

Company Registration No. 07834300 (England and Wales)

**KINGSLEY LEARNING FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

# KINGSLEY LEARNING FOUNDATION

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# KINGSLEY LEARNING FOUNDATION

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mr Michael Bates (left 9/5/2019)  
Mr Gary Archer (left 9/5/2019)  
Mrs Debbie Withers  
Mr E Lumsden (from 9/5/2019)  
Mrs V Perry (from 9/5/2019)  
Mrs A Prodger (from 9/5/2019)

### Trustees

Mrs C Wyke (Staff Trustee) (Resigned 17 May 2019)  
Mr T Duibhir (CEO and Accounting officer)  
Mr M Bates (Vice-Chair) (Resigned 9 May 2019)  
Mr G Archer (Resigned 9 May 2019)  
Mr S Cullingford-Agnew  
Mrs J Mould (Resigned 9 May 2019)  
Mrs L Vilcane (Resigned 17 May 2019)  
Mrs D Withers (Trustee)  
Mr J Henrys (Appointed 2 April 2019)  
Mr R Orr (Appointed 2 April 2019)  
Mr R Quincey (Appointed 2 April 2019)  
Mr J Scott (Appointed 2 April 2019)  
Mrs D Tysoe (Appointed 2 April 2019 and resigned 7 November 2019)  
Mr R Legate (Appointed 2 April 2019)  
Mr M Isherwood (Appointed 24 May 2019)

### Senior management team

- CEO and Kingsley Head	Mr Tomas Duibhir
- Red Kite Head Teacher	Mrs Donna Luck
- Executive Finance Officer	Mr Richard Travers
- Red Kite Deputy Head	Mrs Bonnie Pawlusek
- Kingsley Assistant Head	Ms Sara Cullingford Agnew
- Kingsley Assistant Head	Miss Gemma Foster
- Kingsley Assistant Head	Mr Ben Kemp
- Kingsley Assistant Head	Miss Amanda King
- Kingsley School Finance Manager	Mrs Janice Munn
- Kingsley Parent Support Advisor	Mrs Alison Everitt
- Red Kite Parent Support Advisor	Mrs Sam Wall

### Company secretary

Mrs K Wareham

### Company registration number

07834300 (England and Wales)

### Registered office

Churchill Way  
Kettering  
Northamptonshire  
NN15 5DP

### Academies operated

Kingsley Special Academy Trust  
Red Kite Academy

### Location

Northamptonshire  
Northamptonshire

### Head Teacher

Mr T Duibhir  
Mrs D Luck

# KINGSLEY LEARNING FOUNDATION

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Independent auditor**                      Baldwins Audit Services  
Thorpe House  
93 Headlands  
Kettering  
Northamptonshire  
NN15 6BL

**Bankers**                                        Lloyds Bank Plc  
3-4 Market Street  
Kettering  
Northants  
NN16 0AH

**Solicitors**                                    Knights  
Midlands House  
West Way  
Botley  
OX2 0PH

# KINGSLEY LEARNING FOUNDATION

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2019*

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates two academies – Kingsley Special Academy and Red Kite Special Academy (formerly Corby Free Special School). The combined numbers on role as of 31st August 2019 were 237. This is set to rise to 240 in September 2019. Additionally, Kingsley Special Academy also runs a mainstream Neighbourhood Nursery which was attended by 54 children throughout 2018-19 but which will reduce to 30 for 2019-20 due to the closure of the afternoon session.

#### **Structure, governance and management**

##### Constitution

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

The trustees of the Kingsley Learning foundation are the directors of the charitable company. The Board meets three times per year and operates 3 Committees. Finance, Risk and Audit Committee, Remunerations Committee and the Governing Body which functions as the Performance and Standards Committee and which works across both schools. Governors are formally appointed by the Board, in some cases (e.g. parent and staff governors) following election processes.

The trustees of Kingsley Learning Foundation are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### 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.

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

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Organisational structure

The trustees may delegate to any trustee, committee, the Headteachers 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 Headteachers. The trustees may delegate such powers and functions as they consider are required by the Headteachers for the internal organisation, management and control of the Special academies (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 Leadership Team at Kingsley Special Academy includes the Headteacher, 4 Assistant Headteachers, School Finance Manager and the Parents Support Advisor.

The Senior Leadership Team at Red Kite Academy consists of the Headteacher, Deputy Headteacher and the Parents Support Advisor.

The Senior Leadership Team at Kingsley Learning Foundation includes the CEO, Executive Headteacher and EFO.

### 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 Remunerations 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 -

#### *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	-
Total pay bill	2,808,000
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 -

# KINGSLEY LEARNING FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Related parties and other connected charities and organisations

Kingsley Special Academy and Red Kite Special Academy are strategic board members of the Maplefields Teaching School Alliance. Both academies are also members 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 academy settings.

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

Following the opening of Red Kite Academy in September 2018 the Trust has overseen the performance of both academies.

#### **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 schools 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 Corby (and the surrounding areas) 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 Trust during the period ended 31 August 2019 are summarised below:

- To ensure that every child enjoyed 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 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 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 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, play scheme, Camp Kingsley), residential opportunities etc.)

##### Public benefit

The trustees of the 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 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 Corby, to also offer 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.

# KINGSLEY LEARNING FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### **Strategic report**

#### **Achievements and performance**

The Kingsley Learning Foundation (KLF) is entering its second year of operation - functioning as a Multi Academy Trust for its two member schools; Kingsley Special Academy and Red Kite Special Academy. The KLF devolves from the regional legal entity, the Kingsley Special Academy Trust which was incorporated in 2012 upon Kingsley's conversion from a maintained school to an Academy.

In total, across the two schools, we have capacity for 240 children and young people with complex needs and 237 of these places have been taken up. The trust will continue to consider the sustained high level of demand for special school places in our area.

Currently the range of needs addressed in the schools 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 8 children have been admitted to the Neighbourhood Nursery who are likely to require EHC plans.

Achievement data for 2018-19 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. There is no discrepancy or cause for concern for the achievement of any of the vulnerable groups within the school.

# KINGSLEY LEARNING FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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 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 31st August 2019 staffing costs amounted to 88% of funding income.

(31st August 2018 = 81%)

(31st August 2017 = 87%)

The academy trust also monitors its operating surplus/(deficit) as a percentage of total income.

For the year ended 31 August 2019 the operating surplus/(deficit) equated to 4% of total income.

Y/E 2018 = (12%) deficit

Y/E 2017 = (9%) deficit

Most of the Trust's income is obtained from the DfE in the form of recurrent grants disbursed via the Education & Skills Funding Agency (ESFA), the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants for fixed assets from the ESFA 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 2019 total restricted general funds expenditure of £4,515,000 exceeded recurrent grant funding from the DfE together with other restricted income. The excess/surplus of expenditure over income for the year (excluding restricted fixed asset funds) was £245,000

At 31 August 2019 the net book value of fixed assets was £4,220,000 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 Trust.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Financial review

During the year with the move to Mutli-Academy Trust pupil numbers grew which in turn is reflected in the SOFA with a higher Education income and expenditure. Before LGPS pensions adjustments there was a surplus in year of £450,000 (2018 : £128,000 deficit). The growth in pupil numbers is expected to continue.

The Trust's financial position and reserve policy and pension deficit is detailed below.

#### Financial position

At 31 August 2019 the total funds comprised:

Unrestricted:	£507,000
Restricted:	
Fixed asset funds	£4,220,000
GAG	£234,000
Pension reserve	(£3,048,000)

#### Financial and risk management objectives and policies

The academy trust's financial and risk management objectives are documented in its:

- Official budgets
- Scheme of delegation
- Financial regulations
- Risk register

#### Reserves policy

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 16. 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 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 ESFA 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.

# KINGSLEY LEARNING FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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After undergoing an external audit for the Teachers Pensions Scheme (TPS) End of Year Certificate (EOYC period: Apr 18 – Mar 19) it has come to light that there were pension contribution errors made by the new payroll provider from April 2018 – February 2019.

Work has been undertaken (and is still on going) by auditors and the Trust's EFO to try and resolve this issue and it is anticipated that there may be contribution under and/or overpayments made by teaching staff and the employer during this period.

Once this investigative work is complete and a full understanding of what potential errors have been made – employees will be contacted and advised of necessary payroll adjustments.

To reduce the risk of similar errors occurring in future periods, monthly checks and processes have been implemented by the Trust's admin team.

The Multi-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.

#### **Fundraising**

Historically there had not been a clearly defined structure for fund raising by the previous SAT. Kingsley School Association was predominately run by staff and was organised more as a means 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, the Trust changed its focus and developed a fundraising strategy. In January 2019 a Fundraiser was appointed to serve the Trust and has been engaging contributors in donating to support specific projects on both sites. She has found that donors are more responsive when there is a specific goal, they prefer to donate to a specific school rather than to the Trust and they are unlikely to contribute to paying for staffing.

#### **Plans for future periods**

##### **Trust 5 Year Strategic Priorities**

- Increasing quality of provision from all our school
- In partnership with our Local Authority ensure that there is sufficiency of specialist provision for children and young people with special educational needs in our local areas.
- We will develop an effective and comprehensive outreach provision to support children with SEN in mainstream settings, including Nurseries.
- We will become established as a centre of excellence for CPD and training, creating a highly-skilled and resilient workforce and generating a talent pool for SEN recruitment for the region.
- We will develop elements of specialist residential and /or respite provision
- We will ensure the Kingsley Learning Foundation is a financially viable and sustainable MAT
- Create a sustainability and succession programme that will enshrine the original vision of the Trust while embracing the challenges and opportunities that rise.

##### **Trust Improvement Plan**

- Develop closer collaboration between both schools in the trust
- Create a pre-prepared bid for an ASD-specific Free School,
- Activate and empower the Designated Lead Directors, increasing their profile in the schools and drawing on their unique viewpoints to drive forward strategy of the trust.
- Consolidate the systems and structures of the Trust
- Develop strategic partnerships with key Trusts, Teaching School Alliances and Universities, reflecting the priorities of trust strategic objectives.

# KINGSLEY LEARNING FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### **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.

A resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2019 and signed on its behalf by:

Mrs D Withers

**Trustee**

# KINGSLEY LEARNING FOUNDATION

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Kingsley Learning Foundation 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 Head Teacher, 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 Learning Foundation 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs C Wyke (Staff Trustee) (Resigned 17 May 2019)	0	2
Mr T Duibhir (CEO and Accounting officer)	3	3
Mr M Bates (Vice-Chair) (Resigned 9 May 2019)	0	2
Mr G Archer (Resigned 9 May 2019)	0	2
Mr S Cullingford-Agnew	3	3
Mrs J Mould (Resigned 9 May 2019)	0	2
Mrs L Vilcane (Resigned 17 May 2019)	0	2
Mrs D Withers (Trustee)	3	3
Mr J Henrys (Appointed 2 April 2019)	1	2
Mr R Orr (Appointed 2 April 2019)	2	2
Mr R Quincey (Appointed 2 April 2019)	2	2
Mr J Scott (Appointed 2 April 2019)	2	2
Mrs D Tysoe (Appointed 2 April 2019 and resigned 7 November 2019)	2	2
Mr R Legate (Appointed 2 April 2019)	1	3
Mr M Isherwood (Appointed 24 May 2019)	2	2

There have been some changes to the board with the move to a Trust Structure. Resignations and appointments are noted above.

The board has met less than 6 times during the year as subcommittees have been used to attend to Trustees matters on a dedicated committee setting. The sub-committees are Finance and Audit, Remuneration, Education and School performance.

# KINGSLEY LEARNING FOUNDATION

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to:

- Compliance with SFE's/EFA's financial regulations including as set out in the Academy Financial Handbook and the Trust's Funding Agreement.
- Review the Trust's financial plans and the financial plans for the individual academies, each term, taking account of priorities in the MAT Improvement Plan and Academy Improvement plans.
- Consider budget implications of staff pay awards and make recommendation to the Board of Directors
- Make decisions in respect of service level agreements
- Establish and maintain a comprehensive risks and issues register reporting to the Board of Directors on significant issues and risks as they arise
- Compliance with all legal requirements including those associated with the Trust's Charitable status
- Ensure that appropriate operational systems (including ICT, health and safety, safeguarding) are in place to ensure the effective and efficient running of the Academies
- Receive and consider reports from working groups

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr T Duibhir (CEO and Accounting officer)	3	3
Mr G Archer (Resigned 9 May 2019)	0	2
Mrs J Mould (Resigned 9 May 2019)	0	2
Mrs L Vilcane (Resigned 17 May 2019)	0	2
Mrs D Withers (Trustee)	3	3
Mr J Scott (Appointed 2 April 2019)	2	2

# KINGSLEY LEARNING FOUNDATION

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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;
- 
- 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;
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# KINGSLEY LEARNING FOUNDATION

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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 Learning Foundation for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Baldwins Audit Services 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, Risk 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

# KINGSLEY LEARNING FOUNDATION

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Review of effectiveness**

As accounting officer the Head Teacher 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 their review of the system of internal control by the Finance, Risk and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 10 December 2019 and signed on its behalf by:

Mr T Duibhir  
**CEO and Accounting officer**

Mrs D Withers  
**Trustee**

# KINGSLEY LEARNING FOUNDATION

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

*FOR THE YEAR ENDED 31 AUGUST 2019*

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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 2018.

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 2018.

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.

Mr T Duibhir  
**Accounting Officer**

10 December 2019

# KINGSLEY LEARNING FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

***FOR THE YEAR ENDED 31 AUGUST 2019***

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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 Academies Accounts Direction 2018 to 2019 published 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 2018 to 2019;
- 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 10 December 2019 and signed on its behalf by:

Mrs D Withers  
**Trustee**

# KINGSLEY LEARNING FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSLEY LEARNING FOUNDATION

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Opinion

We have audited the accounts of Kingsley Learning Foundation for the year ended 31 August 2019 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 2018 to 2019 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 2019 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 2018 to 2019.

### 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 trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. 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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSLEY LEARNING FOUNDATION (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSLEY LEARNING FOUNDATION (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### **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 Baldwins Audit Services

19 December 2019

**Statutory Auditor**

Thorpe House  
93 Headlands  
Kettering  
Northamptonshire  
NN15 6BL

# KINGSLEY LEARNING FOUNDATION

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGSLEY LEARNING FOUNDATION AND THE EDUCATION & SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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

## 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 2019*

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Reporting Accountant**

Baldwins Audit Services  
Thorpe House  
93 Headlands  
Kettering  
Northamptonshire  
NN15 6BL

Dated: 19 December 2019

# KINGSLEY LEARNING FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000s	Restricted funds: General Fixed asset £'000s £'000s		Total 2019 £'000s	Total 2018 £'000s
<b>Income and endowments from:</b>						
Donations and capital grants	3	53	-	601	654	114
Donations - transfer from local authority on conversion	25	-	98	-	98	-
Charitable activities:						
- Funding for educational operations	4	58	4,152	-	4,210	2,693
Other trading activities	5	33	20	-	53	82
Investments	6	1	-	-	1	-
<b>Total</b>		<u>145</u>	<u>4,270</u>	<u>601</u>	<u>5,016</u>	<u>2,889</u>
<b>Expenditure on:</b>						
Raising funds	7	1	-	-	1	1
Charitable activities:						
- Educational operations	9	-	4,515	307	4,822	3,242
<b>Total</b>	<b>7</b>	<u>1</u>	<u>4,515</u>	<u>307</u>	<u>4,823</u>	<u>3,243</u>
<b>Net income/(expenditure)</b>		144	(245)	294	193	(354)
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(905)	-	(905)	502
<b>Net movement in funds</b>		144	(1,150)	294	(712)	148
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>363</u>	<u>(1,664)</u>	<u>3,926</u>	<u>2,625</u>	<u>2,477</u>
Total funds carried forward		<u>507</u>	<u>(2,814)</u>	<u>4,220</u>	<u>1,913</u>	<u>2,625</u>

# KINGSLEY LEARNING FOUNDATION

## BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£'000s	£'000s	£'000s	£'000s
<b>Fixed assets</b>					
Tangible assets	13		4,220		3,838
<b>Current assets</b>					
Debtors	14	163		65	
Cash at bank and in hand		903		707	
		<u>1,066</u>		<u>772</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(325)		(99)	
<b>Net current assets</b>			741		673
<b>Net assets excluding pension liability</b>			4,961		4,511
Defined benefit pension scheme liability	19		(3,048)		(1,886)
<b>Total net assets</b>			<u>1,913</u>		<u>2,625</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			4,220		3,926
- Restricted income funds			234		222
- Pension reserve			(3,048)		(1,886)
<b>Total restricted funds</b>			<u>1,406</u>		<u>2,262</u>
<b>Unrestricted income funds</b>	16		507		363
<b>Total funds</b>			<u>1,913</u>		<u>2,625</u>

The accounts on pages 23 to 45 were approved by the trustees and authorised for issue on 10 December 2019 and are signed on their behalf by:

Mrs D Withers  
Trustee

Company Number 07834300

# KINGSLEY LEARNING FOUNDATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

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	Notes	2019 £'000s	£'000s	2018 £'000s	£'000s
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	20		45		(31)
Cash funds transferred on conversion			87		-
			<u>132</u>		<u>(31)</u>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		1		-	
Capital grants from DfE Group		601		90	
Purchase of tangible fixed assets		(538)		(3)	
		<u>64</u>		<u>87</u>	
<b>Net cash provided by investing activities</b>			<u>64</u>		<u>87</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>			<u>196</u>		<u>56</u>
Cash and cash equivalents at beginning of the year			707		651
<b>Cash and cash equivalents at end of the year</b>			<u><u>903</u></u>		<u><u>707</u></u>

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

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

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 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.

##### 1.2 Going concern

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

##### 1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Corby Free Special Academy Trust to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

##### 1.4 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.

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

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

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

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.

### 1.5 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.

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

#### 1.6 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 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

The land and buildings at Red Kite are not included in the fixed assets of the Trust. There is no lease yet in place with NCC. Negotiations are ongoing to establish a lease which is expected to be on similar terms to the site at Kingsley. A 125 lease with a peppercorn rent is being considered. If a lease is agreed under these conditions a valuation of the Red Kite land and buildings will be reviewed and introduced into the accounts within fixed assets as a donation in the relevant year.

#### 1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### 1.8 Leased assets

Rentals 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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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

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

#### 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.

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

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

Restricted general funds comprise all other restricted funds received 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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Capital grants	-	601	601	90
Other donations	53	-	53	24
	<u>53</u>	<u>601</u>	<u>654</u>	<u>114</u>

The income from donations and capital grants was £654,000 (2018: £114,000) of which £53,000 was unrestricted (2018: £24,000) and £601,000 was restricted fixed assets (2018: £90,000).

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,813	1,813	992
Other DfE group grants	-	390	390	47
	<u>-</u>	<u>2,203</u>	<u>2,203</u>	<u>1,039</u>
<b>Other government grants</b>				
Local authority grants	-	1,949	1,949	1,633
	<u>-</u>	<u>1,949</u>	<u>1,949</u>	<u>1,633</u>
<b>Other funding</b>				
Other incoming resources	58	-	58	21
	<u>58</u>	<u>-</u>	<u>58</u>	<u>21</u>
<b>Total funding</b>	<u>58</u>	<u>4,152</u>	<u>4,210</u>	<u>2,693</u>

The income from funding for educational operations was £4,210,000 (2018: £2,693,000) of which £58,000 was unrestricted (2018: £21,000) and £4,152,000 was restricted (2018: £2,672,000).

### 5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Hire of facilities	33	-	33	46
Other income	-	20	20	36
	<u>33</u>	<u>20</u>	<u>53</u>	<u>82</u>

The income from other trading activities was £53,000 (2018: £82,000) of which £33,000 was unrestricted (2018: £46,000) and £20,000 was restricted (2018: £36,000).

### 6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Short term deposits	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

The income from funding for investment income was £1,000 (2018: £-) of which £1,000 was unrestricted (2018: £-).

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Expenditure

	Staff costs £'000s	Premises & equipment £'000s	Other costs £'000s	Total 2019 £'000s	Total 2018 £'000s
Expenditure on raising funds	-	-	1	1	1
Academy's educational operations					
- Direct costs	3,201	156	227	3,584	2,456
- Allocated support costs	510	346	382	1,238	786
	<u>3,711</u>	<u>502</u>	<u>610</u>	<u>4,823</u>	<u>3,243</u>

The expenditure on raising funds was £1,000 (2018: £1,000) of which £1,000 was unrestricted (2018: £1,000).

#### Net income/(expenditure) for the year includes:

	2019 £'000s	2018 £'000s
Fees payable to auditor for:		
- Audit	7	7
- Other services	6	-
Depreciation	156	154
Net interest on defined benefit pension liability	55	56
	<u>224</u>	<u>317</u>

### 8 Central services

The academy trust has provided the following central services to its academies during the year:

#### Back office functions

- Accounting services
- Human resources
- Payroll
- ICT services
- Facilities advisory
- Insurance services
- Staff cover
- Health and safety audits
- Administration support

The academy trust charges for these services based on 3% of each Kingsley Special Academy Trust's General Annual Grant (GAG) income and 3.5% of each Red Kite Academy's General Annual Grant (GAG) income. In previous years the charge was based on pupil numbers.

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Central services

(Continued)

The amounts charged during the year were as follows:

	2019 £'000s	2018 £'000s
Kingsley Special Academy Trust	105	-
Red Kite Academy	49	-
	<u>154</u>	<u>-</u>

### 9 Charitable activities

All from restricted funds:

#### Direct costs

Educational operations

#### Support costs

Educational operations

	2019 £'000s	2018 £'000s
Educational operations	3,585	2,456
Educational operations	1,238	786
	<u>4,823</u>	<u>3,242</u>

The expenditure on charitable activities was £4,823,000 (2018: £3,242,000) of which £4,515,000 was restricted (2018: £3,088,000) and £308,000 was restricted fixed assets (2018: £154,000).

	2019 £'000s	2018 £'000s
<b>Analysis of support costs</b>		
Support staff costs	510	440
Technology costs	26	10
Premises costs	347	104
Other support costs	343	207
Governance costs	12	25
	<u>1,238</u>	<u>786</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2019 £'000s	2018 £'000s
Wages and salaries	2,808	1,965
Social security costs	203	140
Pension costs	700	523
	<u>3,711</u>	<u>2,628</u>

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Staff (Continued)

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	30	19
Administration and support	116	78
Management	10	8
	<u>156</u>	<u>105</u>

#### Higher paid staff

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

	2019 Number	2018 Number
£70,001 - £80,000	-	1
£90,001 - £100,000	1	-
	<u>1</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 £581,160 (2018: £513,699).

### 11 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	£95,000 - £100,000	(2018: £80,000 - £85,000)
Employers' pension contributions	£15,000 - £20,000	(2018: £10,000 - £15,000)
Employers' national insurance	£10,000 - £15,000	(2018: £10,000 - £15,000)
Mrs C Wyke (Staff Trustee)		
Remuneration	£40,000 - £45,000	(2018: £40,000 - £45,000)
Employers' pension contributions	£5,000 - £10,000	(2018: £5,000 - £10,000)
Employers' national insurance	£0 - £5,000	(2018: £0 - £5,000)

During the year ended 31 August 2019, travel expenses totalling £153 were reimbursed to one Trustee (2018: £nil to no Trustees)

Other related party transactions involving the trustees are set out in note 22.

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 12 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 2019 was £3,770 (2018: £3,770 ). From 1 August 2017 the Academy has moved its insurance to the Government RPA scheme and up to 31 August 2019 paid £942 (2018: £942) in premiums.

### 13 Tangible fixed assets

	Leasehold land and buildings £'000s	Leasehold Improvements £'000s	Computer equipment £'000s	Office Equipment £'000s	Motor vehicles £'000s	Total £'000s
<b>Cost</b>						
At 1 September 2018	3,747	520	147	222	67	4,703
Additions	-	322	72	144	-	538
At 31 August 2019	3,747	842	219	366	67	5,241
<b>Depreciation</b>						
At 1 September 2018	520	18	130	131	66	865
Charge for the year	67	28	22	39	-	156
At 31 August 2019	587	46	152	170	66	1,021
<b>Net book value</b>						
At 31 August 2019	3,160	796	67	196	1	4,220
At 31 August 2018	3,227	502	17	91	1	3,838

Transactions relating to land and buildings during the year include:

- the acquisition of the leasehold improvements on fire protection project which was purchased by the academy trust at a value of £280,990.

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.

### 14 Debtors

	2019 £'000s	2018 £'000s
Trade debtors	1	-
VAT recoverable	84	12
Prepayments and accrued income	78	53
	<u>163</u>	<u>65</u>

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Creditors: amounts falling due within one year			2019 £'000s	2018 £'000s	
Trade creditors			173	-	
Other taxation and social security			114	78	
Accruals and deferred income			38	21	
			<u>325</u>	<u>99</u>	
			<u><u>325</u></u>	<u><u>99</u></u>	
16 Funds	Balance at 1 September 2018 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2019 £'000s
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,813	(1,813)	-	-
Other DfE / ESFA grants	-	390	(390)	-	-
Other government grants	-	1,949	(1,949)	-	-
Other restricted funds	222	118	(106)	-	234
Pension reserve	(1,886)	-	(257)	(905)	(3,048)
	<u>(1,664)</u>	<u>4,270</u>	<u>(4,515)</u>	<u>(905)</u>	<u>(2,814)</u>
	<u><u>(1,664)</u></u>	<u><u>4,270</u></u>	<u><u>(4,515)</u></u>	<u><u>(905)</u></u>	<u><u>(2,814)</u></u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	2,413	-	(86)	-	2,327
DfE group capital grants	434	601	(188)	-	847
Capital expenditure from GAG	844	-	(29)	-	815
Private sector capital sponsorship	235	-	(4)	-	231
	<u>3,926</u>	<u>601</u>	<u>(307)</u>	<u>-</u>	<u>4,220</u>
	<u><u>3,926</u></u>	<u><u>601</u></u>	<u><u>(307)</u></u>	<u><u>-</u></u>	<u><u>4,220</u></u>
<b>Total restricted funds</b>	<u><u>2,262</u></u>	<u><u>4,871</u></u>	<u><u>(4,822)</u></u>	<u><u>(905)</u></u>	<u><u>1,406</u></u>
<b>Unrestricted funds</b>					
General funds	363	145	(1)	-	507
	<u>363</u>	<u>145</u>	<u>(1)</u>	<u>-</u>	<u>507</u>
	<u><u>363</u></u>	<u><u>145</u></u>	<u><u>(1)</u></u>	<u><u>-</u></u>	<u><u>507</u></u>
<b>Total funds</b>	<u><u>2,625</u></u>	<u><u>5,016</u></u>	<u><u>(4,823)</u></u>	<u><u>(905)</u></u>	<u><u>1,913</u></u>

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 16 Funds

(Continued)

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 amount of GAG that it should carry forward at 31 August 2019.

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.

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

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
<b>Restricted general funds</b>					
General Annual Grant (GAG)	47	992	(1,039)	-	-
Other DfE / ESFA grants	-	47	(47)	-	-
Other government grants	-	1,633	(1,633)	-	-
Other restricted funds	329	36	(143)	-	222
Pension reserve	(2,162)	-	(226)	502	(1,886)
	<u>(1,786)</u>	<u>2,708</u>	<u>(3,088)</u>	<u>502</u>	<u>(1,664)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,510	-	(97)	-	2,413
DfE group capital grants	361	90	(17)	-	434
Capital expenditure from GAG	880	-	(36)	-	844
Private sector capital sponsorship	239	-	(4)	-	235
	<u>3,990</u>	<u>90</u>	<u>(154)</u>	<u>-</u>	<u>3,926</u>
<b>Total restricted funds</b>	<u>2,204</u>	<u>2,798</u>	<u>(3,242)</u>	<u>502</u>	<u>2,262</u>
<b>Unrestricted funds</b>					
General funds	273	91	(1)	-	363
<b>Total funds</b>	<u>2,477</u>	<u>2,889</u>	<u>(3,243)</u>	<u>502</u>	<u>2,625</u>

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 16 Funds

(Continued)

#### Total funds analysis by academy

	2019 £'000s	2018 £'000s
Fund balances at 31 August 2019 were allocated as follows:		
Kingsley Special Academy Trust	529	585
Red Kite Academy	192	-
Central services	20	-
	<u>741</u>	<u>585</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	4,220	3,926
Pension reserve	(3,048)	(1,886)
	<u>1,913</u>	<u>2,625</u>
Total funds	<u><u>1,913</u></u>	<u><u>2,625</u></u>

#### Total cost analysis by academy

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

	Teaching and educational support staff £'000s	Other support staff costs £'000s	Educational supplies £'000s	Other costs excluding depreciation £'000s	Total 2019 £'000s	Total 2018 £'000s
Kingsley Special Academy Trust	2,239	296	24	469	3,028	-
Red Kite Academy	912	147	94	350	1,503	-
Central services	50	67	-	19	136	-
	<u>3,201</u>	<u>510</u>	<u>118</u>	<u>838</u>	<u>4,667</u>	<u>-</u>
	<u><u>3,201</u></u>	<u><u>510</u></u>	<u><u>118</u></u>	<u><u>838</u></u>	<u><u>4,667</u></u>	<u><u>-</u></u>

### 17 Deferred income

	2019 £'000s	2018 £'000s
Deferred income is included within:		
Creditors due within one year	10	5
	<u>10</u>	<u>5</u>
Deferred income at 1 September 2018	5	5
Released from previous years	(5)	(5)
Resources deferred in the year	10	5
	<u>10</u>	<u>5</u>
<b>Deferred income at 31 August 2019</b>	<u><u>10</u></u>	<u><u>5</u></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 2019.

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	4,220	4,220
Current assets	507	559	-	1,066
Creditors falling due within one year	-	(325)	-	(325)
Defined benefit pension liability	-	(3,048)	-	(3,048)
	<u>507</u>	<u>(2,814)</u>	<u>4,220</u>	<u>1,913</u>
<b>Total net assets</b>	<b><u>507</u></b>	<b><u>(2,814)</u></b>	<b><u>4,220</u></b>	<b><u>1,913</u></b>

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
<b>Fund balances at 31 August 2018 are represented by:</b>				
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)
	<u>363</u>	<u>(1,664)</u>	<u>3,926</u>	<u>2,625</u>
<b>Total net assets</b>	<b><u>363</u></b>	<b><u>(1,664)</u></b>	<b><u>3,926</u></b>	<b><u>2,625</u></b>

### 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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 19 Pension and similar obligations

(Continued)

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

##### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

##### Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Pension and similar obligations

(Continued)

The employer's pension costs paid to the TPS in the period amounted to £215,000 (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 24.6% for employers and 5.5 to 12.5% for employees.

As described in note 25 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

<b>Total contributions made</b>	<b>2019</b>	<b>2018</b>
	<b>£'000s</b>	<b>£'000s</b>
Employer's contributions	270	195
Employees' contributions	73	54
	<hr/>	<hr/>
Total contributions	343	249
	<hr/> <hr/>	<hr/> <hr/>
<b>Principal actuarial assumptions</b>	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.3	2.3
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/>

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Pension and similar obligations

(Continued)

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	21.2	22.1
- Females	23.3	24.2
Retiring in 20 years		
- Males	22.3	23.9
- Females	24.7	26.1
	<u>          </u>	<u>          </u>

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

	<b>2019</b>	<b>2018</b>
Discount rate + 0.1%	162	112
Discount rate - 0.1%	(162)	(112)
Mortality assumption + 1 year	227	211
Mortality assumption - 1 year	(227)	(211)
CPI rate + 0.1%	140	90
CPI rate - 0.1%	(140)	(90)
	<u>          </u>	<u>          </u>

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

	<b>2019</b>	<b>2018</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000s</b>	<b>£'000s</b>
Equities	1,895	1,629
Debt Instruments	447	330
Cash	53	66
Property	237	176
	<u>          </u>	<u>          </u>
Total market value of assets	2,632	2,201
	<u>          </u>	<u>          </u>

The actual return on scheme assets was £116,000 (2018: £106,000).

#### Amount recognised in the Statement of Financial Activities

	<b>2019</b>	<b>2018</b>
	<b>£'000s</b>	<b>£'000s</b>
Current service cost	451	365
Past service cost	21	-
Interest income	(66)	(56)
Interest cost	121	112
	<u>          </u>	<u>          </u>
Total operating charge	527	421
	<u>          </u>	<u>          </u>

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

<b>19 Pension and similar obligations</b>	<b>(Continued)</b>	
	<b>2019</b>	<b>2018</b>
	<b>£'000s</b>	<b>£'000s</b>
<b>Changes in the present value of defined benefit obligations</b>		
At 1 September 2018	4,087	4,036
Current service cost	451	365
Interest cost	121	106
Employee contributions	73	54
Actuarial loss/(gain)	955	(446)
Benefits paid	(28)	(28)
Past service cost	21	-
	<u>5,680</u>	<u>4,087</u>
At 31 August 2019	<u>5,680</u>	<u>4,087</u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>		
	<b>2019</b>	<b>2018</b>
	<b>£'000s</b>	<b>£'000s</b>
At 1 September 2018	2,201	1,874
Interest income	66	50
Actuarial gain	50	56
Employer contributions	270	195
Employee contributions	73	54
Benefits paid	(28)	(28)
	<u>2,632</u>	<u>2,201</u>
At 31 August 2019	<u>2,632</u>	<u>2,201</u>
<b>20 Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
	<b>2019</b>	<b>2018</b>
	<b>£'000s</b>	<b>£'000s</b>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	193	(354)
Adjusted for:		
Net surplus on conversion to academy	(98)	-
Capital grants from DfE and other capital income	(601)	(90)
Investment income receivable	(1)	-
Defined benefit pension costs less contributions payable	202	170
Defined benefit pension scheme finance cost	55	56
Depreciation of tangible fixed assets	155	154
(Increase) in debtors	(98)	(2)
Increase in creditors	227	35
Stocks, debtors and creditors transferred on conversion	11	-
	<u>45</u>	<u>(31)</u>
<b>Net cash provided by/(used in) operating activities</b>	<u>45</u>	<u>(31)</u>

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 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 Commitments under operating leases

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

	2019 £'000s	2018 £'000s
Amounts due within one year	1	2
Amounts due in two and five years	-	1
	<u>1</u>	<u>3</u>
	<u><u>1</u></u>	<u><u>3</u></u>

### 23 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.

J Smith, daughter of D Withers, a trustee, is employed by the academy as a teacher. J Smith's appointment was made in open competition and D Withers was not involved in the decision-making process regarding appointment. D Withers is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 11.

### 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.

# KINGSLEY LEARNING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 25 Conversion to an academy

On 1st September 2018 the Red Kite Academy (formerly Corby Free Special Academy Trust) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kingsley Learning Foundation.

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

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

Academy	Location	Date of conversion
Red Kite Academy	Northamptonshire	1 September 2018

Net assets transferred:	2019 £'000s
Cash	87
Debtors	18
Creditors	(7)
	<hr/>
	98
	<hr/> <hr/>

Funds surplus/(deficit) transferred:	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2019 £'000s
Corby Free Special Academy Trust	-	98	-	98
	<hr/>	<hr/>	<hr/>	<hr/>