial Statements to the Board of Trustees of The King's School Academy Trust**

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees Report for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report and Financial Statements.

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

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 23], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the audit of the financial statements**

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

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

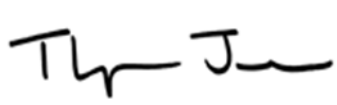
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Academy's internal control.

## **Independent Auditor's Report on the Financial Statements to the Board of Trustees of The King's School Academy Trust**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- 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 Academy'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 Academy 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy 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.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's Trustees 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 Academy and its Trustees as a body, for our audit work, for this report, or for the opinion we have formed.



.....  
SIMON LEWIS (Senior Statutory Auditor)  
For and on behalf of Thompson Jenner LLP, Statutory Auditor  
1 Colleton Crescent,  
Exeter, Devon.  
EX2 4DG

## **Independent Reporting Auditor's Assurance Report on Regularity to the Board of Trustees of The King's School Academy Trust Limited and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 9 March 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of The King's School Academy Trust's accounting officer and the reporting auditor**

The Accounting Officer is responsible, under the requirements of The King's School Academy Trust's funding agreement with the Secretary of State for Education dated 31<sup>st</sup> March 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies: Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

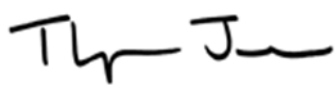
The work undertaken to draw to our conclusion have been designed to comply with the requirements set out in The Accounts Direction 2017 to 2018 and includes:

- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant assumptions

**Independent Reporting Auditor's Assurance Report on Regularity to the Board of Trustees of The King's School Academy Trust Limited and the Education Funding Agency Continued**

**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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink, appearing to read 'Th J', is positioned above a horizontal dotted line.

.....  
SIMON LEWIS (Senior Statutory Auditor)  
For and on behalf of Thompson Jenner LLP, Chartered Accountants  
1 Colleton Crescent,  
Exeter, Devon.  
EX2 4DG

**Statement of Financial Activities for Year to 31 August 2018****(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Donations and Capital Grants	2	11,101	2,000	539,733	<b>552,834</b>	27,898
Transfer from Local Authority on incorporation		-	-	-	-	-
Income from other trading activities	3	99,336	-	-	<b>99,336</b>	52,625
Investment income	4	7,699	-	-	<b>7,699</b>	6,834
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	315,346	5,890,149	-	<b>6,205,495</b>	6,120,970
<b>Total incoming resources</b>		<b>433,482</b>	<b>5,892,149</b>	<b>539,733</b>	<b>6,865,364</b>	<b>6,208,327</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Fundraising trading		-	-	-	-	-
<i>Charitable activities:</i>						
Academy's educational operations	7	364,954	5,968,707	422,534	<b>6,756,195</b>	6,628,213
Development costs	7	-	-	-	-	-
<b>Total resources expended</b>	6	<b>364,954</b>	<b>5,968,707</b>	<b>422,534</b>	<b>6,756,195</b>	<b>6,628,213</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>68,528</b>	<b>(76,558)</b>	<b>117,199</b>	<b>109,169</b>	<b>(419,886)</b>
<b>Transfers</b>						
Gross transfers between funds	15	(242,713)	(249,334)	492,047	-	-
<b>Net income / (expenditure) for the year</b>		<b>(174,185)</b>	<b>(325,892)</b>	<b>609,246</b>	<b>109,169</b>	<b>(419,886)</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pension schemes	15,25		587,000		<b>587,000</b>	356,000
<b>Net movement in funds</b>		<b>(174,185)</b>	<b>261,108</b>	<b>609,246</b>	<b>696,169</b>	<b>(63,886)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2017	15	861,555	(2,537,480)	15,085,780	<b>13,409,855</b>	13,473,741
<b>Total funds carried forward at 31 August 2018</b>		<b>687,371</b>	<b>(2,276,372)</b>	<b>15,695,026</b>	<b>14,106,024</b>	<b>13,409,855</b>

All of the Academy's activities derive from continuing operations during the above financial period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

**Balance Sheet as at 31 August 2018**

	Notes	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Tangible assets	11		15,695,340		15,114,907
Total fixed assets			15,695,340		15,114,907
<b>Current assets</b>					
Stock	12	500		1,000	
Debtors	13	209,486		150,854	
Cash at bank and in hand		1,085,253		1,039,742	
Total current assets		1,295,239		1,191,596	
<b>Liabilities:</b>					
<b>Creditors:</b> Amounts falling due within one year	14	(579,555)		(279,648)	
<b>Net current assets</b>			715,684		911,948
Total assets less current liabilities			16,411,024		16,026,855
<b>Creditors:</b> Amounts falling due after more than one year	14		-		-
<b>Net assets excluding pension liability</b>			16,411,024		16,026,855
Pension scheme liability	25		(2,305,000)		(2,617,000)
<b>Net assets including pension liability</b>			14,106,024		13,409,855
<b>Funds of the academy:</b>					
<b>Restricted funds</b>					
Fixed asset fund(s)	15		15,695,026		15,085,780
Pension Reserve	15		(2,305,000)		(2,617,000)
Restricted General funds	15		9,050		60,072
Restricted General Other Funds	15		19,578		19,448
<b>Total restricted funds</b>			13,418,654		12,548,300
<b>Unrestricted funds</b>					
General funds	15		687,370		861,555
<b>Total unrestricted funds</b>			687,370		861,555
<b>Total Funds</b>			14,106,024		13,409,855

The financial statements on pages 29 to 55 were approved by the Trustees, and authorised for issue on 13<sup>th</sup> December 2018 and signed on their behalf by:



**Steve Ellison**  
Chair



**Cash Flow Statement for the year ended 31 August 2018**

		<b>2018 £</b>	<b>2017 £</b>
<b>Net cash inflow/(outflow) from operating activities</b>	19	<b>501,046</b>	191,154
Returns on investments and servicing of finance	20	<b>7,699</b>	6,834
Capital expenditure	21	<b>(463,234)</b>	(360,245)
<b>Increase/(decrease) in cash in the period</b>	22	<b>45,511</b>	<b>(162,257)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net Funds at 1 September 2017		<b>1,039,742</b>	1,201,999
<b>Net funds at 31 August 2018</b>		<b>1,085,253</b>	<b>1,039,742</b>

## **Notes to Financial Statements for the Year Ending August 2018**

### **Note 1. Statement of accounting policies:**

#### **Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The King's School Academy Trust meets the definition of a public benefit entity under FRS 102.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Going Concern**

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

#### **Incoming Resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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 and there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised 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 goods have been provided or on completion of the service.

## Note 1. Statement of accounting policies (Continued):

- **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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and 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.

### Resources Expended

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

- **Costs of generating 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.

All resources expended are inclusive of irrecoverable VAT.

## Note 1. Statement of accounting policies (Continued):

### Tangible Fixed Assets

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. Assets below this value where they form part of one larger project are also capitalised as part of that project.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged 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.

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 lives, as follows:

- |                         |                        |
|-------------------------|------------------------|
| • Freehold buildings    | 50 Years straight line |
| • Building Improvements | 10 Years               |
| • Plant and Machinery   | 10 Years               |
| • Vehicles              | 10 years               |
| • Furniture             | 10 Years               |
| • ICT equipment         | 4 Years                |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

### Leased Assets

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

### Stock

Unsold catering material is valued at the lower of cost or net realisable value.

### 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.

### 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.

## Note 1. Statement of accounting policies (Continued):

### Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

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

### 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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

### 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.

**Note 1. Statement of accounting policies (Continued):**

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

Restricted general funds comprise all other restricted funds received and include grants with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

**Critical accounting estimates and areas of judgement**

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Note 2. Donations and capital grants**

	Unrestricted Funds	Restricted Funds	2018 Total	2017 Total
	£	£	£	£
Devolved Formula Capital allocations	-	24,281	<b>24,281</b>	24,411
CIF Capital Grant	-	-	-	-
Local Developer Capital Donation	-	515,452	<b>515,452</b>	-
Other Donations	11,101	2,000	<b>13,101</b>	3,487
	<b>11,101</b>	<b>541,733</b>	<b>552,834</b>	<b>27,898</b>

The income from donations and capital grants was £552,834 (2017: £27,898) of which £11,101 was unrestricted (2017: £3,487), £2,000 restricted (2017: £nil) and £539,733 restricted fixed assets (2017: £24,411).

**Note 3. Income from other trading activities**

	Unrestricted Funds	Restricted Funds	2018 Total	2017 Total
	£	£	£	£
Hire of Facilities	9,966	-	<b>9,966</b>	9,812
Other Services	89,370	-	<b>89,370</b>	42,813
	<b>99,336</b>	<b>-</b>	<b>99,336</b>	<b>52,625</b>

The activities for generating funds was £99,336 (2017: £52,625) of which £99,336 was unrestricted (2017: £52,625), £nil restricted (2017: £nil) and £nil restricted fixed assets (2017: £nil).

**Note 4. Investment income**

	Unrestricted Funds	Restricted Funds	2018 Total	2017 Total
	£	£	£	£
Short term deposits - Interest	7,699	-	<b>7,699</b>	6,834
	<b>7,699</b>	<b>-</b>	<b>7,699</b>	<b>6,834</b>

The investment income was £7,699 (2016: £6,834) of which £7,699 was unrestricted (2017: £6,834), £nil restricted (2017: nil) and £nil restricted fixed assets (2017: £nil).

**Note 5. Funding for Academy's educational operations**

	Unrestricted Funds	Restricted Funds	2018 Total	2017 Total
	£	£	£	£
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG)	-	5,259,566	<b>5,259,566</b>	5,238,783
16-19 Bursary Fund	-	14,852	<b>14,852</b>	15,042
Pupil Premium	-	118,843	<b>118,843</b>	120,888
Other DfE / EFA grants	-	-	-	-
		<b>5,393,261</b>	<b>5,393,261</b>	<b>5,374,713</b>
<b>Other Government grants</b>				
SEN from Local Authority	-	168,479	<b>168,479</b>	121,991
JCTSA	-	1,528	<b>1,528</b>	350
EDLAP from LA	-	5,833	<b>5,833</b>	10,000
School Games Organiser	-	26,433	<b>26,433</b>	27,195
<b>Other income from Educational Operations</b>				
Catering Income	265,697	-	<b>265,697</b>	299,416
Educational Activities Income	49,649	8,024	<b>57,673</b>	64,325
Trips and Visits	-	286,591	<b>286,591</b>	222,983
	<b>315,346</b>	<b>496,888</b>	<b>812,234</b>	<b>746,257</b>
	<b>315,346</b>	<b>5,890,149</b>	<b>6,205,495</b>	<b>6,120,970</b>

*The funding of the academies educational operations was £6,205,495 (2017: £6,120,970) of which £315,346 was unrestricted (2017: £362,238), £5,890,149 restricted (2017: £5,758,732) and £nil restricted fixed assets (2017: £nil).*



**Note 6. Resources Expended**

	<b>Staff</b>	<b>Non Pay Expenditure</b>		<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>Premises</b>	<b>Other Costs</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Costs of activities for generating funds	-	-	-	-	-
Academy's educational operations					
Direct costs	4,114,460	402,720	476,461	<b>4,993,641</b>	5,117,714
Allocated support costs	804,059	300,886	590,609	<b>1,762,554</b>	1,510,500
Development costs	-	-	-	-	-
	<b>4,918,519</b>	<b>703,606</b>	<b>1,067,070</b>	<b>6,756,195</b>	<b>6,628,214</b>

**Net Incoming/(outgoing) resources for the year include:**

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Operating leases		<b>6,356</b>	6,542
Fees payable to auditor	- audit	<b>5,000</b>	5,000
	- other	<b>800</b>	800

**Included within the expenditure are the following transactions:**

<b>Description</b>	<b>Totals</b>	<b>Amount</b>	<b>Reason</b>
Fixed Asset Losses	(33,333)	(33,333)	Builders Deposit who failed to complete work to required standard

*The resources expended was £6,756,195 (2017: £6,628,214) of which £364,954 was unrestricted (2017:£317,800), £5,968,707 restricted (2017: £5,926,397) and £422,534 restricted fixed assets (2017: £384,017).*

**Note 7. Charitable Activities - Academy's educational operations**

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
<b>Direct costs</b>				
Teaching and educational support staff costs	60,141	4,054,319	<b>4,114,460</b>	4,267,344
Depreciation	-	402,720	<b>402,720</b>	364,658
Technology Costs	-	39,080	<b>39,080</b>	27,099
Educational supplies	-	210,952	<b>210,952</b>	226,811
Examination fees	-	119,626	<b>119,626</b>	110,660
Staff development	-	12,570	<b>12,570</b>	21,312
Educational consultancy	-	25,474	<b>25,474</b>	37,669
Other direct costs	3,056	65,703	<b>68,759</b>	62,161
	<b>63,197</b>	<b>4,930,444</b>	<b>4,993,641</b>	<b>5,117,714</b>
<b>Allocated support costs</b>				
Support staff costs	121,165	682,894	<b>804,059</b>	721,808
Depreciation	-	19,814	<b>19,814</b>	19,366
Technology costs	-	46,557	<b>46,557</b>	36,366
Recruitment and support	-	12,424	<b>12,424</b>	14,219
Premises Costs	-	300,886	<b>300,886</b>	216,552
Other Support Costs	-	26,407	<b>26,407</b>	27,807
Pension Finance Charge	-	67,000	<b>67,000</b>	60,000
Catering	180,592	17,090	<b>197,682</b>	178,047
Trips and Visits	-	280,111	<b>280,111</b>	230,275
Governance Costs	-	7,614	<b>7,614</b>	6,060
	<b>301,757</b>	<b>1,460,797</b>	<b>1,762,554</b>	<b>1,510,500</b>
<b>Development costs</b>	-	-	-	-
	<b>364,954</b>	<b>6,391,241</b>	<b>6,756,195</b>	<b>6,628,214</b>

*The resources expended for the Academy's educational operations was £6,756,195 (2017: £6,628,214) of which £364,954 was unrestricted (2017:£317,800), £5,968,707 restricted (2017: £5,926,397) and £422,534 restricted fixed assets (2017: £384,017).*

## Note 8. Staff Costs

Staff costs during the period were:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Wages and salaries	3,745,886	3,815,145
Social security costs	340,170	347,395
Other pension costs	800,064	763,046
Apprenticeship Levy	3,887	1,700
	<b>4,890,007</b>	<b>4,927,286</b>
Supply teacher costs	28,513	34,588
Staff Restructuring Costs	-	27,278
	<b>4,918,520</b>	<b>4,989,152</b>
Staff restructuring costs comprise:		
Redundancy Payments	-	27,278
Severance Payments	-	-
Other restructuring costs	-	-
	<b>-</b>	<b>27,278</b>

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	<b>2018 FTE</b>	<b>2018 Headcount</b>	<b>2017 FTE</b>	<b>2017 Headcount</b>
<b>Charitable Activities</b>				
Teachers	60	70	63	77
Administration and support	59	77	57	76
Management	7	7	8	8
	<b>126</b>	<b>154</b>	<b>128</b>	<b>161</b>

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

	<b>2018 No.</b>	<b>2017 No.</b>
£60,000 - £70,000	2	1
£90,000-£100,000	1	1

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these employees amounted to £25,990 (2017: £14,060).

One of the above employees participated in the Local Government Pension Scheme. During the year ended 31 August 2018, pension contributions for this employee amounted to £9,988 (2017: £9,079)

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for the services they provide to the academy trust was £718,507 (2017: £773,984)

## Note 9. Related Party Transactions - Trustees' Remuneration and Expenses

The Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The remuneration for those staff Trustees that have voting rights and are Trustees are shown below.

	Sept '17 to Aug '18 £	Sept '16 to Aug '17 £
<b>Mr R Gammon (Headteacher)</b>		
Remuneration	£95,000 - £100,000	£95,000 - £100,000
Employer's Pension contributions	£15,000 - £20,000	£15,000 - £20,000
<b>Mrs C Dunford (Staff Trustee)</b>		
Remuneration	-	£40,000 - £45,000
Employer's Pension contributions	-	£5,000 - £10,000
<b>Dr C Hawkins (Staff Trustee)</b>		
Remuneration	£35,000 - £40,000	-
Employer's Pension contributions	£5,000 - £10,000	-
<b>Miss R Higginson (Staff Trustee)</b>		
Remuneration	-	£40,000 - £45,000
Employer's Pension contributions	-	£5,000 - £10,000
<b>Mr D Nicholson (Staff Trustee)</b>		
Remuneration	£20,000 - £25,000	£20,000 - £25,000
Employer's Pension contributions	£0 - £5,000	£0 - £5,000
<b>Mrs R Jacobs (Staff Trustee)</b>		
Remuneration	£45,000 - £50,000	-
Employer's Pension contributions	£5,000 - £10,000	-

During the period ended 31 August 2018, travel and subsistence expenses totalling £0 (2017 - £0) were reimbursed to 0 Trustees (2017 – 0 Trustees).

Other related party transactions involving the Trustees are set out in note 27.

## Note 10: Trustees' and Officers' Insurance

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

**Note 11: Tangible Fixed Assets**

	Leasehold Land and Buildings	Furniture and Equipment	Plant & Machinery	Computer Equipment	Motor Vehicles	Building Improve	Assets Under Construction	<b>Total £</b>
<b>Cost</b>								
At 1 Sept 2017	15,523,716	104,046	195,419	346,337	41,040	1,108,881	29,127	<b>17,348,566</b>
Additions	-	27,753	3,970	72,635	-	67,015	831,594	<b>1,002,967</b>
Transfers	756,804	-	-	-	-	103,606	(860,410)	<b>-</b>
Disposals	-	-	-	-	-	-	-	<b>-</b>
At 31 Aug 2018	<b>16,280,520</b>	<b>131,799</b>	<b>199,389</b>	<b>418,972</b>	<b>41,040</b>	<b>1,279,502</b>	<b>311</b>	<b>18,351,533</b>
<b>Depreciation</b>								
At 1 Sept 2017	1,524,758	40,258	84,631	316,015	22,744	245,253	-	<b>2,233,659</b>
Charged in year	257,116	10,738	19,814	16,345	4,104	114,417	-	<b>422,534</b>
Disposals	-	-	-	-	-	-	-	<b>-</b>
At 31 Aug 2018	<b>1,781,874</b>	<b>50,996</b>	<b>104,445</b>	<b>332,360</b>	<b>26,848</b>	<b>359,670</b>	<b>-</b>	<b>2,656,193</b>
<b>Net book values</b>								
At 31 Aug 2018	<b>14,498,646</b>	<b>80,803</b>	<b>94,944</b>	<b>86,612</b>	<b>14,192</b>	<b>919,832</b>	<b>311</b>	<b>15,695,340</b>
At 1st Sept 2017	13,998,958	63,788	110,788	30,322	18,296	863,628	29,127	15,114,907

**Note 12: Stock**

	2018 £	2017 £
Catering	500	1,000
	<b>500</b>	<b>1,000</b>

**Note 13: Debtors**

	2018 £	2017 £
Trade debtors	3,579	-
Prepayments	81,168	67,871
Accrued Income	28,005	24,668
Other debtors	769	80
VAT recoverable	95,965	58,235
	<b>209,486</b>	<b>150,854</b>

**Note 14: Creditors**

<b>Creditors: Amounts falling due within one year</b>	2018 £	2017 £
Trade creditors	401,670	145,576
Other Creditors	12,750	13,059
Accruals and deferred income	165,135	121,013
	<b>579,555</b>	<b>279,648</b>

**Deferred income**

	£
Deferred Income at 1 September 2017	106,223
Resources deferred in the year	126,621
Amounts released from previous years	(106,223)
Deferred Income at 31 August 2018	<b>126,621</b>

Deferred Income at 31st August 2018 comprises the following:

	£
EFA 2017/18 Devolved Capital	14,175
EFA Rates	16,204
Sports Games Organiser	13,800
Facility Hire	1,225
Trips and Visits	59,670
Ottery Local Learning Community	21,547
	<b>126,621</b>

**Note 15: Funds**

	Balance at 1 September 2017	Incoming Resources	Resources Expended	Gains, losses and transfers	Balance at 31 August 2018
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	51,583	5,259,566	(5,061,815)	(249,334)	-
Pupil Premium	597	118,843	(119,376)	-	64
16-19 Bursary	7,892	14,852	(13,758)	-	8,986
Local Authority SEN	-	168,479	(168,479)	-	-
	<b>60,072</b>	<b>5,561,740</b>	<b>(5,363,428)</b>	<b>(249,334)</b>	<b>9,050</b>
<b>Restricted general other funds</b>					
JCTSA	2,492	1,528	(133)	-	3,887
LA EDLAP	-	5,833	(5,833)	-	-
School Sports & Games Partnership	14,150	26,433	(40,141)	-	442
Endeavour Fund	-	2,000	(727)	-	1,273
DETA	-	8,024	(3,334)	-	4,690
Trips and Visits	2,806	286,591	(280,111)	-	9,286
	19,448	330,409	(330,279)	-	19,578
Defined Benefit Pension Scheme	(2,617,000)		(275,000)	587,000	(2,305,000)
	<b>(2,597,552)</b>	<b>330,409</b>	<b>(605,279)</b>	<b>587,000</b>	<b>(2,285,422)</b>
<b>Restricted fixed asset funds</b>					
On Conversion	12,080,209	-	(213,159)	-	11,867,050
DfE/ESFA Devolved Capital Grant	123,822	24,281	(20,125)	-	127,978
ACMF / CIF Capital Grant	2,335,813	-	(102,281)	-	2,233,532
Capital expenditure from GAG / Unrestricted	544,614	-	(82,156)	492,047	954,505
Capital expenditure from Donations	1,322	515,452	(4,813)	-	511,961
	<b>15,085,780</b>	<b>539,733</b>	<b>(422,534)</b>	<b>492,047</b>	<b>15,695,026</b>
<b>Total restricted funds</b>	<b>12,548,300</b>	<b>6,431,882</b>	<b>(6,391,241)</b>	<b>829,713</b>	<b>13,418,654</b>
<b>Unrestricted funds</b>					
Unrestricted funds	861,555	433,482	(364,954)	(242,713)	687,370
<b>Total unrestricted funds</b>	<b>861,555</b>	<b>433,482</b>	<b>(364,954)</b>	<b>(242,713)</b>	<b>687,370</b>
<b>Total funds</b>	<b>13,409,855</b>	<b>6,865,364</b>	<b>(6,756,195)</b>	<b>587,000</b>	<b>14,106,024</b>

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

**General Annual Grant+**

This includes all monies received from the ESFA to carry out the objectives of the Academy. It includes the School Budget Share, ESG (Educational Services Grant) and rates grant.

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 on the 31 August 2018.

**Pupil Premium**

The school receives a grant from the ESFA based on Free School Meals + 6 (anyone taking or having taken FSM in the last 6 years), students whose parents are in the services, those who are Looked After or adopted from care. This is a proxy measure designed to address performance of students who are deemed to be suffering or at risk of deprivation. The school must use the funds to address progress of any students who we deem to be at risk of deprivation inhibiting their learning and progress.

Details are contained in the Trustees' report. The fund includes money received from the EFA for Year 7 Catch Up and funds transferred from local authorities for Pupil Premium students who may move into the school mid-way through the year.

#### **East Devon Local Areas Partnership (EDLAP)**

The East Devon Local Areas Partnership (EDLAP) is a partnership between The King's School, Sidmouth College and Clyst Vale Community College. The aim of this partnership is to offer early interventions to students at risk of exclusion or those with poor attendance. During the reporting year, as a partnership we made no permanent exclusions and the EDLAP area is the lowest area for permanent exclusions in Devon. In the next period as a partnership we are looking to further develop our provisions using the Thrive methods and as such now have dedicated trained Thrive practitioners in all schools. This fund has been withdrawn from April 2018.

#### **16-19 Bursary**

A grant provided to the academy from the ESFA to provide bursary support directly to students in the 6<sup>th</sup> Form that are in need of financial support to complete their studies.

#### **JCTSA**

The fund associated with our work as part of the Jurassic Coast Teaching Alliance. This supports the development of best practice across the alliance and has included a specific focus on the SEND area.

#### **School Sports and Games partnership**

The fund includes monies received from a number of sources in support of our work as a sports games coordinator, community sports, and other monies specifically targeted at sports participation.

#### **Endeavour Fund**

The school is privileged to have received donations from a local organisation that allows staff to nominate specific students for additional support from an "Endeavour Fund". Any member of staff can nominate a student, but the student must be in receipt of Free School Meals or the school be made aware of a particular hardship case. Examples of the types of materials/activities that could be supported by the fund include: supporting the costs of a musical instrument, paying for participation in a sporting activity within or beyond school, materials for an art project, a subscription to a journal, etc.

#### **DETA**

We manage the funds associated with the Devon Education Technicians' Association. This is a collaboration and partnership between local schools to provide affordable & local training for School Science Technicians in Devon and surrounding areas.

#### **Trips and Visits**

This represents funds provided by parents and carers to support the expenditure associated with curricular and extra-curricular trips and visits.

#### **Defined Benefit Pension Scheme**

This represents the negative reserve in respect of the LGPS scheme transferred over and subsequent movements – see Note 26.

#### **Restricted Fixed Asset Funds**

The fund includes the value of the Fixed Assets of the Academy on conversion, monies received from The EFA specifically for the Capital Expenditure on Fixed Assets and monies transferred from GAG for the purchase of Fixed Assets. Donations to the school for the purchase of specific fixed assets are also included.



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

	Balance at 1 September 2016	Incoming Resources	Resources Expended	Gains, losses and transfers	Balance at 31 August 2017
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	314,650	5,238,783	(5,162,345)	(339,505)	51,583
Pupil Premium	2,049	120,888	(122,340)	-	597
16-19 Bursary	7,271	15,042	(14,421)	-	7,892
Local Authority SEN	-	123,491	(123,491)	-	-
	<b>323,970</b>	<b>5,498,204</b>	<b>(5,422,597)</b>	<b>(339,505)</b>	<b>60,072</b>
<b>Restricted general other funds</b>					
JCTSA	4,805	350	(2,663)	-	2,492
LA EDLAP	-	10,000	(10,000)	-	-
School Sports & Games Partnership	26,810	27,195	(39,855)	-	14,150
Trips and Visits	10,098	222,983	(230,275)	-	2,806
	41,713	260,528	(282,793)	-	19,448
Defined Benefit Pension Scheme	(2,752,000)		(221,000)	356,000	(2,617,000)
	<b>(2,710,287)</b>	<b>260,528</b>	<b>(503,793)</b>	<b>356,000</b>	<b>(2,597,552)</b>
<b>Restricted fixed asset funds</b>					
On Conversion	12,293,596	-	(213,387)	-	12,080,209
DfE/ESFA Devolved Capital Grant	116,427	24,411	(17,016)	-	123,822
ACMF / CIF Capital Grant	2,438,094	-	(102,281)	-	2,335,813
Capital expenditure from GAG / Unrestricted	255,589	-	(50,480)	339,505	544,614
Capital expenditure from Donations	2,182	-	(860)	-	1,322
	<b>15,105,888</b>	<b>24,411</b>	<b>(384,024)</b>	<b>339,505</b>	<b>15,085,780</b>
<b>Total restricted funds</b>	<b>12,719,571</b>	<b>5,783,143</b>	<b>(6,310,414)</b>	<b>356,000</b>	<b>12,548,300</b>
<b>Unrestricted funds</b>					
Unrestricted funds	754,170	425,184	(317,799)	-	861,555
<b>Total unrestricted funds</b>	<b>754,170</b>	<b>425,184</b>	<b>(317,799)</b>		<b>861,555</b>
<b>Total funds</b>	<b>13,473,741</b>	<b>6,208,327</b>	<b>(6,628,213)</b>	<b>356,000</b>	<b>13,409,855</b>

**Note 16: Analysis of Net Assets between Funds**

Fund balances at 31 August 2018 are represented by:

	Unrestricted General fund	Restricted General fund	Restricted Fixed asset fund	Total 2018
	£	£	£	£
Tangible fixed assets	-	-	15,695,340	<b>15,695,340</b>
Current assets	688,712	606,527	-	<b>1,295,239</b>
Current liabilities	(1,341)	(577,900)	(314)	<b>(579,555)</b>
Non-Current Liabilities	-	-	-	-
Pension scheme liability	-	(2,305,000)	-	<b>(2,305,000)</b>
<b>Total net assets 2018</b>	<b>687,371</b>	<b>(2,276,373)</b>	<b>15,695,026</b>	<b>14,106,024</b>

**Note 17: Capital Commitments**

	2018 £	2017 £
<i>Contracted for, but not provided in the financial statements</i>	-	416,988

**Note 18: Finance Commitments*****Operating leases***

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

	2018 £	2017 £
<u>Land and buildings</u>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	-	-
<u>Other</u>		
Expiring within one year	5,472	6,115
Expiring within two and five years inclusive	1,717	8,135
Expiring in over five years	-	-
	<b>7,189</b>	<b>14,250</b>

**Note 19: Reconciliation of consolidated operating surplus to net cash inflow/(outflow) from operating activities**

	2018 £	2017 £
Net Income for the period	109,169	(419,886)
Depreciation (note 12)	422,534	384,024
Net Assets Transferred on Conversion	-	-
Loss on Disposal of Tangible Fixed Assets	-	-
Capital grants from DfE and other capital income	(539,733)	(24,411)
Interest receivable (note 4)	(7,699)	(6,834)
FRS 17 pension cost less contributions payable (note 25)	208,000	161,000
FRS 17 pension finance income (note 25)	67,000	60,000
Decrease in stock	500	-
Decrease / (Increase) in debtors	(58,632)	(60,183)
(Decrease) / Increase in creditors	299,907	97,444
<b>Net cash inflow/(outflow)from operating activities</b>	<b>501,046</b>	<b>191,154</b>

**Note 20: Returns on investments and servicing of finance**

	2018 £	2017 £
Interest received	7,699	6,834
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>7,699</b>	<b>6,834</b>

**Note 21: Capital expenditure and financial investment**

	2018 £	2017 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,002,967)	(384,656)
Capital grants from DfE/ESFA	24,281	24,411
Capital funding received from sponsors and others	515,452	-
Receipts from sale of tangible fixed assets	-	-
<b>Net cash (outflow) / inflow from capital expenditure and financial investment</b>	<b>(463,234)</b>	<b>(360,245)</b>

**Note 22: Analysis of changes in net funds**

Analysis of changes in net funds	At 1 September		At 31 August
	2017	Cash flows	2018
	£	£	£
Cash in hand and at bank	1,039,742	45,511	1,085,253
	<b>1,039,742</b>	<b>45,511</b>	<b>1,085,253</b>

**Note 23: Contingent Liabilities**

The Trustees are not aware of any contingent liabilities.

**Note 24: Members' Liability**

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

## Note 25: Pension and Similar Obligations

The academy'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 Devon County Council. Both are 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 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

### Teachers' Pension Scheme

#### Introduction

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

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

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £671,402 (2017: £726,083)

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

## Note 25: Pension and Similar Obligations (Continued)

### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £219,000 (2017: £191,000) of which employer's contributions totalled £168,000 (2017: £147,010) and employees' contributions totalled £51,000 (2017: £44,000). The agreed contribution rates for future years are 15.4% for employers and a range of 5.5% to 8.5% depending on the salary received by the employee.

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

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment / inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.7%	2.6%
Inflation assumption (CPI)	2.3%	2.7%
Inflation assumption (RPI)	3.3%	3.6%
Commutation of pensions to lump sums	50%	50%

It is also assumed that active Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age and that 10% of active members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

	£000's	£000's	£000's
<b>Adjustment to Discount Rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present Value of Total Obligation	4,288	4,399	4,513
Projected Service Cost	329	338	347
<b>Adjustment to Long Term Salary Increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present Value of Total Obligation	4,416	4,399	4,382
Projected Service Cost	338	338	338
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present Value of Total Obligation	4,496	4,399	4,305
Projected Service Cost	347	338	329
<b>Adjustment to mortality age rating assumption</b>	<b>+1 Year</b>	<b>None</b>	<b>-1 Year</b>
Present Value of Total Obligation	4,549	4,399	4,254
Projected Service Cost	349	338	328

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	23.5	23.4
Females	25.6	25.5
<i>Retiring in 20 years</i>		
Males	25.8	25.7

Females

28.0

27.9

**Note 25: Pension and Similar Obligations (Continued)**

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Fair value at 31 August 2018</b>	Fair value at 31 August 2017
	£000's	£000's
Equities - UK	389	426
Equities - Overseas	875	634
Gilts	66	55
Other Bonds	41	44
Property	189	156
Infrastructure	75	69
Cash	32	42
Alternative Assets	107	97
Target Return Portfolio	299	266
Private equity	21	-
<b>Total market value of assets</b>	<b>2,094</b>	<b>1,789</b>
Present value of scheme liabilities		
- Funded	(4,399)	(4,406)
<b>Deficit in the scheme</b>	<b>(2,305)</b>	<b>(2,617)</b>

The total return on the fund assets for the year 31 August 2018 is £117,000 (2017: £189,000)

**Total expenditure recognised in the Statement of Financial Activities**

	<b>2018</b>	2017
	£000	£000
Service Cost	376	308
Net Interest cost	66	59
Administration Expenses	1	1
<b>Total loss</b>	<b>443</b>	<b>368</b>

**Note 25: Pension and Similar Obligations (Continued)**

The actual gains and losses for the current year are recognised in the statement of financial activities.

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

	<b>2018</b>	2017
	<b>£'000</b>	£'000
<b>At 1 September</b>	<b>4,406</b>	4,267
Current service cost	<b>376</b>	308
Interest cost	<b>115</b>	94
Employee contributions	<b>51</b>	44
Experience loss/(gain) on defined benefit obligation	-	(101)
Benefits paid	<b>(30)</b>	(71)
Change in demographic assumptions	-	19
Change in Financial Assumptions	<b>(519)</b>	(154)
<b>At 31 August</b>	<b>4,399</b>	4,406

**Movements in the fair value of academy's share of scheme assets:**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
<b>At 1 September</b>	<b>1,789</b>	1,515
Expected return on assets		
Actuarial gains / (losses)	-	(34)
Employer contributions	<b>168</b>	147
Employee contributions	<b>51</b>	44
Benefits paid	<b>(30)</b>	(71)
Interest on Assets	<b>49</b>	35
Return on plan assets (excluding net interest on the net defined pension liability)	<b>68</b>	154
Administration Expenses	<b>(1)</b>	(1)
<b>At 31 August</b>	<b>2,094</b>	1,789



## **Note 26: Related Party Transactions**

Owing to the nature of the Academy's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transaction took place during the period 1 September 2017 to 31 August 2018.







— *The* —  
**King's School**  
— *Ottery St. Mary* —