

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 2020**

KINGSLEY LEARNING FOUNDATION

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KINGSLEY LEARNING FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs D Withers
Mrs A Prodger
Mr E Lumsden
Mrs V Perry

Trustees

Mr T G O Duibhir (CEO and Accounting officer)
Mr S Cullingford-Agnew (Resigned 3 August 2020)
Mrs D Withers (Chair)
Mr J Henrys
Mr R Orr
Mr R Quincey
Mr J Scott
Mrs D Tysoe
Mr R Legate
Mr M Isherwood

Senior management team

- CEO and Kingsley Head	Mr Tomas Duibhir
- Red Kite Head Teacher	Mrs Donna Luck
- Executive Finance Officer	Mr Richard Travers
- Trust Educational Development Officer	Mrs Rebecca Tungate
- 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 Business Manager	Mrs Janice Munn
- Red Kite School Business Manager	Mrs Louise Holmes
- Kingsley Family Support Advisor	Mrs Alison Everitt
- Red Kite Family 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

Independent auditor

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

KINGSLEY LEARNING FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

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 2020

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. 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. The combined numbers on role as of 31st August 2020 were 273. This is likely to continue to rise as a building project to replace the mobile classrooms at Kingsley Special Academy is scheduled to be executed during the year, while the 6th form build at Red Kite will also be completed.

This summer Kingsley closed the mainstream Neighbourhood Nursery which allowed the school to increase its SEN capacity to 156.

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 2020

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, 2 Acting 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 Parent Support Advisor.

The Senior Leadership Team at Kingsley Learning Foundation includes the CEO, Executive Headteacher, Educational Development Officer 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	3,343,000
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 2020

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 2020

Strategic report

Achievements and performance

The Kingsley Learning Foundation (KLF) is entering its third 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 266 children and young people with complex needs and 267 (additional pupil due to direction by tribunal) 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.

Achievement data for 2019-20, despite the year being curtailed by lockdown, identified a sustained increase of overall average and for the vulnerable groups. This represents an excellent outcome given the pandemic-related disruption, 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.

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 31 August 2020 staffing costs amounted to 87% of funding income (2019: 88%, 2018: 81%, 2017: 87%).

The academy trust also monitors its operating surplus (excluding LGPS and depreciation) as a percentage of total income. For the year ended 31 August 2020 the operating surplus equated to 8.7% of recurring income (2019: 4% surplus, 2018: (2.2%) deficit, 2017: (2.9%) 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 2020 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 2020 total restricted general funds expenditure of £5,426,000 exceeded recurrent grant funding from the DfE together with other restricted income. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £77,000.

KINGSLEY LEARNING FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

At 31 August 2020 the net book value of fixed assets was £4,275,000 and movements in tangible fixed assets are shown in note 13 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.

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 £544,000 (2019: £156,000 surplus). 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 2020 the total funds comprised:

GAG:	£608,000
Pension Reserve:	(£3,536,000)
Fixed asset funds:	£4,276,000
Unrestricted:	£611,000

Financial and risk management objectives and policies

- 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 19. 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. The combined restricted and unrestricted funds represent approx. two and a half months 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.

KINGSLEY LEARNING FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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;
- Risks associated with personnel - HR services to ensure legal compliance and the adoption of HR policies developed using the guidance of HR services;
- Covid Pandemic – principal risk is closure of academies due to local lockdown or forced full/partial closure of academies due to insufficient staffing levels (due to sickness/self isolation). Risk has been addressed through 'bubble' structure of learning groups and continued use of bank supply staff when necessary. Secondary financial risk is the increase cost of supply staff, cleaning materials and PPE. Financial risk also includes loss of 3rd party income due to COVID restrictions e.g. lettings, extended school provision (ASC and holiday playscheme).

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

In January 2020 the fundraiser completed her contract and elected not to renew. A recruitment process was initiated but not completed due to the lockdown. In light of the ongoing restrictions in engaging with external stakeholders and potential donors, this recruitment remains suspended until circumstances warrant.

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.

KINGSLEY LEARNING FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

COVID Pandemic

Despite educational settings being re-opened for 2020-21, the on-going control measures required to keep pupils and staff safe have impacted on the provision usually delivered by the Trust's academies.

Restrictions have meant that extended provision such as the After School Club, Holiday Play scheme and overnight residentials, have been withdrawn for the foreseeable future. Pupils enrichment activities have also been curtailed or cancelled due to control procedures - these include things such as trips, external therapies, external music provision.

The reduction or elimination of face-to-face contact with external stakeholders and agencies will result in a greater use of remote communication methods e.g. Zoom, telephone conferencing, out of hours visits. This will impact upon level and quality of interaction that the academies achieve and ultimately diminish to some extent the model of engagement which the Trust strives for.

While both schools are utterly committed to maintain provision to the greatest possible extent we recognise that our capacity to offer service is reliant on sufficiency of staffing. The impact of self-isolation measures on staff due to contact with confirmed cases and track and trace measures are likely, at some stage, to result in closure of bubbles within the academies or even one or both of the academies completely. Both have been putting in place content and delivery methods to offer a broad and balanced remote curriculum in the event that children have to remain away from school.

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 Azets 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 08 December 2020 and signed on its behalf by:

Mrs D Withers
Chair

KINGSLEY LEARNING FOUNDATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 CEO, 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. The accounting officer is 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 2 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr T G O Duibhir (CEO and Accounting officer)	2	2
Mr S Cullingford-Agnew (Resigned 3 August 2020)	2	2
Mrs D Withers (Chair)	1	2
Mr J Henrys	0	2
Mr R Orr	0	2
Mr R Quincey	1	2
Mr J Scott	0	2
Mrs D Tysoe	0	2
Mr R Legate	0	2
Mr M Isherwood	1	2

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.

Over the course of 2019–20 the only significant change in terms of the composition of the Board of Trustees was the resignation of one trustee. This resignation occurred in August 2020 and the process of recruiting a replacement trustee has not yet been undertaken as we have not held a meeting of the trust board since. This matter has been added to the agenda for the next meeting.

There was considerable disruption of all facets of the Trust's working between March and August 2020 due to restrictions associated with the COVID-19 pandemic. The schools were obliged to take a reactive position and many calendar events were cancelled or postponed in order to address the immediate challenge of securing safety in the face of this significant threat. Nonetheless, we are extremely proud that the schools continue to operate with minimal disruption. At governance level, it was necessary to convene all meetings virtually, and scheduling difficulties resulted in some cancellations. Despite the disruption to scheduled meetings, significant Trustee collaboration was effected through a range of communication channels and at all times the Chair of the Board maintained strategic and operational oversight in both schools, and trustees were enabled to play a key role in our response to this crisis.

The Board draws heavily on reports, information and data from both schools and on evaluations conducted by Trust officers. At the moment, most of this reporting is in narrative form although, where appropriate, data is made available for consideration. Entering the third year of operation for the Trust we will be keen to consider exploring richer data-based research into the operations of similar trusts, performing and exploring benchmarking activities and comparing performance with trusts of similar size and structure.

KINGSLEY LEARNING FOUNDATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

From its initiation, we have not yet conducted a formal performance review of the governance of the Trust. This is now identified as a priority and the commissioning of consultancy expertise to conduct this review will be determined at the Board meeting of Autumn 2020.

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:

Trustees	Meetings attended	Out of possible
Mr T G O Duibhir (CEO and Accounting officer)	3	3
Mr S Cullingford-Agnew (Resigned 3 August 2020)	3	3
Mrs D Withers (Chair)	3	3
Mr J Henrys	1	3
Mr R Quincey	3	3
Mr J Scott	2	3

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:

- Collaboration between Trust schools: the recruitment of a new trust officer, the Educational Development Officer, has been extremely impactful in harmonising practice across the two schools. The work done has accelerated the curriculum restructuring in both schools, targeting key department-specific improvements, and generating complimentary assessment models whereby outcomes are readily compared. Joint working between the two leadership groups has become more embedded, leading to increased transparency and more effective sharing of strategy and implementation.
- Both schools have made significant strides in their practice of placing the individual child at the heart of provision. Moderation of work ensures adequacy of personalisation and differentiation, shared assessment tools for curriculum and other aspects of development, and routine meetings of teachers keep the individual child in focus at every point of delivery.
- Both schools have been considering the sufficiency of succession planning and the nurturing of emergent leaders. At Kingsley significant steps have been taken to refresh the school leadership group while at Red Kite the emerging leaders have been identified and targeted for development in the coming years. Trustees have consulted with the head teachers periodically in this process and it is envisaged as an ongoing project as we seek to grow the trust.

KINGSLEY LEARNING FOUNDATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- The KLF working groups, which operate at the point of contact between the Trust's strategic business and its operational coalface have emerged as an impactful method of optimising resources, reconciliation of contractual and financial practices and deepening understanding of Trust identity.
- Financial Governance and Oversight - termly reporting to the Finance, Personnel and Audit Committee continues. The School Business Managers have 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 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 and the modern approach of each school using its own bespoke assessment systems and scales but, now that we have harmonised assessment across both schools on Onwards and Upwards meaningful and contextual evaluations of performance of the schools vis a vis each other is possible and valuable. Furthermore, external moderation and inter-evaluation is conducted with partner special schools and a partner MAT.
- Options appraisal - the Trust 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 try 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;
- The generation of income has had to take a back seat due to the closure of outward facing activities as a consequence of the COVID pandemic. Therefore, all lettings have been suspended and the process of recruiting a new Fundraising Officer has been deferred.
- Reviewing controls and managing risks –we are continuing to work with our Responsible Officer to introduce greater rigor in reviewing our procedures. We use Plumsun for our Risk Management and Health & Safety control and have worked with them to develop our web based Business Continuity Plan. Safesmart are also used for our web based records for fire safety and online training including fire awareness, food hygiene safeguarding and prevent and school environmental awareness.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kingsley Learning Foundation for the period 1 September 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

KINGSLEY LEARNING FOUNDATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Azets Audit Services (formerly 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 internal auditor has delivered their schedule of work as planned. The annual reporting of the internal auditor did not highlight any high risk issues associated with the Trust and its financial functions during 2019/20.

However a number of items were identified in the report as **medium risk / areas for improvement** for the Trust moving forward and management have put in place measures to address these.

The Trust plans to retain the services of Azets Audit / Accountants for its 2020/21 YE external audit and accounts preparation, therefore an alternative service provision is being sought for internal audit services in 2020/21 (as per ESFA requirements - Academies Financial Handbook 2020 section: 3.20). The Trustees will evaluate several proposals with a view to ensuring value for money and suitability, before selecting a preferred supplier and agreeing upon a suitable schedule of internal scrutiny testing.

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.

KINGSLEY LEARNING FOUNDATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 08 December 2020 and signed on its behalf by:

Mr T G O Duibhir
CEO and Accounting officer

Mrs D Withers
Chair

KINGSLEY LEARNING FOUNDATION

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Kingsley Learning Foundation, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding 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 2019.

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 2019.

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 G O Duibhir
Accounting Officer

08 December 2020

KINGSLEY LEARNING FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 08 December 2020 and signed on its behalf by:

Mrs D Withers
Chair

KINGSLEY LEARNING FOUNDATION

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Kingsley Learning Foundation for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 2020

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.

Mr Paul Tyler (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

5 January 2021

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 AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 22 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

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

Dated: 05 January 2021

KINGSLEY LEARNING FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000s	Restricted funds: General Fixed asset £'000s £'000s		Total 2020 £'000s	Total 2019 £'000s
Income and endowments from:						
Donations and capital grants	3	27	-	210	237	654
Donations - transfer from local authority on conversion		-	-	-	-	98
Charitable activities:						
- Funding for educational operations	4	39	5,349	-	5,388	4,210
Other trading activities	5	37	-	-	37	53
Investments	6	1	-	-	1	1
Total		<u>104</u>	<u>5,349</u>	<u>210</u>	<u>5,663</u>	<u>5,016</u>
Expenditure on:						
Raising funds	7	-	-	-	-	1
Charitable activities:						
- Educational operations	9	-	5,426	220	5,646	4,822
Total	7	<u>-</u>	<u>5,426</u>	<u>220</u>	<u>5,646</u>	<u>4,823</u>
Net income/(expenditure)		104	(77)	(10)	17	193
Transfers between funds	17	-	(66)	66	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	29	-	29	(905)
Net movement in funds		<u>104</u>	<u>(114)</u>	<u>56</u>	<u>46</u>	<u>(712)</u>
Reconciliation of funds						
Total funds brought forward		<u>507</u>	<u>(2,814)</u>	<u>4,220</u>	<u>1,913</u>	<u>2,625</u>
Total funds carried forward		<u>611</u>	<u>(2,928)</u>	<u>4,276</u>	<u>1,959</u>	<u>1,913</u>

KINGSLEY LEARNING FOUNDATION

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£'000s	£'000s	£'000s	£'000s
Fixed assets					
Tangible assets	13		4,275		4,220
Current assets					
Debtors	14	79		163	
Cash at bank and in hand		1,350		903	
		<u>1,429</u>		<u>1,066</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(209)		(325)	
		<u></u>		<u></u>	
Net current assets			1,220		741
			<u></u>		<u></u>
Net assets excluding pension liability			5,495		4,961
			<u></u>		<u></u>
Defined benefit pension scheme liability	19		(3,536)		(3,048)
			<u></u>		<u></u>
Total net assets			1,959		1,913
			<u><u></u></u>		<u><u></u></u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			4,276		4,220
- Restricted income funds			608		234
- Pension reserve			(3,536)		(3,048)
			<u></u>		<u></u>
Total restricted funds			1,348		1,406
			<u></u>		<u></u>
Unrestricted income funds	17		611		507
			<u></u>		<u></u>
Total funds			1,959		1,913
			<u><u></u></u>		<u><u></u></u>

The accounts on pages 22 to 44 were approved by the trustees and authorised for issue on 08 December 2020 and are signed on their behalf by:

Mrs D Withers
Chair

Company Number 07834300

KINGSLEY LEARNING FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000s	2019 £'000s
Cash flows from operating activities			
Net cash provided by operating activities	20	511	45
Cash funds transferred on conversion		-	87
		<u>511</u>	<u>132</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		1	1
Capital grants from DfE Group		210	601
Purchase of tangible fixed assets		(275)	(538)
		<u>(64)</u>	<u>64</u>
Net cash (used in)/provided by investing activities			
Net increase in cash and cash equivalents in the reporting period		447	196
Cash and cash equivalents at beginning of the year		903	707
		<u>1,350</u>	<u>903</u>
Cash and cash equivalents at end of the year		<u><u>1,350</u></u>	<u><u>903</u></u>

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 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 and is a private charitable company, limited by guarantee and registered in England and Wales. 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.

The financial statements are prepared in Sterling, being the functional currency of the charitable company. Monetary amounts presented in these financial statements have been rounded to the nearest £'000.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Donations

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

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure on raising funds

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

Charitable activities

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

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line 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.

1.6 Liabilities

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

1.7 Leased assets

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

1.8 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 2020

1 Accounting policies

(Continued)

Financial liabilities

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

1.9 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.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020 £'000s	Total 2019 £'000s
Capital grants	-	210	210	601
Other donations	27	-	27	53
	<u>27</u>	<u>210</u>	<u>237</u>	<u>654</u>

The income from donations and capital grants was £237,000 (2019: £654,000) of which £27,000 was unrestricted (2019: £53,000) and £210,000 was restricted fixed assets (2019: £601,000).

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
DfE / ESFA grants				
General annual grant (GAG)	-	2,215	2,215	1,813
Other DfE group grants	-	289	289	390
	<u>-</u>	<u>2,504</u>	<u>2,504</u>	<u>2,203</u>
Other government grants				
Local authority grants	-	2,845	2,845	1,949
	<u>-</u>	<u>2,845</u>	<u>2,845</u>	<u>1,949</u>
Other funding				
Other incoming resources	39	-	39	58
	<u>39</u>	<u>-</u>	<u>39</u>	<u>58</u>
Total funding	<u>39</u>	<u>5,349</u>	<u>5,388</u>	<u>4,210</u>

The income from funding for educational operations was £5,388,000 (2019: £4,210,000) of which £39,000 was unrestricted (2019: £58,000) and £5,349,000 was restricted (2019: £4,152,000).

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Hire of facilities	37	-	37	33
Other income	-	-	-	20
	<u>37</u>	<u>-</u>	<u>37</u>	<u>53</u>

The income from other trading activities was £37,000 (2019: £53,000) of which £37,000 was unrestricted (2019: £33,000) and £- was restricted (2019: £20,000).

6 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

The income from funding for investment income was £1,000 (2019: £1,000) of which £1,000 was unrestricted (2019: £1,000).

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure

	Staff costs £'000s	Non-pay expenditure Premises £'000s	Other £'000s	Total 2020 £'000s	Total 2019 £'000s
Expenditure on raising funds					
- Direct costs	-	-	-	-	1
Academy's educational operations					
- Direct costs	3,930	220	190	4,340	3,584
- Allocated support costs	750	262	294	1,306	1,238
	<u>4,680</u>	<u>482</u>	<u>484</u>	<u>5,646</u>	<u>4,823</u>

The expenditure on raising funds was £- (2019: £1,000) of which £- was unrestricted (2019: £1,000).

Net income/(expenditure) for the year includes:

	2020 £'000s	2019 £'000s
Fees payable to auditor for:		
- Audit	8	7
- Other services	7	6
Depreciation of tangible fixed assets	220	156
Net interest on defined benefit pension liability	63	55
	<u> </u>	<u> </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 4% of each Kingsley Special Academy Trust's General Annual Grant (GAG) income and 4% of each Red Kite Academy's General Annual Grant (GAG) income. In previous years the charge was based on pupil numbers.

The amounts charged during the year were as follows:

	2020 £'000s	2019 £'000s
Kingsley Special Academy Trust	109	105
Red Kite Academy	85	49
	<u>194</u>	<u>154</u>

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities

	2020	2019
	£'000s	£'000s
All from restricted funds:		
Direct costs		
Educational operations	4,340	3,585
Support costs		
Educational operations	1,306	1,238
	<u>5,646</u>	<u>4,823</u>
	<u><u>5,646</u></u>	<u><u>4,823</u></u>

The expenditure on charitable activities was £5,646,000 (2019: £4,823,000) of which £5,426,000 was restricted (2019: £4,515,000) and £220,000 was restricted fixed assets (2019: £308,000).

	2020	2019
	£'000s	£'000s
Analysis of support costs		
Support staff costs	750	510
Technology costs	18	26
Premises costs	262	347
Other support costs	263	343
Governance costs	13	12
	<u>1,306</u>	<u>1,238</u>
	<u><u>1,306</u></u>	<u><u>1,238</u></u>

10 Staff

Staff costs

Staff costs during the year were:

	2020	2019
	£'000s	£'000s
Wages and salaries	3,343	2,808
Social security costs	223	203
Pension costs	1,114	700
	<u>4,680</u>	<u>3,711</u>
Total staff expenditure	<u><u>4,680</u></u>	<u><u>3,711</u></u>

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	34	30
Administration and support	130	116
Management	13	10
	<u>177</u>	<u>156</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	-
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</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 £608,372 (2019: £581,160).

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 (CEO, Headteacher and trustee)		
Remuneration	£95,000 - £100,000	(2019: £95,000 - £100,000)
Employers' pension contributions	£20,000 - £25,000	(2019: £15,000 - £20,000)

During the year ended 31 August 2020, travel expenses totalling £173 were reimbursed to one Trustee (2019: £153 to one Trustee)

Other related party transactions involving the trustees are set out in note 25.

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Insurance for trustees and officers

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

13 Tangible fixed assets

	Leasehold land and buildings £'000s	Leasehold Improvements £'000s	Computer equipment £'000s	Office Equipment £'000s	Motor vehicles £'000s	Total £'000s
Cost						
At 1 September 2019	3,747	842	219	366	67	5,241
Additions	-	174	40	33	28	275
At 31 August 2020	3,747	1,016	259	399	95	5,516
Depreciation						
At 1 September 2019	587	46	152	170	66	1,021
Charge for the year	68	20	65	60	7	220
At 31 August 2020	655	66	217	230	73	1,241
Net book value						
At 31 August 2020	3,092	950	42	169	22	4,275
At 31 August 2019	3,160	796	67	196	1	4,220

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

	2020 £'000s	2019 £'000s
Trade debtors	3	1
VAT recoverable	19	84
Prepayments and accrued income	57	78
	79	163

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Creditors: amounts falling due within one year

	2020 £'000s	2019 £'000s
Trade creditors	29	173
Other taxation and social security	127	114
Accruals and deferred income	53	38
	<u>209</u>	<u>325</u>

16 Deferred income

	2020 £'000s	2019 £'000s
Deferred income is included within:		
Creditors due within one year	16	10
	<u>16</u>	<u>10</u>
Deferred income at 1 September 2019	10	5
Released from previous years	(10)	(5)
Resources deferred in the year	16	10
	<u>16</u>	<u>10</u>
Deferred income at 31 August 2020	<u>16</u>	<u>10</u>

At the balance sheet date the Academy Trust was holding funds received in advance for free school meals and trip income for the year ending 31 August 2020.

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

	Balance at 1 September 2019 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2020 £'000s
Restricted general funds					
General Annual Grant (GAG)	-	2,215	(1,541)	(66)	608
Other DfE / ESFA grants	-	289	(289)	-	-
Other government grants	-	2,845	(2,845)	-	-
Other restricted funds	234	-	(234)	-	-
Pension reserve	(3,048)	-	(517)	29	(3,536)
	<u>(2,814)</u>	<u>5,349</u>	<u>(5,426)</u>	<u>(37)</u>	<u>(2,928)</u>
Restricted fixed asset funds					
Inherited on conversion	2,327	-	(115)	-	2,212
DfE group capital grants	847	210	(54)	66	1,069
Capital expenditure from GAG	815	-	(40)	-	775
Private sector capital sponsorship	231	-	(11)	-	220
	<u>4,220</u>	<u>210</u>	<u>(220)</u>	<u>66</u>	<u>4,276</u>
Total restricted funds	<u>1,406</u>	<u>5,559</u>	<u>(5,646)</u>	<u>29</u>	<u>1,348</u>
Unrestricted funds					
General funds	<u>507</u>	<u>104</u>	<u>-</u>	<u>-</u>	<u>611</u>
Total funds	<u>1,913</u>	<u>5,663</u>	<u>(5,646)</u>	<u>29</u>	<u>1,959</u>

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy Trust together with other restricted general funds. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the account of GAG that it should carry forward at 31 August 2020.

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. During the year, a transfer of £66,000 was made from GAG funds to restricted fixed asset funds in order to fund the acquisition of various tangible fixed assets.

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

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

	Balance at 1 September 2018 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2019 £'000s
Restricted general funds					
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>
Restricted fixed asset funds					
Transfer 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>
Total restricted funds	<u>2,262</u>	<u>4,871</u>	<u>(4,822)</u>	<u>(905)</u>	<u>1,406</u>
Unrestricted funds					
General funds	<u>363</u>	<u>145</u>	<u>(1)</u>	<u>-</u>	<u>507</u>
Total funds	<u>2,625</u>	<u>5,016</u>	<u>(4,823)</u>	<u>(905)</u>	<u>1,913</u>

Total funds analysis by academy

	2020 £'000s	2019 £'000s
Fund balances at 31 August 2020 were allocated as follows:		
Kingsley Special Academy Trust	788	529
Red Kite Academy	422	192
Central services	9	20
	<u>1,219</u>	<u>741</u>
Total before fixed assets fund and pension reserve	1,219	741
Restricted fixed asset fund	4,276	4,220
Pension reserve	(3,536)	(3,048)
	<u>1,959</u>	<u>1,913</u>
Total funds	<u>1,959</u>	<u>1,913</u>

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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 2020 £'000s	Total 2019 £'000s
Kingsley Special Academy Trust	2,280	472	18	331	3,101	3,028
Red Kite Academy	1,496	278	50	295	2,119	1,503
Central services	154	-	-	52	154	117
	<u>3,930</u>	<u>750</u>	<u>68</u>	<u>678</u>	<u>5,374</u>	<u>4,648</u>

18 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	4,275	4,275
Current assets	611	817	1	1,429
Creditors falling due within one year	-	(209)	-	(209)
Defined benefit pension liability	-	(3,536)	-	(3,536)
Total net assets	<u>611</u>	<u>(2,928)</u>	<u>4,276</u>	<u>1,959</u>

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total Funds £'000s
Fund balances at 31 August 2019 are represented by:				
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)
Total net assets	<u>507</u>	<u>(2,814)</u>	<u>4,220</u>	<u>1,913</u>

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2016, and that of the LGPS related to the period ended 31 March 2019.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £363,000 (2019: £215,000).

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.

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.4% to 21.5% for employers and 5.5% to 6.8% for employees.

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

Total contributions made	2020 £'000s	2019 £'000s
Employer's contributions	319	270
Employees' contributions	93	73
	<u> </u>	<u> </u>
Total contributions	412	343
	<u> </u>	<u> </u>

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.7	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	2.2	1.9
Inflation assumption (CPI)	2.2	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
	<u> </u>	<u> </u>

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

	2020 Years	2019 Years
Retiring today		
- Males	21.5	21.2
- Females	23.7	23.3
Retiring in 20 years		
- Males	22.3	22.3
- Females	25.1	24.7
	<u> </u>	<u> </u>

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

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

	2020	2019
	£'000s	£'000s
Discount rate + 0.1%	187	162
Discount rate - 0.1%	(187)	(162)
Mortality assumption + 1 year	271	227
Mortality assumption - 1 year	(271)	(227)
CPI rate + 0.1%	169	140
CPI rate - 0.1%	(169)	(140)
	<u> </u>	<u> </u>

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

	2020	2019
	Fair value	Fair value
	£'000s	£'000s
Equities	2,236	1,895
Debt Instruments	518	447
Cash	97	53
Property	389	237
	<u> </u>	<u> </u>
Total market value of assets	3,240	2,632
	<u> </u>	<u> </u>

The actual return on scheme assets was £236,000 (2019: £116,000).

Amount recognised in the Statement of Financial Activities

	2020	2019
	£'000s	£'000s
Current service cost	773	451
Past service cost	-	21
Interest income	(53)	(66)
Interest cost	116	121
	<u> </u>	<u> </u>
Total operating charge	836	527
	<u> </u>	<u> </u>

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations	(Continued)	
	2020	2019
	£'000s	£'000s
Changes in the present value of defined benefit obligations		
At 1 September 2019	5,680	4,087
Current service cost	773	451
Interest cost	116	121
Employee contributions	93	73
Actuarial loss	154	955
Benefits paid	(40)	(28)
Past service cost	-	21
	<u>6,776</u>	<u>5,680</u>
Changes in the fair value of the academy trust's share of scheme assets		
	2020	2019
	£'000s	£'000s
At 1 September 2019	2,632	2,201
Interest income	53	66
Actuarial gain	183	50
Employer contributions	319	270
Employee contributions	93	73
Benefits paid	(40)	(28)
	<u>3,240</u>	<u>2,632</u>
20 Reconciliation of net income to net cash flow from operating activities		
	2020	2019
	£'000s	£'000s
Net income for the reporting period (as per the statement of financial activities)	17	193
Adjusted for:		
Net surplus on conversion to academy	-	(98)
Capital grants from DfE and other capital income	(210)	(601)
Investment income receivable	(1)	(1)
Defined benefit pension costs less contributions payable	454	202
Defined benefit pension scheme finance cost	63	55
Depreciation of tangible fixed assets	220	155
Decrease/(increase) in debtors	84	(98)
(Decrease)/increase in creditors	(116)	227
Stocks, debtors and creditors transferred on conversion	-	11
	<u>511</u>	<u>45</u>
Net cash provided by operating activities		

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of changes in net funds

	1 September 2019 £'000s	Cash flows £'000s	31 August 2020 £'000s
Cash	903	447	1,350

22 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.

23 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000s	2019 £'000s
Amounts due within one year	3	1
Amounts due in two and five years	2	-
	<u>5</u>	<u>1</u>

24 Capital commitments

	2020 £'000s	2019 £'000s
Expenditure contracted for but not provided in the accounts	451	-

KINGSLEY LEARNING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

25 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. J Smith 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.

26 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.