

Company Registration No. 07834300 (England and Wales)

KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018

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KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr Michael Bates
Mr Gary Archer
Mrs Debbie Withers

Trustees

Mrs C Wyke (Staff Trustee)
Mr Tomas Duibhir (Headteacher and Accounting officer)
Mr M Bates (Vice-Chair)
Mr G Archer
Mr S Cullingford-Agnew
Mrs J Mould
Mrs L Vilcane
Mrs D Withers (Trustee)

Senior management team

- Headteacher	Mr Tomas Duibhir
- Deputy Head	Mrs Rebecca Tungate
- Assistant Head	Mrs Sara Cullingford-Agnew
- Assistant Head	Mrs Amanda Harrison
- ASD Team Leader	Miss Gemma Foster
- ASD Team Leader	Mr Ben Kemp
- Uppers Team Leader	Miss Amanda King
- School Business Manager	Mrs Andree Carol Robinson
- Parent Support Advisor	Mrs Alison Everitt

Company registration number

07834300 (England and Wales)

Registered office

15 Churchill Way
Kettering
Northamptonshire
NN15 5DP

Independent auditor

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

Solicitors

Knights
Midlands House
West Way
Botley
OX2 0PH

KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for 132 pupils with special educational needs, aged between 4 and 11, and also operate a mainstream Neighbourhood Nursery for 66 three and four year old children. It had a combined roll of 164 in the school census on 21 January 2018.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Kingsley Special Academy Trust are also the directors and governors of the charitable company for the purposes of company law. The charitable company is known as Kingsley Special Academy Trust.

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

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust. The cost of this insurance in the year can be found in note 10 to the accounts.

Method of recruitment and appointment or election of trustees

The members are responsible for appointing trustees except for parent trustees and staff trustees. The board of trustees shall make all necessary arrangements for the election of parent trustees who are elected by parents of registered pupils at the academy trust.

The term of office for all trustees will be four years. All trustees are entitled to stand for re-election or re-appointment if they wish to do so.

Policies and procedures adopted for the induction and training of trustees

All new trustees are expected to undertake formal induction training organised by the National Governor's Association or Local Authority. Trustees are also expected to undertake formal training in areas of responsibility such as Safeguarding, SEN, Health and Safety, Performance Management etc. The Clerk keeps a record of trustee training. There is a dedicated training budget for trustees.

New trustees are also provided with a Trustee Induction Pack which includes policies, procedures, minutes, accounts, budgets, plans and other relevant academy trust documents.

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

Organisational structure

The trustees may delegate to any trustee, committee, the Headteacher or any other holder of executive office, such of their powers or functions as they consider desirable to be exercised by them. Where delegation has occurred, reporting back to the board of trustees must occur at the earliest opportunity.

The trustees shall appoint the Headteacher. The trustees may delegate such powers and functions as they consider are required by the Headteacher for the internal organisation, management and control of the Special academy trust (including the implementation of all policies approved by the trustees and for the direction of teaching and curriculum at the Special academy trust).

The Senior Management Team includes the Headteacher, Deputy Head (Autism Lead), School Business Manager, Assistant Head Teaching & Learning, Assistant Head Assessment, Assistant Head Curriculum, Assistant Head/Nursery Lead and Parent Support Advisor.

Arrangements for setting pay and remuneration of key management personnel

Staff on Teachers contracts will follow the Teachers Pay and Conditions pay scales and performance management policies. Staff on non-teaching contracts will be paid on the NJC pay scales and non-teaching performance management policies. All decisions about annual pay awards will be approved by Governors Pay Committee prior to being implemented.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	-
Full-time equivalent employee number	74.12

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	267
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Kingsley Learning Foundation subscribes into the Northamptonshire County Council trade union facility to provide trade union support to the school.

KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Related parties and other connected charities and organisations

Kingsley School is a strategic board member of the Maplefields Teaching School Alliance. The academy trust is a member of the Northamptonshire Association of Special School Heads, through which relations with the Local Authority are managed. We also work closely with NHFT who are responsible for delivering therapies and school nursing in the school.

The Trust is involved in a partnership for school improvement with Fairfields and Rowan Gate schools named 3 Share.

Pending formal constituting of the MAT Kingsley governors are nominally leading the project for Red Kite a new Free School in Corby that is in development stages.

Objectives and activities

Objects and aims

- 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 specially organised to make special educational provision for pupils with special educational needs ("the special academy")
- to promote for the benefit of individuals living in Kettering and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, strategies and activities

The main objectives of the academy trust during the period ended 31 August 2018 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the academy trust by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct the academy trust's business in accordance with the highest standards of integrity, probity and openness; and
- To facilitate families in the management of the additional demands associated with parenting a child with a disability to mitigate the emotional and capacity impact.

The academy trust's strategy to achieve its objectives is to provide education, care and support for all pupils in an environment that meets their needs. Activities include:

- classes
- carers and support
- extra curricular
- staff training (list could go on to include multi-professional liaison, specialist therapeutic interventions, extended school activities (ASC, playscheme, Camp Kingsley), residential opportunities etc)

KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Public benefit

The trustees of the academy trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the academy trust's purpose for the public benefit include the promotion of education for the benefit of children with special educational needs and their families in the local community of Kettering and offers recreational facilities to a variety of local community groups outside of school hours for the benefit of the general public. Community based projects are also undertaken throughout the year by staff and students which further enhances the public benefit.

Strategic report

Achievements and performance

The academy trust is now in its sixth year of operation. Total students in January 2018 number 164, including those children who attend the Neighbourhood Nursery. Currently the range of needs addressed in the school appears to be becoming more complex with very few children who might be identified as having moderate learning difficulties and a significant increase in those presenting with severe or profound and multiple learning difficulties. (However there is a growing cohort of children presenting with a Higher Functioning Autism (HFA) and these children function at academic levels that are close to that of chronological peers in mainstream. There is a greatly increased number of children in the Early Years who have a profound or complex presentation on the autistic spectrum and 10 children have been admitted to the Neighbourhood Nursery who are likely to require EHC plans.

Achievement data for 2017-18 identified a sustained increase of overall average and for the vulnerable groups. This represents an excellent outcome given the increasing complexity of the children admitted and significant recruitment of new staff in recent years. We feel that these outcomes signify a grading of outstanding and this was confirmed by Ofsted in July 2017 who again awarded us an Outstanding Grading. There is no discrepancy or cause for concern for the achievement of any of the vulnerable groups within the school.

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

The academy trust uses a number of financial key performance indicators to monitor financial success of the academy trust and progress/improvement against the targets set.

The academy trust monitors the Cost Centres within the academy trust and reviews their balances termly to review their cash flow and maintain a positive cash balance.

Staffing costs are monitored as a percentage of restricted charitable income. For the year ended 31 August 2018 staffing costs amounted to 81% of funding income (2017 - 87%).

The academy trust also monitors its operating surplus or deficit as a percentage of total income. For the year ended 31 August 2018 the operating deficit equated to 12% of total income (2017 - operating deficit 9%).

Most of the academy trust's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the EFA and other funding bodies. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP (FRS102)), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2018 total restricted general funds expenditure of £2,862,000 exceeded recurrent grant funding from the DfE together with other restricted income. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £154,000.

At 31 August 2018 the net book value of fixed assets was £3,838,000 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

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.

KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

Reserves policy

At 31 August 2018 the total funds comprised:

Unrestricted:	363,000
Restricted:	
Fixed asset funds	3,926,000
GAG	46,000
Pension reserve	(1,886,000)
Other	221,000

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 18. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the academy trust, at the discretion of the trustees, and represent 3 weeks' worth of academy trust expenditure. The aim of the trustees is to maintain a balanced budget pending the introduction of a national funding formula.

Investment policy

The board of trustees has approved a treasury management statement as part of the Financial Procedures Manual, which documents the academy trust's investment policy.

The academy trust's investment policy is to invest surplus cash reserves with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested.

Principal risks and uncertainties

The principal risks facing the academy trust are:

- Reputational risk - mitigated by having policies and practices relating to safeguarding, use of social media and the engagement of Plumsun as a liaison with media and mentoring risk management;
- Performance risk - mitigated by school evaluating its performance throughout the year and the school improvement plan makes provision in respect of recruitment, CPD and reorganisation in order to manage any risk;
- Financial risk - the principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by monitoring and reporting to trustees on a termly basis, liaison with EFA and NCC and predictive measures in financial planning and careful management of the carry forward; and
- Risks associated with personnel - mitigated by absence insurance being in place, HR services to ensure legal compliance and the adoption of HR policies developed using the guidance of HR services.

An underpayment of LGSS pensions on a specific group of employees was identified. It relates to the casual elements of work (core elements have been subject to pension) and the following steps have been taken:

- Creating a model with LGSS for capturing data to determine potential contributions due.
- Communication with the employees to ensure they are aware of the matter and steps taken.

The model has been agreed and 15 employees out of the 45 now have a calculation. Consultation will take place with the employees to ascertain if they wish to make good their employees contribution and the Trust will at the same time settle the employers liability. If the employee chooses not to settle their amounts due then there will be no employers liability. The work to date shows that the total liability will be managed by unrestricted funds and is expected to not exceed £20,000. The payroll was outsourced during the time of this error and the Trust is very disappointed with their service and has since changed payroll provider.

**KINGSLEY LEARNING FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

The academy trust practices through its Board, namely the board to trustees and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

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

Financial and risk management objectives and policies

Fundraising

Historically there has not been a clearly defined structure for fund raising for Kingsley School Association which is predominately run by staff has been an organisation to support families and provide them with social events in a supportive environment rather than raising money.

In the light of cuts in government funding both nationally and locally we now need to change our focus and develop a fundraising strategy. Our intention is to recruit a fundraiser to plug the gaps that have occurred by the removal of funding for such areas as After School and Holiday Clubs and give the MAT the opportunity to develop rather than regress.

Plans for future periods

The main development priorities identified in the school improvement plan are as follows:

1. The further development of the Multi Academy Trust
2. Post opening developmental support to Red Kite Special Academy that opened in September 2018
3. With the formation of the Kingsley Learning Foundation Multi-Academy Trust a new governance structure has been implemented based on the Trust's governance plan. In the current year we will be embedding this structure of Board and committees (one of which is the Governing body, working across both schools and managing accountability for Standards and Performance)
4. Restructuring of the School Leadership Group with the departure of 2 Assistant Heads taking up roles at Red Kite and a future leader giving Leadership support to the DSP at Beanfield
5. Evaluate and re-configure capacity in response to significant increase in numbers - 44 new starters this year.
6. Restructuring of the Admin team to provide Admin support to the MAT
7. Increasing the cohesion and supportive working with Beanfield and the Brooke Weston Trust
8. Moving KMU into its next phase of development working with Penn Green to increase student recruitment and funding streams.
9. Review of the Neighbourhood Nursery provision in the light of falling number
10. Addressing concerns re attendance at school
11. Revision of EHCP outcomes and short steps in order to accurately reflect the needs of the children, the progress being made and planning a pathway for their futures.
12. Investigating the capacity requirements of an ASD specific Free School and the mechanism under the latest EFA rules for the development of such a provision.

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 November 2018 and signed on its behalf by:

Mrs D Withers
Trustee



KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Kingsley Special 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 Kingsley Special Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
Mrs C Wyke (Staff Trustee)	2	5
Mr Tomas Duibhir (Headteacher and Accounting officer)	3	5
Mr M Bates (Vice-Chair)	5	5
Mr G Archer	4	5
Mr S Cullingford-Agnew	4	5
Mrs J Mould	4	5
Mrs L Vilcane	4	5
Mrs D Withers (Trustee)	5	5

KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Governance reviews:

- Annual review has been carried out using materials from NGA
- Results were collated and shared with Headteacher for further comment

Outcomes from review:

- Good attendance records at the majority of our meetings but this has been affected by recent resignations;
- Good understanding of governor role but could also look at individual training plan for each governor;
- We have attended data focused meetings for analysis and to assist more in-depth understanding;
- Financial management was rigorous ensuring best value for money at all times;
- Budget setting was well managed and any difficulties in ensuring regular funding streams were resolved;
- Not enough input is seen from governors on strategic planning.

Action:

- Form a working group to frame input to long term strategy for school - vision and direction;
- We have endeavored to fill vacancies but without success, as yet

Action:

- We are framing an interim strategy to cover areas of expertise which are not available through on present governing body e.g. seeking associate governors who could provide us with knowledge and expertise in particular areas.

Aims going forward:

- We intend to carry out annual self-evaluation;
- We intend to carry out a skills audit; and
- Immediate areas for further focus are succession planning, input to long term strategy for school (vision and direction).

The Finance, Personnel and Audit Committee is a sub-committee of the main board of trustees this has now become the Resources Committee. Its purpose is to monitor and approve all financial and personnel procedures, policies and budgetary matters. The School Business Manager (SBM) is required to attend all Finance, Personnel and Audit Committee/Resources meetings and is invited to attend Pay Committee meetings when required.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr Tomas Duibhir (Headteacher and Accounting officer)	4	5
Mr M Bates (Vice-Chair)	4	5
Mr G Archer	4	5
Mrs J Mould	3	5
Mrs L Vilcane	4	5
Mrs D Withers (Trustee)	5	5

KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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:

Improving educational results:

- Targeted improvement - the planned changes to the staffing structure from previous years are now fully operational with a Deputy Head/Autism team leader, 3 Assistant Heads to target Teaching and Learning, Curriculum and Assessment, Early Years and KMU to maximise expertise in each specific area. Using this model we aim to target all areas of individual pupil's development;
- Focus on individual pupils - every pupil in the school has an Individual Education Plan. To expand the delivery of these targets we have increased the amount of Occupational Therapist time the school buys to deliver 1:1 programmes for pupils. The Parent Support Advisor and Welfare team that work with pupils and families have expanded their programmes including Protective Behaviour, Theraplay, Sleep Clinics and Family Learning Week as well as individual family support to improve outcomes for pupils. We have continued to contract an Educational Psychologist to develop individual programmes for targeted pupils;
- Collaboration - the school works collaboratively with a variety of partner schools including procurement with Kettering Special School Bursars, maximising the capacity of our kitchens by catering for our neighbouring infant school in the delivery of Universal Free School Meals. Also making use of the Northamptonshire bursars' network and website when requiring references for contractors and advice on best practise. The Academy is also a member of the Maplefields Teaching School Alliance;
- New initiatives - the restructuring of the staffing structure by introducing a Deputy Head increases the amount of resilience in the structure and will give the opportunity to future proof the school's structure by giving us a strong and diverse management structure;
- Quantifying Improvements - we continue to roll out the use of Onwards and Upwards to give a more detailed picture of the pupils' progress while still using CASPA to moderate that data. We have also moved forward with the use of electronic Green Files;
- Financial Governance and Oversight - termly reporting to the Finance, Personnel and Audit Committee continues. The School Business Manager has increased the number of reports presented to trustees including a more detailed income and Expenditure Cost Centre Report and also a Cash Flow Statement to give them a more accurate picture of the financial status of the academy trust. The Responsible Officer continues to make regular visits to review the financial processes and report to trustees;

KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

- Better Purchasing
- Fitness for purpose - the academy trust has continued its rolling programme of reviewing contracts and making more use of framework agreements to achieve best values;
- Benchmarking - formal benchmarking is difficult because of the specialist nature of our delivery but now we have been an Academy since 2012 there is more information on the government's benchmarking website;
- Options appraisal - the school has a policy of obtaining multiple quotes for purchases and wherever possible this is done. When major works are being completed tendering has been undertaken to obtain best value;
- Economies of scale - we trust to optimise the size of our orders to obtain bulk discounts and achieve best value. We have also procured with other schools to obtain even greater discounts;
- Better income generation - lettings are back to their pre refurbishment levels;
- Reviewing controls and managing risks –we are continuing to work with our Responsible Officer to introduce greater rigor in reviewing our procedures. We use Plumsun for our Risk Management and Health & Safety control and have worked with them to develop our web based Business Continuity Plan. Safesmart are also used for our web based records for fire safety and online training including fire awareness, food hygiene safeguarding and prevent and school environmental awareness;

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kingsley Special Academy Trust for the period 1 September 2016 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Personnel and Audit/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 to appoint Smith Hodge & Baxter as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchases ledger;
- testing of control bank reconciliations;
- testing of income systems;
- testing of procurement;
- testing of expenses/credit card systems.

On a bi-annual basis the internal auditor reports to the board of trustees, through the Finance, Personnel and Audit Committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The Trustees are responsible for the design and selection of the internal checks. During the year the checks conducted and report showed no significant issues.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

Approved by order of the board of trustees on 20 November 2018 and signed on its behalf by:



Mr Tomas Duibhir
Headteacher and Accounting officer

Mrs D Withers
Trustee

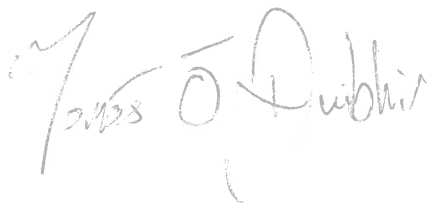


**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

As accounting officer of Kingsley Learning Foundation I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

A handwritten signature in blue ink, appearing to read 'Tomas O Duibhir', with the year '2018' written below it.

**Mr Tomas Duibhir
Accounting Officer**

20 November 2018

KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 20 November 2018 and signed on its behalf by:

Mrs D Withers
Trustee



KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSLEY LEARNING FOUNDATION

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Kingsley Learning Foundation for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSLEY LEARNING
FOUNDATION (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSLEY LEARNING
FOUNDATION (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



**Mrs Caroline Armstrong (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter Audit Services**

20th November 2018

Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO KINGSLEY LEARNING FOUNDATION AND THE EDUCATION &
SKILLS FUNDING AGENCY**

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 19 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingsley Learning Foundation during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Kingsley Learning Foundation's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kingsley Learning Foundation's funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of trustee and relevant Board minutes
 - Sample test of procurement procedures
- Communication with the accounting officer

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO KINGSLEY LEARNING FOUNDATION AND THE EDUCATION &
SKILLS FUNDING AGENCY (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

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



Reporting Accountant
Smith Hodge & Baxter Audit Services

Dated: 20th November 2018

KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000s	Restricted funds: General Fixed asset £'000s £'000s		Total 2018 £'000s	Total 2017 £'000s
Income and endowments from:						
Donations and capital grants	3	24	-	90	114	41
Charitable activities:						
- Funding for educational operations	4	21	2,672	-	2,693	2,607
Other trading activities	5	46	36	-	82	71
Investments	6	-	-	-	-	1
Total		<u>91</u>	<u>2,708</u>	<u>90</u>	<u>2,889</u>	<u>2,720</u>
Expenditure on:						
Raising funds	7	1	-	-	1	7
Charitable activities:						
- Educational operations	8	-	3,088	154	3,242	2,953
Total	7	<u>1</u>	<u>3,088</u>	<u>154</u>	<u>3,243</u>	<u>2,960</u>
Net income/(expenditure)		90	(380)	(64)	(354)	(240)
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	18	-	502	-	502	847
Net movement in funds		90	122	(64)	148	607
Reconciliation of funds						
Total funds brought forward		<u>273</u>	<u>(1,786)</u>	<u>3,990</u>	<u>2,477</u>	<u>1,868</u>
Total funds carried forward		<u>363</u>	<u>(1,664)</u>	<u>3,926</u>	<u>2,625</u>	<u>2,475</u>

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2017 £'000s
Income and endowments from:					
Donations and capital grants	3	32	-	9	41
Charitable activities:					
- Funding for educational operations	4	58	2,550	-	2,608
Other trading activities	5	35	36	-	71
Investments	6	1	-	-	1
Total		<u>126</u>	<u>2,586</u>	<u>9</u>	<u>2,721</u>
Expenditure on:					
Raising funds	7	7	-	-	7
Charitable activities:					
- Educational operations	8	-	2,792	161	2,953
Total	7	<u>7</u>	<u>2,792</u>	<u>161</u>	<u>2,960</u>
Net income/(expenditure)		119	(206)	(152)	(239)
Transfers between funds	15	-	(583)	583	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	847	-	847
Net movement in funds		119	58	431	608
Reconciliation of funds					
Total funds brought forward		<u>155</u>	<u>(1,844)</u>	<u>3,558</u>	<u>1,869</u>
Total funds carried forward		<u>274</u>	<u>(1,786)</u>	<u>3,989</u>	<u>2,477</u>

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
BALANCE SHEET**

AS AT 31 AUGUST 2018

	Notes	2018 £'000s	2017 £'000s
Fixed assets			
Tangible assets	12	3,838	3,988
Current assets			
Debtors	13	65	61
Cash at bank and in hand		707	652
		<u>772</u>	<u>713</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(99)	(64)
Net current assets			<u>649</u>
Net assets excluding pension liability			<u>4,637</u>
Defined benefit pension scheme liability	18	(1,886)	(2,162)
Net assets		<u>2,625</u>	<u>2,475</u>
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds		3,926	3,988
- Restricted income funds		222	376
- Pension reserve		(1,886)	(2,162)
Total restricted funds		<u>2,262</u>	<u>2,202</u>
Unrestricted income funds	15	363	273
Total funds		<u>2,625</u>	<u>2,475</u>

The accounts on pages 23 to 43 were approved by the trustees and authorised for issue on 20 November 2018 and are signed on their behalf by:

Mrs D Withers
Trustee

Company Number 07834300

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000s	2017 £'000s
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(31)	95
Cash flows from investing activities			
Dividends, interest and rents from investments		-	1
Capital grants from DfE Group		90	9
Purchase of tangible fixed assets		(3)	(592)
Net cash provided by/(used in) investing activities		<u>87</u>	<u>(582)</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period		56	(487)
Cash and cash equivalents at beginning of the year		<u>651</u>	<u>1,139</u>
Cash and cash equivalents at end of the year		<u><u>707</u></u>	<u><u>652</u></u>

KINGSLEY LEARNING FOUNDATION (FORMERLY KINGSLEY SPECIAL ACADEMY TRUST) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

Kingsley Learning Foundation meets the definition of a public benefit entity under FRS 102. The Academy Trust is a charitable company limited by guarantee, incorporated and domiciled in England. The address of the registered office is Kingsley Learning Foundation, Churchill Way, Kettering, Northamptonshire, NN15 5DP.

The financial statements are presented in Sterling (£).

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

Upon conversion the Academy Trust entered into a 125 year lease with Northamptonshire County Council for the academy's land and buildings. The rental charge under this lease is a peppercorn. Substantially all the risks and rewards incidental to ownership are assumed by the Academy Trust and therefore the lease is treated as a finance lease and the asset capitalised in accordance with the tangible fixed assets accounting policy below.

1.4 Expenditure

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

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land and buildings	Land, 0.8% straight line. Buildings, 2% straight line
Leasehold Improvements	2% straight line
Computer equipment	25% straight line
Office Equipment	15% straight line
Motor vehicles	25% straight line

1.6 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 of services it must provide.

1.7 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which 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.

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Debtors

Short-term debtors are measured at transaction price, less any impairment

Creditors

Short-term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost, using the effective interest method.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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 gains and losses.

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

1 Accounting policies

(Continued)

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

Restricted pension reserve funds represent the Academy Trust's share of the assets and liabilities for the Local Government Pension Scheme.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Capital grants	-	90	90	9
Other donations	24	-	24	32
	<u>24</u>	<u>90</u>	<u>114</u>	<u>41</u>

The income from donations and capital grants was £114,000 (2017: £41,000) of which £24,000 was unrestricted (2017: £32,000), £nil was restricted (2017: £nil) and £90,000 was restricted fixed assets (2017: £9,000).

**KINGSLEY LEARNING FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
DfE / ESFA grants				
General annual grant (GAG)	-	992	992	1,006
Other DfE group grants	-	47	47	59
	-	1,039	1,039	1,065
Other government grants				
Local authority grants	-	1,633	1,633	1,485
Other funding				
Other incoming resources	21	-	21	57
Total funding	21	2,672	2,693	2,607

The income from funding for the academy trust's educational operations was £2,693,000 (2017: £2,607,000) of which £21,000 was unrestricted (2017: £57,000) and £2,672,000 was restricted (2017: £2,550,000).

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Hire of facilities	46	-	46	35
Other income	-	36	36	36
	46	36	82	71

The income from other trading activities was £82,000 (2017: £71,000) of which £46,000 was unrestricted (2017: £35,000) and £36,000 was restricted (2017: £36,000).

6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Short term deposits	-	-	-	1

Investment income was £nil (2017: £1,000) of which £nil was unrestricted (2017: £1,000) and £nil was restricted (2017: £nil).

**KINGSLEY LEARNING FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £'000s	Premises & equipment £'000s	Other costs £'000s	Total 2018 £'000s	Total 2017 £'000s
Expenditure on raising funds	-	-	1	1	7
Academy's educational operations					
- Direct costs	2,188	154	114	2,456	2,255
- Allocated support costs	440	104	242	786	698
	<u>2,628</u>	<u>258</u>	<u>357</u>	<u>3,243</u>	<u>2,960</u>

Expenditure was £3,243,000 (2017: £2,960,00) of which £2,628,000 was staff costs (2017: £2,378,000), £258,000 was premises (2017: £305,000) and £357,000 was other costs (2017: £277,000). Of this, £1,000 was unrestricted (2017: £7,000), £226,000 was restricted pension reserve (2017: £166,000), £2,862,000 was restricted (2017: £2,625,000) and £154,000 was restricted fixed assets (2017: £162,000).

Net income/(expenditure) for the year includes:

	2018 £'000s	2017 £'000s
Fees payable to auditor for audit services	7	7
Depreciation	154	162
Net interest on defined benefit pension liability	56	60
	<u> </u>	<u> </u>

8 Charitable activities

	2018 £'000s	2017 £'000s
All from restricted funds:		
Direct costs		
Educational operations	2,456	2,255
Support costs		
Educational operations	786	698
	<u>3,242</u>	<u>2,953</u>

The expenditure for the academy trust's educational operations was £3,242,000 (2017: £2,953,000) of which £226,000 was restricted pension reserve (2017: £166,000), £2,862,000 was restricted (2017: £2,625,000) and £154,000 was restricted fixed assets (2017: £162,000).

	2018 £'000s	2017 £'000s
Analysis of support costs		
Support staff costs	440	399
Technology costs	10	7
Premises costs	104	144
Other support costs	207	103
Governance costs	25	45
	<u>786</u>	<u>698</u>

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

8 Charitable activities (Continued)

All of the academy trust's expenditure for both the current and previous accounting periods was for its educational operations.

9 Staff

Staff costs

Staff costs during the year were:

	2018	2017
	£'000s	£'000s
Wages and salaries	1,965	1,827
Social security costs	140	129
Pension costs	523	422
	<u> </u>	<u> </u>
Total staff expenditure	<u>2,628</u>	<u>2,378</u>

Staff numbers

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

	2018	2017
	Number	Number
Teachers	19	16
Administration and support	78	88
Management	8	8
	<u> </u>	<u> </u>
	<u>105</u>	<u>112</u>

Higher paid staff

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

	2018	2017
	Number	Number
£70,001 - £80,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £513,699 (£496,827).

**KINGSLEY LEARNING FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

10 Trustees' remuneration and expenses

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

T Duibhir (Headteacher and trustee)		
Remuneration	£80,000 - £85,000	(2017: £80,000 - £85,000)
Employers' pension contributions	£10,000 - £15,000	(2017: £10,000 - £15,000)
Mrs C Wyke (Staff Trustee)		
Remuneration	£40,000 - £45,000	(2017: £40,000 - £45,000)
Employers' pension contributions	£5,000 - £10,000	(2017: £5,000 - £10,000)

During the year ended 31 August 2018, travel expenses totalling £nil were reimbursed to no Trustees (2017: £nil to 1 Trustee)

Other related party transactions involving the trustees are set out in note 24.

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £3,770 (2017: £3,220). From 1 August 2017 the Academy has moved its insurance to the Government RPA scheme and up to 31 August 2018 paid £942 (2017: £813) in premiums.

12 Tangible fixed assets

	Leasehold land and buildings	Leasehold Improvements	Computer equipment	Office Equipment	Motor vehicles	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Cost						
At 1 September 2017	3,747	520	147	219	67	4,700
Additions	-	-	-	3	-	3
At 31 August 2018	3,747	520	147	222	67	4,703
Depreciation						
At 1 September 2017	437	8	113	98	55	711
Charge for the year	83	10	17	33	11	154
At 31 August 2018	520	18	130	131	66	865
Net book value						
At 31 August 2018	3,227	502	17	91	1	3,838
At 31 August 2017	3,310	512	34	122	11	3,989

**KINGSLEY LEARNING FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

12 Tangible fixed assets

(Continued)

The trust's transactions relating to land and buildings is the spend on a new build project within the school grounds housing classrooms catering special need provisions.

13 Debtors	2018 £'000s	2017 £'000s
VAT recoverable	12	6
Prepayments and accrued income	53	55
	<u>65</u>	<u>61</u>
	<u><u>65</u></u>	<u><u>61</u></u>
14 Creditors: amounts falling due within one year	2018 £'000s	2017 £'000s
Taxation and social security	78	36
Accruals and deferred income	21	28
	<u>99</u>	<u>64</u>
	<u><u>99</u></u>	<u><u>64</u></u>

**KINGSLEY LEARNING FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

15 Funds

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
Restricted general funds					
General Annual Grant	47	992	(1,039)	-	-
Other DfE / ESFA grants	-	47	(47)	-	-
Other government grants	-	1,633	(1,633)	-	-
Other restricted funds	328	36	(143)	-	221
	<u>375</u>	<u>2,708</u>	<u>(2,862)</u>	<u>-</u>	<u>221</u>
Funds excluding pensions	375	2,708	(2,862)	-	221
Pension reserve	(2,162)	-	(226)	502	(1,886)
	<u>(1,787)</u>	<u>2,708</u>	<u>(3,088)</u>	<u>502</u>	<u>(1,665)</u>
Restricted fixed asset funds					
Transferred on conversion	2,509	-	(97)	-	2,412
DfE / ESFA capital grants	361	90	(17)	-	434
Capital expenditure from GAG	880	-	(36)	-	844
Donated Fixed assets	239	-	(4)	-	235
	<u>3,989</u>	<u>90</u>	<u>(154)</u>	<u>-</u>	<u>3,925</u>
Total restricted funds	<u>2,202</u>	<u>2,798</u>	<u>(3,242)</u>	<u>502</u>	<u>2,260</u>
Unrestricted funds					
General funds	274	91	(1)	-	364
Total funds	<u>2,476</u>	<u>2,889</u>	<u>(3,243)</u>	<u>502</u>	<u>2,624</u>

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy Trust together with other restricted general funds. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the account of GAG that it should carry forward at 31 August 2018.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

**KINGSLEY LEARNING FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

15 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2016 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2017 £'000s
Restricted general funds					
General Annual Grant	100	1,006	(1,059)	-	47
Other DfE / ESFA grants	6	42	(48)	-	-
Other government grants	17	1,502	(1,519)	-	-
Other restricted funds	876	36	-	(583)	329
	<u>999</u>	<u>2,586</u>	<u>(2,626)</u>	<u>(583)</u>	<u>376</u>
Funds excluding pensions	999	2,586	(2,626)	(583)	376
Pension reserve	(2,843)	-	(166)	847	(2,162)
	<u>(1,844)</u>	<u>2,586</u>	<u>(2,792)</u>	<u>264</u>	<u>(1,786)</u>
Restricted fixed asset funds					
Transferred on conversion	2,611	-	(102)	-	2,509
DfE / ESFA capital grants	369	9	(17)	-	361
Capital expenditure from GAG	335	-	(38)	583	880
Private sector capital sponsorship	243	-	(4)	-	239
	<u>3,558</u>	<u>9</u>	<u>(161)</u>	<u>583</u>	<u>3,989</u>
Total restricted funds	<u>1,714</u>	<u>2,595</u>	<u>(2,953)</u>	<u>847</u>	<u>2,203</u>
Unrestricted funds					
General funds	155	126	(7)	-	274
	<u>155</u>	<u>126</u>	<u>(7)</u>	<u>-</u>	<u>274</u>
Total funds	<u>1,869</u>	<u>2,721</u>	<u>(2,960)</u>	<u>847</u>	<u>2,477</u>

16 Deferred income

Deferred income is included within:

Creditors due within one year

	2018 £'000s	2017 £'000s
Creditors due within one year	5	5
Deferred income at 1 September 2017	5	7
Released from previous years	(5)	(7)
Resources deferred in the year	5	5
Deferred income at 31 August 2018	<u>5</u>	<u>5</u>

At the balance sheet date the Academy Trust was holding funds received in advance for free school meals for the year ending 31 August 2018.

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	3,838	3,838
Current assets	363	321	88	772
Creditors falling due within one year	-	(99)	-	(99)
Defined benefit pension liability	-	(1,886)	-	(1,886)
Total net assets	363	(1,664)	3,926	2,625

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	3,989	3,989
Current assets	274	440	-	714
Creditors falling due within one year	-	(64)	-	(64)
Defined benefit pension liability	-	(2,162)	-	(2,162)
Total net assets	274	(1,786)	3,989	2,477

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

An underpayment of LGSS pensions on a specific group of employees was identified. It related to a casual element of work (core elements have been subject to pension) and the following steps have been taken:

- Creating a model with LGSS for capturing data to determine potential contributions due
- Communication with the employees to ensure they are aware of the matter and steps taken.

The model has been agreed and 15 out of the 45 now have a calculation. Consultations will take place with the employees to ascertain if they wish to make good their employees contribution and the Trust will at the same time settle the employers liability. If the employee chooses not to settle their amounts due then there will be no employers liability. The work to date shows that the total liability will be managed by unrestricted funds and is expected to not exceed £20,000. The payroll was outsourced during the time of this error and the Trust has since changed payroll provider.

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £159,000 (2017: £133,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.6% for employers and 5.5% to 12% for employees.

**KINGSLEY LEARNING FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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.

Total contributions made	2018 £'000s	2017 £'000s
Employer's contributions	195	185
Employees' contributions	54	47
	<hr/>	<hr/>
Total contributions	249	232
	<hr/> <hr/>	<hr/> <hr/>
Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.3	2.4
Commutation of pensions to lump sums - Pre April 2008 service	50	50
Commutation of pensions to lump sums - Post April 2008 service	75	75
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 Years	2017 Years
Retiring today		
- Males	22.1	22.1
- Females	24.2	24.2
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.1	26.1
	<hr/> <hr/>	<hr/> <hr/>

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

The academy trust's share of the assets in the scheme	2018 Fair value £'000s	2017 Fair value £'000s
Equities	1,629	1,387
Debt Instruments	330	300
Cash	66	56
Property	176	131
	<hr/>	<hr/>
Total market value of assets	2,201	1,874
	<hr/> <hr/>	<hr/> <hr/>

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

19 Pension and similar obligations

(Continued)

The actual return on scheme assets was £106,000 (2017: £115,000).

Amount recognised in the Statement of Financial Activities	2018 £'000s	2017 £'000s
Current service cost	365	291
Interest income	(56)	(80)
Interest cost	112	140
	<hr/>	<hr/>
Total operating charge	421	351
	<hr/> <hr/>	<hr/> <hr/>

Changes in the present value of defined benefit obligations	2018 £'000s
At 1 September 2017	4,036
Current service cost	365
Interest cost	106
Employee contributions	54
Actuarial gain	(446)
Benefits paid	(28)
	<hr/>
At 31 August 2018	4,087
	<hr/> <hr/>

Changes in the fair value of the academy trust's share of scheme assets	2018 £'000s
At 1 September 2017	1,874
Interest income	50
Actuarial gain	56
Employer contributions	195
Employee contributions	54
Benefits paid	(28)
	<hr/>
At 31 August 2018	2,201
	<hr/> <hr/>

**KINGSLEY LEARNING FOUNDATION
(FORMERLY KINGSLEY SPECIAL ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

20 Reconciliation of net expenditure to net cash flow from operating activities	2018 £'000s	2017 £'000s
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(354)	(239)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(90)	(9)
Investment income receivable	-	(1)
Defined benefit pension costs less contributions payable	170	106
Defined benefit pension net finance cost	56	60
Depreciation of tangible fixed assets	154	162
(Increase)/decrease in debtors	(2)	6
Increase in creditors	35	8
	<u> </u>	<u> </u>
Net cash (used in)/provided by operating activities	(31)	93
	<u> </u>	<u> </u>

21 Contingent liabilities

During the year of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy site and premises and other assets held for the purpose of the Academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

22 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 a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

23 Post balance sheet events

After the year end, the Trust became a Multi-Academy Trust with Corby Free Special Academy Trust transferring its educational operations to Kingsley Learning Foundation.

**KINGSLEY LEARNING FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

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