



*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 2019**

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

## Reference and Administrative Details

Year Ended August 2019

### Members of the Trust

Mrs E Charles  
Mrs S Fallows  
Lady L Kennaway

Mr S Ellison  
Dr J Fearn-Smith

### Trustees

Mrs M Banham \* (Appointed 16/10/2019)  
Mr G Bryant\*  
Mrs E Charles  
Mrs S Fallows\* (Resigned 03/09/2019)  
Mr R Gammon\* (Headteacher)  
Mrs C Hollingshead  
Mr N Johnson (Appointed 16/10/2019)  
Mr J Lavender\*  
Mr R Mitchell  
Mr A Paterson\* (Resigned 17/06/2019)  
Mrs P Tipping (Appointed 06/12/2018)

Mr E Bloomfield  
Mrs S Cade  
Mr S Ellison (Chair)\*  
Dr J Fearn-Smith  
Dr C Hawkins (staff Trustee)  
Mrs R Jacobs\* (staff Trustee)  
Lady L Kennaway\*  
Ms R Miles-Haynes  
Mr D Nicholson (staff Trustee)  
Mrs S Starr\*  
Mrs S Wood\* (Appointed 06/12/2018)

\* Members of the Resources Committee

Company Secretary / Business Manager

Mr L Evans

### Senior Leadership Team

Deputy Head    Inclusion  
Deputy Head    Student Support  
Deputy Head    Teaching, Learning and Professional Development  
Deputy Head    Curriculum  
Assistant Head    Post 16 Learning

Mrs P Farrand  
Mr M Garrick  
Miss E Mower  
Mr D Williams  
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 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period from 1 September 2018 to 31 August 2019. 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, L Kennaway 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. The Board of Trustees holds training events when required based on 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 2018 until 31 August 2019 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 scrutiny reviews 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 student 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 2019: 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 trustees 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 2019: 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 Board of Trustees may consider movement by two points in exceptional circumstances. The national leadership scales as agreed by all unions in 2019 based on STPCD recommendations apply.

**Trade Union Facility Time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trustees acknowledge the requirement to include information contained in Schedule 2 of the Regulations. This is detailed below:

Relevant Union Officials	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	1.71

Percentage of time spent on facility time	
Percentage of time	Number of Employees
0%	0
1% - 50%	2
51% - 99%	0
100%	1

Percentage of Pay Bill spent on facility time	
Total cost of facility time	£30,409
Total pay bill	£4,681,155
Percentage of the total pay bill spent on facility time	0.65%

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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**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

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 wellbeing 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. The school is an active member of the Jurassic Coast Teaching School Alliance, West Country Teaching School Alliance and Dartmoor Teaching School Alliance accessing training and training teachers through the School Direct programme. There are three middle leaders appointed as Senior Leaders in Education who work on school to school support. 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 the sports 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, contributes to the Headteacher' Associations and the Headteacher sits as a member of the Independent Panel for Exclusions.

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 School 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 2019-22 which reflect the current educational climate and the needs of the school. The objectives have been influenced significantly by a renewed focus on the curriculum, school performance measures, changes to assessment at all key stages, the impact of funding in education, the recruitment and retention of teachers nationally and locally, and the emotional health and wellbeing of students and staff.

	Strategic Objectives (2019-22)
An outstanding curriculum	To ensure that all curriculum experiences are well considered, intentional, and implemented effectively leading to consistently high achievement for all.
Understanding the needs of every student	To further develop the knowledge, skills and capacity of staff to ensure those students who may be disadvantaged, have additional needs or barriers to learning or need a deeper learning experience have a positive educational experience and achieve strong outcomes based on their starting points.
The wellbeing of the whole school community	To further develop a culture in the school where wellbeing (creating the conditions for us all to thrive) is central to all decision making for everyone in the school community including students and staff.
6 <sup>th</sup> Form	To ensure sustainable and high quality 16-19 provision for all students
School Resources	To provide the school community with the best possible learning environment and resources, leading to raised aspirations for all.

In order to deliver against the strategic objectives, the trust have established a set of Operational Priorities for 2019-22. The most pressing of these for 2019-20 are:

### An outstanding curriculum

- To review the way in which we communicate homework with students and parents in order to engage the students, with parental support, in independent learning.
- Carry out a review of summative assessment methods at Key Stage 3, in order to support students to master key knowledge over time.
- To ensure that the collection of academic performance data is timely, used to inform teaching and communicated effectively to all parents.
- Prepare for the new Relationships and Sex Education curriculum and be ready to deliver this for September 2020 as required by law.
- Provide opportunities for staff to share their pedagogical expertise with others through a structured professional development programme to improve teaching and learning.
- To ensure that there is a well-planned alternative curriculum for those students in Key Stage 4 who have complex learning needs and who cannot access the typical offer. This will include life skills, employability skills and communication, and will equip students with the accreditation and skills to enable them to access their post 16 provision.

### Understanding and acting on the needs of every student

- To establish clear expectations for tutors and share best practice in order to get a consistent high quality experience for students across each of the Houses.
- Provide personalised challenge and support to students where behaviour and attendance are a barrier to success in order to secure improvements for these students.
- To ensure that all students are ready to learn at the start of every lesson.

### **The wellbeing of the whole school community**

- Review the way in which the school recognises outstanding behaviour and attitudes to ensure that this is applied consistently by all staff and that the students displaying the appropriate behaviours are those that are recognised and celebrated.
- To monitor and evaluate the behaviour of students in tutor times to ensure that this is consistently as good as other curriculum times.
- Develop the use of tutor time activities and the PSHE programme to develop character and resilience and to ensure that students consistently show respect for each other leading to an environment in which difference is valued and nurtured by all students.
- Where possible, senior leaders will look for opportunities to reduce workload for staff.

### **Sixth Form**

- Review the post-16 curriculum entry requirements in light of attainment in new reformed GCSEs and subsequent success at A Level, as well as the impact of these entry requirements on the retention of students onto post 16 courses.
- To develop a culture in post 16 study in which time outside of lessons is used constructively by all students.
- To implement strategies to improve retention of students from Year 11 into post 16 education.

### **School Resources**

- Effectively manage the school budget to ensure that the school can operate without a deficit by 2022 providing Trustees and SLT with robust information on which to inform decisions.
- To deliver improvements to learning spaces in areas of priority as identified by the SLT and Board of Trustees
- To deliver improvements to social/communal spaces in areas of priority as identified by the SLT and Board of Trustees
- To embed the use of Edulink for increasing parental engagement, exploiting opportunities for further efficiencies in system administration.

### **Curriculum**

At The King's School we endeavour to serve the local community by developing a learning environment based on high expectations, shared goals and strong partnerships. We encourage all members to develop their full potential in a caring environment where opinions are valued and achievement is celebrated.

At The King's School we seek to offer a curriculum that is broad and balanced and appropriate to all students irrespective of gender, ethnicity, belief, levels of ability or disability and social, cultural or economic background.

Our curriculum includes all the timetabled lessons together with various extra-curricular activities that are organised to enrich each student's experience and provide opportunities to build cultural capital. It also includes the hidden curriculum: what the students learn from the way that they are treated and expected to behave.

#### ***The curriculum intent***

- to provide opportunities for all students to learn and achieve
- to provide students with the opportunities to become successful learners, who enjoy learning, make progress and achieve.
- to promote students' spiritual, moral, social and cultural development
- to prepare all students for the opportunities, responsibilities and experiences of life
- to be differentiated and personalised to the needs of individual students
- to provide students with genuinely memorable lifelong experiences.
- to provide students with as broad and balanced an educational experience as possible for as long as possible
- to reflect the overarching aim of inclusion
- to provide all students with the opportunity to master the key skills and content relevant to their key stage
- to promote British values of democracy, the rule of law, individual liberty and mutual respect and tolerance of those with different faiths and beliefs.

**In 2019, all GCSEs were assessed according to the new 9-1 grades.**

### **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 who have been adopted from care (post LAC). This is a proxy measure designed to support the 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**

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 (52.4% against 41.4% nationally) and in our Attainment 8 score: . 52.8 against 46.6 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 2018 and 2019:

#### A Level Results 2019:

Grade	No	%	Percentage Grades				
A*	14	6.1	25.3	48.4	75.4	91.1	99.3
A	44	19.2					
B	53	23.1					
C	62	27.0					
D	36	15.7					
E	19	8.2					
U	1	0.4					

#### A Level Results 2018:

Grade	No	%	Percentage Grades				
A*	10	2.9	21.2	48.7	77.3	92.6	98.8
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 2019

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	103.14	34.78
Females	102.50	34.68
All Students	102.86	34.74

C=30                      D=20                      E=10

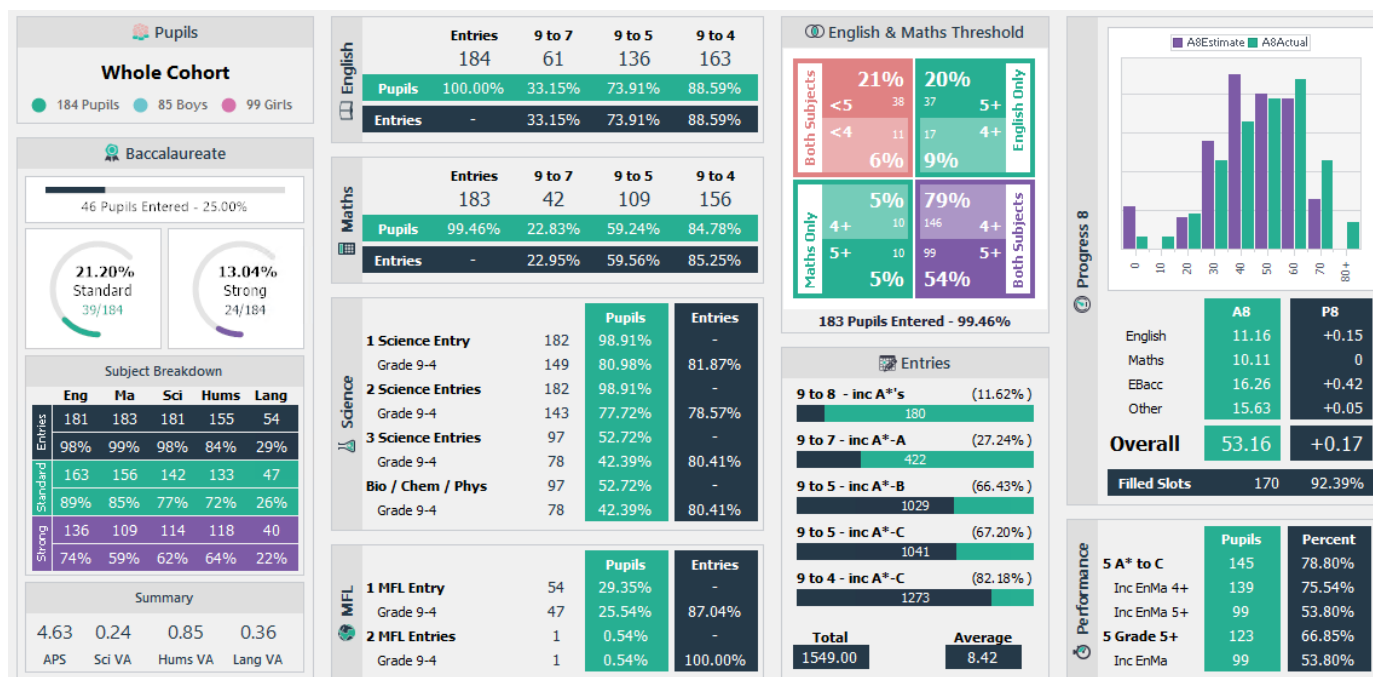
#### Extended Project Results 2019

Grade	No	%	Percentage Grades				
A*	22	39.2	55.2	64.1	92.6	96.1	100
A	9	16.0					
B	5	8.9					
C	16	28.5					
D	2	3.5					
E	2	3.5					
U	0	0					

#### 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 [PROVISIONAL]



## Narrowing the Gap 2019 [PROVISIONAL]

	Disadvantaged pupils	Other pupils
Number of Pupils	8	176
Percentage of Pupils	5%	95%
Percentage achieving grade 5+ in English & maths	25%	55%
Attainment 8	44.94	53.53
Progress 8	-0.66	0.21

## 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 2019	Aug 2018	Aug 2017	Aug 2016	Aug 2015	Aug 2014	Aug 2013	Comment
Total Staffing costs as a percentage of GAG* income	88.1%	84.9%	88.0%	87.3%	88.4%	87.6%	87.7%	Staffing costs including non-teaching (excluding catering and cleaning staff)
Income per pupil	£5,096	£5,217	£4,963	£4,987	£4,840	£4,937	£4,812	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	19.07	18.33	17.94	18.29	17.78	17.34	17.78	Includes Unqualified Teachers
Current Ratio	3.29	2.23	4.20	7.10	3.47	3.32	2.74	The ability of the school to meet its short term financial obligations
Admissions Ratio	1.98	1.91	1.80	2.06	2.14	1.93	1.83	No of applications (1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Preference) to the number accepted on roll

\*GAG – General Annual Grant provided by the DfE – Includes Teacher's Pay Grant for Aug 19

## Other Achievements

### Students

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

- Fielding four teams in Ten Tors 2019 – 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 97 Christmas boxes to our link charity in Moldova.
- Raising over £15,500 for charity.
- Sending students to Germany, 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.
- 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 visits from several institutions, a visit to Downing College, Cambridge and setting up the "Step Up Scheme" with New College, Oxford.

### 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.
- Held a 6<sup>th</sup> Form Showcase Evening.
- Staged a Production of A Midsummer Night's Dream.
- Staged an Arts and Technology Celebration Evening.
- Staged a "Battle of the Bands" evening.
- Held workshops and talks from a range of visiting guests.
- Organised trips to numerous external events and competitions including theatre trips, poetry competitions, fieldwork etc

- 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.
- Gave students in Year 10 and Year 12 the opportunity for a week's work experience.
- A number of students completed their bronze and silver Duke of Edinburgh Award.
- The school set up a new equestrian team which has competed in various events.

## External Achievements

U12 Boys East Devon Cross Country Runners Up  
 Senior Boys East Devon Cross Country Runners Up  
 U12 Girls East Devon Cross Country Champions  
 U15 Boys East Devon Indoor Cricket Runners Up  
 Seated Volleyball Ability Counts East Devon Champions  
 U12 East Devon Champions  
 U16 Boys East Devon Badminton Champions  
 U16 Boys East Devon Futsal Champions  
 U16 Boys Devon Handball Champions  
 U15 Girls Hockey East Devon Champions  
 U13 Girls Hockey East Devon Champions  
 U13 East Devon Indoor Athletics Champions  
 U14 Boys Athletics East Devon Champions  
 Overall Boys Athletics East Devon Runners Up  
 U12 Athletics East Devon Super 8 Champions  
 Winner of the Exeter Schools Cook off at the Exeter Food Festival  
 U13 Boys Rugby Exeter and East Devon State Schools Runners Up  
 U16 Boccia Ability Counts Devon and South West Champions and 3<sup>rd</sup> in the National Finals  
 U16 Boys Badminton Devon Champions and 3<sup>rd</sup> in the South West  
 The school was awarded the National Schools Games Mark Gold Award for the fourth year running  
 The school was awarded the bronze NCS award in recognition of all the students who took part in the programme.

U16 Boys East Devon Cross Country Champions  
 U16 Girls East Devon Cross Country Champions  
 Senior Girls East Devon Cross Country Champions  
 U15 Boys East Devon Cricket Runners Up  
 New Age Kurling Ability Counts East Devon Runners Up  
 U13 Girls Badminton East Devon Champions  
 U16 Girls East Devon Badminton Champions  
 U12 Athletics Devon Super 8 Runners Up  
 U13 Boys Hockey East Devon Champions  
 U12 Girls Hockey East Devon Champions  
 U14 Girls Hockey East Devon Runners Up  
 U14 Girls Athletics East Devon Champions  
 U12 Boys Athletics East Devon Champions  
 Overall Girls Athletics East Devon Champions

## 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, years of real terms cuts to school funding and a funding formula that disadvantages schools with a similar profile to The King's, 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 £5,122k (including the Teachers' Pay Grant of £50k) which is the primary mechanism for funding the schools objectives. We have spent £5,044k on the academies primary educational operational expenditure together with a transfer of £19.5k from GAG to support our role in school sports and £43.6k to support capital investments. This means we are carrying a GAG reserve of £15K through to the next period.

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, devolved capital funds and funds from local development with additions of £393k. The school was successful in obtaining funds from local development of £265k.

### *Unrestricted:*

The Academy trust brought forward an Unrestricted Fund balance of £687k. During the reporting period incoming resources associated with Canteen Income, Traded activities and donations amounted to £462k and the cost of generating such income was £377k. The unrestricted funds at the end of the period are £773k.

### **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 £773K).

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 a cumulative deficit due to restrained government income, continued uncertainty regarding the implementation of a National Funding Formula coupled with rising costs such as Teachers' Pensions and the stated government aspirations of increased teachers' salaries. 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:**

2020-21 is the third year since the introduction of the new National Funding Formula for schools. It was supposed to be a 'hard formula' but in July 2018 the government announced that local authorities will be able to set some formula factors and therefore remains a 'soft formula'. As a result there still remains significant financial uncertainty in the funding of schools and its impact on The King's School for 2020-21 and beyond. Further uncertainty regarding the government's funding arrangements for schools in relation to increasing employer pension contributions beyond 2022-23, the Teachers' Pay Grant beyond 2020-21 and future teachers' pay awards also present a risk. Post 16 numbers and significant pressure on the High Needs Block in Devon all add 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.

The national context for recruitment and retention of teachers is becoming increasingly challenging for the education sector. The need to recruit high quality staff to secure strong progress is obvious but we have seen a diminishing number of applicants for teaching posts over the past 5 years. We have also seen a number of support staff posts remain vacant for some time posing challenges around capacity to the organisation. In particular, it is becoming increasingly challenging to attract teaching assistants to support our most vulnerable learners and to meet our statutory duty to deliver the education, health and care plans (EHCPs) of our students. We are having to review the way in which we advertise all posts and we are also benchmarking support staff salaries to ensure that they are competitive within the sector.

The publication and implementation by the Office for Standards in Education (Ofsted) of the new Education Inspection Framework (EIF) also presents a risk to the school. It will become clearer over time how the school performs against this new framework and robust self-evaluation will be necessary to understand the impact on the organisation. It is also obvious that there is a move towards reintroducing the routine inspection for outstanding schools and therefore the school may be subject to routine inspection in the future, something that it has not had to consider since 2014.

**Plans for Future Periods:**

The strategic priorities for the school are highlighted on Page 8 of this document. The most significant issue facing the school is to maintain excellent educational experiences at all key stages with a significantly reduced income and rising costs. The published School Development 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 12<sup>th</sup> December 2019 and signed on the board's behalf by:



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 full Board of Trustees has formally met 4 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
Maria Banham	0	0
Ted Bloomfield	3	4
Gordon Bryant	4	4
Sue Cade	4	4
Liz Charles	2	4
Steve Ellison	3	4
Sue Fallows	4	4
Jason Fearn-Smith	3	4
Rob Gammon	4	4
Charlotte Hawkins	4	4
Charlotte Hollingshead	4	4
Becky Jacobs	2	4
Nicholas Johnson	0	0
Lucy Kennaway	4	4
John Lavender	3	4
Ruth Miles-Haynes	4	4
Robin Mitchell	3	4
Dave Nicholson	3	4
Alan Paterson	0	3
Susan Starr	3	4
Petrina Tipping	2	3
Susan Wood	3	3

Gordon Bryant, a qualified accountant had accepted the role of Responsible Officer and completed the internal scrutiny for the trust during the year.

Since the last reporting period, Mrs. S Fallows and Mr. A Paterson have left the Board of Trustees and Mrs. M Banham, Mr. N Johnson, Mrs. P Tipping and Mrs. S Wood 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. This has been renewed during the course of this year.

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
Maria Banham	0	0	-	-	-	-
Ted Bloomfield	-	-	5	5	1	1
Gordon Bryant	5	5	-	-	-	-
Sue Cade	-	-	3	5	1	1
Liz Charles	-	-	5	5	1	1
Steve Ellison	2	5	-	-	0	1
Sue Fallows	1	2	4	5	-	-
Jason Fearn-Smith	-	-	3	5	-	-
Rob Gammon	5	5	5	5	1	1
Charlotte Hawkins	2	5	-	-	-	-
Charlotte Hollingshead	-	-	5	5	-	-
Becky Jacobs	-	-	4	5	-	-
Nicholas Johnson	0	0	-	-	-	-
Lucy Kennaway	4	5	-	-	-	-
John Lavender	5	5	-	-	-	-
Ruth Miles-Haynes	-	-	4	5	-	-
Robin Mitchell	-	-	0	5	0	1
Dave Nicholson	-	-	3	5	-	-
Alan Paterson	0	5	-	-	-	-
Susan Starr	4	5	-	-	-	-
Petrina Tipping	-	-	1	3	-	-
Sue Wood	2	3	-	-	-	-

As well as the above formal committees the Board of Trustees 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 trustees 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 school's 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. 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 2018 to 31<sup>st</sup> August 2019 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 2019 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 2019, the Trustees have appointed Mr G Bryant, 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 12<sup>th</sup> December 2019 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.

A handwritten signature in blue ink, appearing to read 'Robert Gammon', with a long horizontal line extending to the right.

Robert Gammon  
Accounting Officer

12th December 2019

## 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 2018 to 2019;
- 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 12<sup>th</sup> December 2019 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 2019 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 2019 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 Charities SORP 2015 and the Academies Annual Accounts Direction 2018 to 2019 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 (covers the Reference and Administrative Details)**

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 (incorporating the Strategic Report and the Directors Report) for the financial year 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 Governance Statement and Trustees' Report.

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.

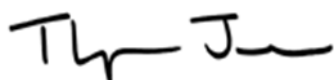
## Independent Auditor's Report on the Financial Statements to the Board of Trustees of The King's School Academy Trust

- 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.

### **Use of our report**

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 2018 to 2019, 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 2018 to 31 August 2019 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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.

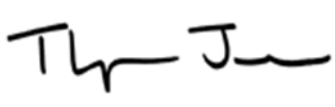
The work undertaken to draw to our conclusion have been designed to comply with the requirements set out in The Accounts Direction 2018 to 2019 and includes:

- 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 2018 to 31 August 2019 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.

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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 2019****(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	<b>Total 2019 £</b>	Total 2018 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Donations and Capital Grants	2	4,735	2,000	349,729	<b>356,463</b>	552,834
Transfer from Local Authority on incorporation		-	-	-	-	-
Income from other trading activities	3	91,619	-	-	<b>91,619</b>	99,336
Investment income	4	7,706	-	-	<b>7,706</b>	7,699
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	358,128	5,677,184	-	<b>6,035,312</b>	6,205,495
<b>Total incoming resources</b>		<b>462,187</b>	<b>5,679,184</b>	<b>349,729</b>	<b>6,491,099</b>	<b>6,865,364</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Fundraising trading		-	-	-	-	-
<i>Charitable activities:</i>						
Academy's educational operations	7	376,982	5,891,266	476,577	<b>6,744,825</b>	6,756,195
Development costs	7	-	-	-	-	-
<b>Total resources expended</b>	6	<b>376,982</b>	<b>5,891,266</b>	<b>476,577</b>	<b>6,744,825</b>	<b>6,756,195</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>85,205</b>	<b>(212,082)</b>	<b>(126,849)</b>	<b>(253,726)</b>	<b>109,169</b>
<b>Transfers</b>						
Gross transfers between funds	15	-	(43,611)	43,611	-	-
<b>Net income / (expenditure) for the year</b>		<b>85,205</b>	<b>(255,693)</b>	<b>(83,238)</b>	<b>(253,726)</b>	<b>109,169</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pension schemes	15,25		(470,000)		<b>(470,000)</b>	587,000
<b>Net movement in funds</b>		<b>85,205</b>	<b>(725,693)</b>	<b>(83,238)</b>	<b>(723,726)</b>	<b>696,169</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2018	15	687,370	(2,276,372)	15,695,026	<b>14,106,024</b>	13,409,855
<b>Total funds carried forward at 31 August 2019</b>		<b>772,575</b>	<b>(3,002,065)</b>	<b>15,611,788</b>	<b>13,382,298</b>	<b>14,106,024</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 2019**

	Notes	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	11		15,611,791		15,695,340
Total fixed assets			15,611,791		15,695,340
<b>Current assets</b>					
Stock	12	1,200		500	
Debtors	13	163,981		209,486	
Cash at bank and in hand		1,024,003		1,085,253	
Total current assets		1,189,185		1,295,239	
<b>Liabilities:</b>					
<b>Creditors:</b> Amounts falling due within one year	14	(361,678)		(579,555)	
<b>Net current assets</b>			827,507		715,684
Total assets less current liabilities			16,439,298		16,411,024
<b>Creditors:</b> Amounts falling due after more than one year	14		-		-
<b>Net assets excluding pension liability</b>			16,439,298		16,411,024
Pension scheme liability	25		(3,057,000)		(2,305,000)
<b>Net assets including pension liability</b>			13,382,298		14,106,024
<b>Funds of the academy:</b>					
<b>Restricted funds</b>					
Fixed asset fund(s)	15		15,611,788		15,695,026
Pension Reserve	15		(3,057,000)		(2,305,000)
Restricted General funds	15		24,390		9,050
Restricted General Other Funds	15		30,545		19,578
<b>Total restricted funds</b>			12,609,723		13,418,654
<b>Unrestricted funds</b>					
General funds	15		772,575		687,370
<b>Total unrestricted funds</b>			772,575		687,370
<b>Total Funds</b>			13,382,298		14,106,024

The financial statements on pages 29 to 55 were approved by the Trustees, and authorised for issue on 12<sup>th</sup> December 2019 and signed on their behalf by:

*S. Ellison*

Steve Ellison  
Chair

**Cash Flow Statement for the year ended 31 August 2019**

		<b>2019 £</b>	<b>2018 £</b>
<b>Net cash inflow/(outflow) from operating activities</b>	19	<b>(25,655)</b>	501,046
Returns on investments and servicing of finance	20	<b>7,706</b>	7,699
Capital expenditure	21	<b>(43,300)</b>	(463,234)
<b>Increase/(decrease) in cash in the period</b>	22	<b>(61,250)</b>	45,511
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net Funds at 1 September 2018		<b>1,085,253</b>	1,039,742
<b>Net funds at 31 August 2019</b>		<b>1,024,003</b>	1,085,253

## **Notes to Financial Statements for the Year Ending August 2019**

### **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 2018 to 2019 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.

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

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

### 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Note 2. Donations and capital grants**

	Unrestricted Funds	Restricted Funds	2019 Total	2018 Total
	£	£	£	£
Devolved Formula Capital allocations	-	84,960	<b>84,960</b>	24,281
Other Capital Donations	-	1,000	<b>1,000</b>	-
Local Developer Capital Donation	-	263,768	<b>263,768</b>	515,452
Other Donations	4,735	2,000	<b>6,735</b>	13,101
	<b>4,735</b>	<b>351,729</b>	<b>356,463</b>	<b>552,834</b>

The income from donations and capital grants was £356,463 (2018: £552,834) of which £4,735 was unrestricted (2018: £11,101), £2,000 restricted (2018: £2,000) and £349,728 restricted fixed assets (2018: £539,733).

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

	Unrestricted Funds	Restricted Funds	2019 Total	2018 Total
	£	£	£	£
Hire of Facilities	12,083	-	<b>12,083</b>	9,966
Other Services	79,536	-	<b>79,536</b>	89,370
	<b>91,619</b>	<b>-</b>	<b>91,619</b>	<b>99,336</b>

The activities for generating funds was £91,619 (2018: £99,336) of which £91,619 was unrestricted (2018: £99,336), £nil restricted (2018: £nil) and £nil restricted fixed assets (2018: £nil).

**Note 4. Investment income**

	Unrestricted Funds	Restricted Funds	2019 Total	2018 Total
	£	£	£	£
Short term deposits - Interest	7,706	-	<b>7,706</b>	7,699
	<b>7,706</b>	<b>-</b>	<b>7,706</b>	<b>7,699</b>

The investment income was £7,706 (2018: £7,699) of which £7,706 was unrestricted (2018: £7,699), £nil restricted (2018: nil) and £nil restricted fixed assets (2018: £nil).

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

	Unrestricted Funds	Restricted Funds	2019 Total	2018 Total
	£	£	£	£
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG)	-	5,071,268	<b>5,071,268</b>	5,259,566
16-19 Bursary Fund	-	12,767	<b>12,767</b>	14,852
Pupil Premium	-	113,224	<b>113,224</b>	118,843
Other DfE / EFA grants	-	50,244	<b>50,244</b>	-
		<b>5,247,503</b>	<b>5,247,503</b>	<b>5,393,261</b>
<b>Other Government grants</b>				
SEN from Local Authority	-	135,967	<b>135,967</b>	168,479
JCTSA	-	4,050	<b>4,050</b>	1,528
EDLAP from LA	-	-	-	5,833
LA Formula Correction for SEN	-	37,163	<b>37,163</b>	-
School Games Organiser	-	25,059	<b>25,059</b>	26,433
<b>Other income from Educational Operations</b>				
Catering Income	310,655	-	<b>310,655</b>	265,697
Educational Activities Income	47,473	2,080	<b>49,553</b>	57,673
Trips and Visits	-	225,362	<b>225,362</b>	286,591
	<b>358,128</b>	<b>429,681</b>	<b>787,809</b>	<b>812,234</b>
	<b>358,128</b>	<b>5,677,184</b>	<b>6,035,312</b>	<b>6,205,495</b>

The funding of the academies educational operations was £6,035,312 (2018: £6,205,495) of which £358,128 was unrestricted (2018: £315,346), £5,677,184 restricted (2018: £5,890,149) and £nil restricted fixed assets (2018: £nil).

**Note 6. Resources Expended**

	Staff £	Non Pay Expenditure Premises £	Other Costs £	Total 2019 £	Total 2018 £
Costs of activities for generating funds	-	-	-	-	-
Academy's educational operations					
Direct costs	4,179,684	456,256	448,001	5,083,941	4,993,641
Allocated support costs	802,758	266,577	591,549	1,660,884	1,762,554
Development costs	-	-	-	-	-
	<b>4,982,442</b>	<b>722,833</b>	<b>1,039,550</b>	<b>6,744,825</b>	<b>6,756,195</b>

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

		2019 £	2018 £
Operating leases		7,789	6,356
Fees payable to auditor	- audit	5,000	5,000
	- other	800	800

The resources expended was £6,744,825 (2018: £6,756,195) of which £376,982 was unrestricted (2018: £364,954), £5,891,266 restricted (2018: £5,968,707) and £476,577 restricted fixed assets (2018: £422,534).

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

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
<b>Direct costs</b>				
Teaching and educational support staff costs	63,641	4,116,042	<b>4,179,684</b>	4,114,460
Depreciation	-	456,256	<b>456,256</b>	402,720
Technology Costs	-	28,448	<b>28,448</b>	39,080
Educational supplies	-	204,582	<b>204,582</b>	210,952
Examination fees	-	113,563	<b>113,563</b>	119,626
Staff development	-	15,005	<b>15,005</b>	12,570
Educational consultancy	-	33,271	<b>33,271</b>	25,474
Other direct costs	4,813	48,321	<b>53,133</b>	68,759
	<b>68,454</b>	<b>5,015,487</b>	<b>5,083,941</b>	<b>4,993,641</b>
<b>Allocated support costs</b>				
Support staff costs	121,134	681,624	<b>802,758</b>	804,059
Depreciation		20,321	<b>20,321</b>	19,814
Technology costs		55,928	<b>55,928</b>	46,557
Recruitment and support		12,144	<b>12,144</b>	12,424
Premises Costs		266,577	<b>266,577</b>	300,886
Other Support Costs		14,517	<b>14,517</b>	26,407
Pension Finance Charge		58,000	<b>58,000</b>	67,000
Catering	187,394	14,348	<b>201,742</b>	197,682
Trips and Visits		221,576	<b>221,576</b>	280,111
Governance Costs		7,321	<b>7,321</b>	7,614
	<b>308,528</b>	<b>1,352,356</b>	<b>1,660,884</b>	<b>1,762,554</b>
<b>Development costs</b>				-
	<b>376,982</b>	<b>6,367,843</b>	<b>6,744,825</b>	<b>6,756,195</b>

The resources expended for the Academy's educational was £6,744,825 (2018: £6,756,195) of which £376,982 was unrestricted (2018: £364,954), £5,891,266 restricted (2018: £5,968,707) and £476,577 restricted fixed assets (2018: £422,534).

## Note 8. Staff Costs

Staff costs during the period were:

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Wages and salaries	3,776,670	3,745,886
Social security costs	337,863	340,170
Other pension costs	822,485	800,064
Apprenticeship Levy	4,030	3,887
	<b>4,941,048</b>	<b>4,890,007</b>
Supply teacher costs	41,394	28,513
Staff Restructuring Costs	-	-
	<b>4,982,442</b>	<b>4,918,520</b>
Staff restructuring costs comprise:		
Redundancy Payments	-	-
Severance Payments	-	-
Other restructuring costs	-	-
	<b>-</b>	<b>-</b>

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

	<b>2019 FTE</b>	<b>2019 Headcount</b>	<b>2018 FTE</b>	<b>2018 Headcount</b>
<b>Charitable Activities</b>				
Teachers	57	69	60	70
Administration and support	48	73	59	77
Management	7	7	7	7
	<b>112</b>	<b>149</b>	<b>126</b>	<b>154</b>

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

	<b>2019 No.</b>	<b>2018 No.</b>
£60,000 - £70,000	5	2
£90,000 - £100,000	1	1

Five of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these employees amounted to £55,074 (2018: £25,990).

One of the above employees participated in the Local Government Pension Scheme. During the year ended 31 August 2019, pension contributions for this employee amounted to £9,356 (2018: £9,988)

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 £712,350 (2018: £718,507)

## 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 '18 to Aug '19 £	Sept '17 to Aug '18 £
<b>Mr R Gammon (Headteacher)</b>		
Remuneration	£90,000 - £95,000	£95,000 - £100,000
Employer's Pension contributions	£15,000 - £20,000	£15,000 - £20,000
<b>Dr C Hawkins (Staff Trustee)</b>		
Remuneration	£40,000 - £45,000	£35,000 - £40,000
Employer's Pension contributions	£5,000 - £10,000	£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	£45,000 - £50,000
Employer's Pension contributions	£5,000 - £10,000	£5,000 - £10,000

During the period ended 31 August 2019, travel and subsistence expenses totalling £0 (2018 - £0) were reimbursed to 0 Trustees (2018 – 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 2018	16,280,520	131,799	199,389	418,972	41,040	1,279,502	311	<b>18,351,533</b>
Additions	-	10,668	7,634	48,925	-	53,222	272,580	<b>393,029</b>
Transfers	-	-	-	-	-	208,054	(208,054)	<b>-</b>
Disposals	-	-	-	(170,927)	-	-	-	<b>(170,927)</b>
At 31 Aug 2019	<b>16,280,520</b>	<b>142,467</b>	<b>207,023</b>	<b>296,970</b>	<b>41,040</b>	<b>1,540,778</b>	<b>64,837</b>	<b>18,573,635</b>
<b>Depreciation</b>								
At 1 Sept 2018	1,781,874	50,996	104,445	332,360	26,848	359,670	-	<b>2,656,193</b>
Charged in year	268,513	12,879	20,321	35,058	4,104	135,703	-	<b>476,578</b>
Disposals	-	-	-	(170,927)	-	-	-	<b>(170,927)</b>
At 31 Aug 2019	<b>2,050,387</b>	<b>63,875</b>	<b>124,766</b>	<b>196,491</b>	<b>30,952</b>	<b>495,373</b>	<b>-</b>	<b>2,961,844</b>
<b>Net book values</b>								
At 31 Aug 2019	<b>14,230,133</b>	<b>78,592</b>	<b>82,257</b>	<b>100,479</b>	<b>10,088</b>	<b>1,045,405</b>	<b>64,837</b>	<b>15,611,791</b>
At 1st Sept 2018	14,498,646	80,803	94,944	86,612	14,192	919,832	311	15,695,340

**Note 12: Stock**

	2019 £	2018 £
Catering	1,200	500
	<b>1,200</b>	<b>500</b>

**Note 13: Debtors**

	2019 £	2018 £
Trade debtors	401	3,579
Prepayments	101,581	81,168
Accrued Income	17,760	28,005
Other debtors	1,636	769
VAT recoverable	42,604	95,965
	<b>163,981</b>	<b>209,486</b>

**Note 14: Creditors**

	2019 £	2018 £
<b>Creditors: Amounts falling due within one year</b>		
Trade creditors	115,750	401,670
Other Creditors	10,530	12,750
Accruals and deferred income	235,397	165,135
	<b>361,678</b>	<b>579,555</b>

**Deferred income**

	£
Deferred Income at 1 September 2018	126,621
Resources deferred in the year	142,240
Amounts released from previous years	(126,621)
Deferred Income at 31 August 2019	<b>142,240</b>

Deferred Income at 31st August 2019 comprises the following:

	£
EFA 2017/18 Devolved Capital	13,805
EFA Rates	16,768
Sports Games Organiser	13,883
Facility Hire	1,517
Trips and Visits	82,478
Ottery Local Learning Community	13,790
	<b>142,240</b>

**Note 15: Funds**

	Balance at 1 September 2018	Incoming Resources	Resources Expended	Gains, losses and transfers	Balance at 31 August 2019
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,121,512	(5,043,856)	(63,138)	<b>14,519</b>
Pupil Premium	64	113,224	(113,288)	-	-
16-19 Bursary	8,986	12,767	(11,881)	-	<b>9,872</b>
Local Authority SEN	-	173,130	(173,130)	-	-
	<b>9,050</b>	<b>5,420,633</b>	<b>(5,342,155)</b>	<b>(63,138)</b>	<b>24,390</b>
<b>Restricted general other funds</b>					
JCTSA	3,887	4,050	(2,654)	-	<b>5,283</b>
School Sports & Games Partnership	442	25,059	(40,013)	19,527	<b>5,015</b>
Endeavour Fund	1,273	2,000	(1,018)	-	<b>2,255</b>
DETA	4,690	2,080	(1,850)	-	<b>4,920</b>
Trips and Visits	9,286	225,362	(221,576)	-	<b>13,072</b>
	19,578	258,551	(267,111)	19,527	<b>30,545</b>
Defined Benefit Pension Scheme	(2,305,000)		(282,000)	(470,000)	<b>(3,057,000)</b>
	<b>(2,285,422)</b>	<b>258,551</b>	<b>(549,111)</b>	<b>(450,473)</b>	<b>(3,026,455)</b>
<b>Restricted fixed asset funds</b>					
On Conversion	11,867,050	-	(213,142)	-	<b>11,653,908</b>
DfE/ESFA Devolved Capital Grant	127,978	84,960	(28,032)	-	<b>184,907</b>
ACMF / CIF Capital Grant	2,233,532	-	(101,981)	-	<b>2,131,551</b>
Capital expenditure from GAG / Unrestricted	954,505	-	(113,047)	43,611	<b>885,069</b>
Capital expenditure from Donations	511,961	264,768	(20,376)	-	<b>756,354</b>
	<b>15,695,026</b>	<b>349,729</b>	<b>(476,577)</b>	<b>43,611</b>	<b>15,611,788</b>
<b>Total restricted funds</b>	<b>13,418,654</b>	<b>6,028,912</b>	<b>(6,367,843)</b>	<b>(470,000)</b>	<b>12,609,723</b>
<b>Unrestricted funds</b>					
Unrestricted funds	687,370	462,187	(376,982)	-	<b>772,575</b>
<b>Total unrestricted funds</b>	<b>687,370</b>	<b>462,187</b>	<b>(376,982)</b>	<b>-</b>	<b>772,575</b>
<b>Total funds</b>	<b>14,106,024</b>	<b>6,491,099</b>	<b>(6,744,825)</b>	<b>(470,000)</b>	<b>13,382,298</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 as well as the Teacher's Pay 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 2019.

**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.

#### **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.

#### **Local Authority SEN**

Funding received from the local authority to support students with individual statutory EHCPs (Educational and Health Care Plans).

#### **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 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>

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

Fund balances at 31 August 2019 are represented by:

	Unrestricted General fund	Restricted General fund	Restricted Fixed asset fund	Total 2019
	£	£	£	£
Tangible fixed assets	-	-	15,611,791	<b>15,611,791</b>
Current assets	788,634	400,551	-	<b>1,189,185</b>
Current liabilities	(16,059)	(345,619)	-	<b>(361,678)</b>
Non-Current Liabilities	-	-	-	-
Pension scheme liability	-	(3,057,000)	-	<b>(3,057,000)</b>
<b>Total net assets 2019</b>	<b>772,575</b>	<b>(3,002,068)</b>	<b>15,611,791</b>	<b>13,382,298</b>

**Note 17: Capital Commitments**

	2019 £	2018 £
Contracted for, but not provided in the financial statements	-	-

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

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
<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	3,615	5,472
Expiring within two and five years inclusive	2,689	1,717
Expiring in over five years	-	-
	<b>6,304</b>	<b>7,189</b>

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

	2019 £	2018 £
Net Income for the period	(253,726)	109,169
Depreciation (note 11)	476,578	422,534
Net Assets Transferred on Conversion	-	-
Loss on Disposal of Tangible Fixed Assets	-	-
Capital grants from DfE and other capital income	(349,729)	(539,733)
Interest receivable (note 4)	(7,706)	(7,699)
FRS 17 pension cost less contributions payable (note 25)	224,000	208,000
FRS 17 pension finance income (note 25)	58,000	67,000
Decrease / (Increase) in stock	(700)	500
Decrease / (Increase) in debtors	45,505	(58,632)
(Decrease) / Increase in creditors	(217,877)	299,907
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(25,655)</b>	<b>501,046</b>

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

	2019 £	2018 £
Interest received	7,706	7,699
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>7,706</b>	<b>7,699</b>

## Note 21: Capital expenditure and financial investment

	2019 £	2018 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(393,029)	(1,002,967)
Capital grants from DfE/ESFA	84,960	24,281
Capital funding received from sponsors and others	264,768	515,452
Receipts from sale of tangible fixed assets	-	-
<b>Net cash (outflow) / inflow from capital expenditure and financial investment</b>	<b>(43,300)</b>	<b>(463,234)</b>

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

Analysis of changes in net funds	At 1 September		At 31 August
	2018	Cash flows	2019
	£	£	£
Cash in hand and at bank	1,085,253	(61,250)	1,024,003
	<b>1,085,253</b>	<b>(61,250)</b>	<b>1,024,003</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 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was prepared by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The pension costs paid to TPS in the period amounted to £679,292 (2018: £671,402)

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 2019 was £221,000 (2018: £219,000) of which employer's contributions totalled £170,000 (2018: £168,000) and employees' contributions totalled £50,000 (2018: £51,000). 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 2019	At 31 August 2018
Rate of increase in salaries	3.7%	3.8%
Rate of increase for pensions in payment / inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.9%	2.7%
Inflation assumption (CPI)	2.2%	2.3%
Inflation assumption (RPI)	3.2%	3.3%
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 the proportion of active members that had taken up the 50:50 option under the new LGPS to pay 50% of contributions for 50% of benefits will remain the same.

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	5,270	5,407	5,548
Projected Service Cost	383	394	405
<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	5,427	5,407	5,387
Projected Service Cost	394	394	394
<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	5,527	5,407	5,290
Projected Service Cost	405	394	383
<b>Adjustment to mortality age rating assumption</b>	<b>+1 Year</b>	<b>None</b>	<b>-1 Year</b>
Present Value of Total Obligation	5,613	5,407	5,208
Projected Service Cost	408	394	380

The mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation's model, CMI\_2018, which was released in March 2019. The assumed life expectations on retirement age 65 are:

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	22.5	23.5
Females	24.4	25.6
<i>Retiring in 20 years</i>		
Males	24.2	25.8
Females	26.2	28.0

**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 2019</b>	<b>Fair value at 31 August 2018</b>
	<b>£000's</b>	<b>£000's</b>
Equities - UK	377	389
Equities - Overseas	1,026	875
Gilts	84	66
Other Bonds	44	41
Property	205	189
Infrastructure	89	75
Cash	31	32
Alternative Assets	123	107
Target Return Portfolio	328	299
Private equity	43	21
<b>Total market value of assets</b>	<b>2,350</b>	<b>2,094</b>
 Present value of scheme liabilities		
- Funded	(5,407)	(4,399)
<b>Deficit in the scheme</b>	<b>(3,057)</b>	<b>(2,305)</b>

The total return on the fund assets for the year 31 August 2019 is £98,000 (2018: £117,000)

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Service Cost	393	376
Net Interest cost	58	66
Administration Expenses	1	1
<b>Total loss</b>	<b>452</b>	<b>443</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. Allowances have been made for the estimated impact of the recent McCloud judgement as a past service cost. The estimate on the impact of total liabilities as at 31 August 2019 is £64,000 (or 1.2% as a percent of total liabilities).

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

	2019 £'000	2018 £'000
<b>At 1 September</b>	<b>4,399</b>	<b>4,406</b>
Current service cost	329	376
Interest cost	116	115
Employee contributions	50	51
Experience loss/(gain) on defined benefit obligation	-	-
Benefits paid	(61)	(30)
Past Service costs, including curtailments	64	-
Change in demographic assumptions	(280)	-
Change in Financial Assumptions	790	(519)
<b>At 31 August</b>	<b>5,407</b>	<b>4,399</b>

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

	2019 £'000	2018 £'000
<b>At 1 September</b>	<b>2,094</b>	<b>1,789</b>
Expected return on assets	-	-
Actuarial gains / (losses)	-	-
Employer contributions	170	168
Employee contributions	50	51
Benefits paid	(61)	(30)
Interest on Assets	58	49
Return on plan assets (excluding net interest on the net defined pension liability)	40	68
Administration Expenses	(1)	(1)
<b>At 31 August</b>	<b>2,350</b>	<b>2,094</b>

## Note 26: Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period:

- The academy trust purchased the support from Escot Estate to support work on the school pond, totalling £415.
- The academy trust made the purchase at arms' length following the receipt of a couple of quotes from local companies in accordance with its financial regulations, which Lady Kennaway neither participated in, nor influenced.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018 with the exception of reporting the transaction later than stipulated. An explanation has been provided to the ESFA.









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