

KING'S CROSS ACADEMY TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

| | Page |
|--|---------|
| Reference and Administrative Details | 1 |
| Trustee's Report | 2 - 8 |
| Governance Statement | 9 - 11 |
| Statement on Regularity, Propriety and Compliance | 12 |
| Statement of Trustee's Responsibilities | 13 |
| Independent Auditors' Report on the Financial Statements | 14 - 17 |
| Independent Reporting Accountant's Report on Regularity | 18 - 19 |
| Statement of Financial Activities Incorporating Income and Expenditure Account | 20 |
| Balance Sheet | 21 |
| Statement of Cash Flows | 22 |
| Notes to the Financial Statements | 23 - 44 |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022**

Members

Clara Freeman
Michael Freeman
Sir David Clementi
Robert Evans, Chair of Governors

Governors

Robert Evans, Chair of Governors 1
Michael Lightbound, Vice chair of Governors and Chair of Finance Committee 1
Emyr Fairburn, Head teacher and Accounting Officer 1
Angela Jewell, Vice chair of Governors and Chair of Conditions for Learning Committee
Michael Freeman, Chair of Teaching and Learning Committee
Dame Jane Roberts 1
Jonathan Barratt 1
Louise Johns-Shepherd
Antje Saunders
Roy Griffins
Anthea Harries 1
Alex Woolmore
Andrea Rowe
Faiza Ahmed
Anne Thidemann (appointed 3 November 2021)

1 denotes member of Finance Committee

Company registered number

08803983

Company name

King's Cross Academy Trust

Registered office

4 Stable Street, King's Cross, London, N1C 4AB

Principal operating office

4 Wollstonecraft Street, King's Cross, London, N1C 4BT

Senior management team

Emyr Fairburn, Headteacher
Kay Baxter, Deputy Headteacher
Angela Scheffer, Chief Financial Officer
Sarah Plumb, Assistant Headteacher

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

Bankers

Barclays, Galtmore Row, Birmingham

Solicitors

Bates Wells, Braithwaite, 10 Queen Street Place, London, EC4R 1BE

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in King's Cross. It has a pupil capacity of 446 and had a roll of 413 in the spring school census 2022.

Structure, governance and management

Constitution

The Academy is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and articles of Association is the primary governing document of the Academy. The Governors of King's Cross Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as King's Cross Academy.

Details of the Governors who served during the year, and to the date these accounts are approved and 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

Subject to the provisions of the Companies Act, every governor or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

Method of recruitment and appointment or election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the articles of association and funding agreement as follows:

up to 11 Governors appointed by King's Cross Central Limited Partnership (KCCLP);

up to 1 Governor appointed by the London Borough of Camden and approved by the Governors;

a minimum of 2 Parent Governors (elected by parents of registered pupils at the Academy and must be a parent of a pupil at the Academy at the time of the election);

the Head teacher;

up to 2 staff Governors (the number of staff governors should not exceed one third of the total number of governors, including the head); and

up to 3 co-opted Governors appointed by the Governors.

The term of office for any governor is 3-4 years. The Head Teacher's term of office runs parallel with his term of appointment. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

Policies adopted for the induction and training of Governors

The training and induction provided for new governors will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

Organisational structure

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the governors and the executives who are the senior leadership team

The governing body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The Head Teacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Head Teacher assumes the accounting officer role.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel are considered to be the members of the governing body and the senior leadership team. No member of the governing body receives remuneration for their role of a governor. Staff governors receive remuneration from the School for their roles in the School itself.

The Pay Committee shall determine the salary point on the Head teacher Pay Range (HTPR) to be paid by calculating annually the appropriate unit total of the Academy. The Academy may decide to pay additional payments to the Head teacher in accordance with paragraphs 1D of the STPC Document. The pay ranges for a Deputy Head teacher shall be determined with reference to the Academy's HTPR as defined by the STPC document.

The Academy will delegate the day to day management of the policy to the Head teacher in consultation with the Chair of the Academy. The Head teacher will report to the Academy those occasions when the delegated responsibility has been exercised in respect of the discretionary elements of the STPC Document and the pay provisions for support staff.

The Head teacher shall make annual recommendations on the salary of all staff to the Pay Committee of the Academy.

Related parties and other connected charities and organisations

There were 2 related party transactions totaling £275 in this reporting period. The services were charged at cost.

Objectives and activities

Objects and aims

The principal object and activity of the Academy is the provision of primary education for pupils between the ages of 3 and 11. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Academy.

In accordance with the articles of association the Academy has adopted a funding agreement approved by the Secretary of State for Education. The funding agreement specifies amongst other things, the basis for admitting pupils to the Academy and that the Academy provide a broad and balanced curriculum.

The aims of the King's Cross Academy are as follows:

To develop our pupils as highly successful life-long learners.

To create a positive environment which recognises the achievements of all members of the Academy community.

To have a learning environment where adults and children review and celebrate achievement and where independence leads to success.

To promote a welcoming and relaxed classroom climate where everyone feels secure, confident and able to achieve their full potential.

To create a calm and orderly Academy which is safe and happy and where all are respected, valued and welcomed.

To create an environment where communication and decision-making is open and effective throughout the whole Academy community, and which promotes learning.

To help each member of our community develop a sensitive, tolerant and caring attitude; balancing individual needs with those of the wider group.

To value the cultural, moral and social diversity of the whole Academy community.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

Objects and aims (continued)

To provide equal opportunities for all pupils to reach their full potential and the highest possible standards of personal and academic achievement.

To establish close partnerships with parents through regular home/Academy links and contacts.

To ensure the provision of adequate time and appropriate resources to help pupils develop the skills necessary for future progression.

To inspire, excite and transform learning.

To draw upon the exceptional facilities of the Academy and its unique relationships with world class businesses and organisations.

The principal object of the Academy is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing an Academy offering a broad and balanced curriculum.

Objectives, strategies and activities

The Academy's main strategy is encompassed in its vision statements which is 'Love Learning Together'. Developing individuals as active learners and thereby promoting high achievement and learning for life by:

Being effective in our teaching so as to develop a child's intellect, experience and imagination, and to create an awareness of moral values and sense of purpose.

Valuing every child as an individual with needs and aspirations who can make a distinct contribution to the life of the Academy.

Providing a stimulating and well-resourced environment in which children's achievements are celebrated and shared.

Encouraging the children to accept responsibility for their behaviour and their learning.

Encouraging everyone to have an understanding, and tolerance of different religions, cultures, societies and people.

Continually promoting a rapport between pupil, all staff groups and parents. Having high expectations of work and behaviour.

Criteria/ measures used to assess success in the reporting period:

Rapid and managed school development showing strong direction of travel towards Good or Outstanding status.

Good level of development in the early years above local and national averages.

Increased development and involvement with additional external providers to promote and extend learning opportunities for pupils and staff at the Academy.

Public benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Academy provides a state primary education to boys and girls aged 3 to 11 living in the local area. This Academy is specifically restricted to advance, for public benefit, education in the United Kingdom.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

Raising money for local, national and international charities.

Providing community space for local organisations to use, such as the school nurses to promote health

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

Key performance indicators

The Academy had its first Ofsted inspection in May 2018 and the overall effectiveness was Good. Effectiveness of leadership and management, personal development, behaviour and welfare and early years provision were all outstanding. The school is "inclusive and exciting", "pupils have a zest for learning".

397 pupils had registered to start school in the autumn term 2022 (Nursery 26 pupils, Reception 59

pupils, Year 1 49 pupils, Year 2 59 pupils, Year 3 48 pupils, Year 4 52 pupils, Year 5 57 pupils, Year 6 47 pupils). 63 pupils are on the waiting list.

We currently have a Headteacher, 1 Deputy Head, 2 Assistant Headteachers, 15 Teachers, 3.45 teacher interventions,. We have 18 teaching support staff (2 Nursery Nurses, 16 Teaching Assistants), 5 facilities support staff (Facilities Manager, Facilities apprentice, Chef and 2 kitchen assistants) and 3 business team staff (Receptionist, Assistant Business Manager and Chief Financial Officer).

Going concern

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

We have continued to prepare the accounts on a going concern basis and deem this appropriate. We do not consider that a material uncertainty about our going concern status currently exists. In making this assessment we have considered the likely trading conditions for a period of twelve months from the date of our approval of these accounts.

Financial review

During the period, ESFA / LA grants received totaled to £3,115,813 (2021: £2,783,048). Other income included within restricted funds totaled to £349,899 (2021: £283,004). Restricted fund expenditure totaled to £3,378,453 (2021: £3,048,594). The main source of unrestricted income is income from trading activities, totaling to £70,674 (2021: £46,149). Fundraising activities during the period included lettings and catering.

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of financial activities. The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), 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.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

The Governors through the Finance Committee and Head Teacher receive financial progress reports throughout the year and compare against budgets submitted to the Education and Skills Funding Agency. The Finance Committee also review longer term financial models (up to 3 years) to plan and organise resources most effectively to fulfil the aims of the Academy. At 31 August 2022 the net book value of fixed assets was £6,907,291 (2021: £6,971,582). Movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Financial review (continued)

There is no deficit/asset in the Local Government Pension Scheme (LGPS) recognised on the balance sheet as at 31 August 2022 (2021: deficit of £971,000). In accordance with the FRS 102 pension report there was a pension asset of £53,000 as at 31 August 2022.

Reserves policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review at each board meeting and aim to build and maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £7,344,823 (2021: £7,716,872). This balance includes unrestricted funds (free reserves) of £590,008 (2021: £444,644), which is considered appropriate for the Academy Trust, and restricted funds of £818,524 (2021: £774,646) and restricted fixed asset funds of £6,907,291 (2021: £6,971,582) and a pension deficit of £NIL (2021: £971,000). The Governing Body have determined that the appropriate level of free reserves should be a sum equivalent to 3 month's payroll, approximately £525,000 and an additional £100,000 due to the uncertainties of future Government spending. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust does not recognise a pension fund asset as at 31 August 2022 (2021: deficit of £971k). In accordance with the FRS 102 pension report there was a pension asset of £93,000 as at 31 August 2022.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

The Academy is still a relatively new school. It has been growing by one year group every year and its first Year 6 cohort left in July 22. As such, the Academy has been investing in its staff base and support staff, IT and other systems and infrastructure, curriculum and premises. The Covid pandemic dominated two of those years and the Academy faced significant cost pressures responding to the pandemic. Those cost pressures have continued and been exacerbated by the cost of living crisis.

Alongside the pressures resulting from Covid, the Academy is also facing significant (national) inflationary risks to its budget from:

- higher energy bills
- higher salary costs for teachers and support staff
- higher recruitment costs resulting from staff churn
- higher costs for employing agency staff
- higher pensions costs
- significant uncertainty over the level of pensions deficit

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Reserves policy (continued)

- higher building service charges for insurance and other costs
- higher costs associated with an increasing proportion of pupils with SEN needs and in particular more complex SEN needs, the costs of which are not fully met by SEN funding.

The Academy also faces budgetary pressures from:

- the decision by Governors to extend free school meals to all pupils, to address growing need in local communities
- the need to extend the school's 'Just About Managing' fund which supports local families to make the most of the opportunities within the school. The current fund has been fully spent.

At the same time, the School's income is coming under pressure from:

- falling pupil numbers in Central London
- reduced potential to raise income from letting as the School has grown and now fills its premises.

In this context, the Governors believe strongly that the Academy must maintain a level of reserves that enable it to cope with the headwinds and pressures that it faces, and maintain an appropriate, high quality academic and co-curriculum offer to local children and their families.

Investment policy

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2022, no Investments were held.

Principal risks and uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching and recruitment, health and safety, SEN provision and collaboration with Frank Barnes School) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was no deficit recognised at 31 August 2022. 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

The Trust engages in fundraising activities throughout the academic year, both for specific projects and to augment the annual education budget.

The Academy continues to support the local food banks with parent donations, and signposts parents who need support. We also receive support from our extended school holiday service provider through the HAF fund with financial support for eligible pupils and through Magic Breakfast, a charity who provide families with breakfast through the academic year and school holidays. The associated charity, Kings Cross Academy Parent and Teachers Association, raises funds which are donated by grant to the School as the Trustees of the Charity decide. Kings Cross Academy Parent and Teachers Association raises funds from only the wider School community of pupils, parents, friends, family and former pupils. It does not use any third parties to fundraise and limits its appeals to simple requests for donations.

Due consideration is given at all times to ensuring that no fundraising practices are unreasonably intrusive or apply undue pressure especially with regard to vulnerable persons.

Plans for future periods

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy Trust will continue to aim to attract high quality teachers and support staff order to deliver its objectives.

Further development and testing of the pupil tracking and assessment software in the absence of levels will be undertaken and then rolled out across the Academy Trust to engender rigorous and consistent assessment and reporting of achievement and progression.

Further embedding of more consistent and focused Academy Trust Health and Safety monitoring, risk management and financial reporting processes will bring these aspects of the Academy Trusts operations under increased assurance and mitigation control.

Funds held as custodian on behalf of others

The Academy Trust and its trustees did not act as custodian trustee during the current or previous period. Disclosure of information to auditors

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 12 December 2022 and signed on its behalf by:



Robert Evans
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that King's Cross Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between King's Cross Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of trustees has formally met 3 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

| Governor | Meetings attended | Out of a possible |
|----------------------|--------------------------|--------------------------|
| Robert Evans (Chair) | 3 | 3 |
| Michael Lightbound | 2 | 3 |
| Emyr Fairburn | 3 | 3 |
| Angela Jewell | 3 | 3 |
| Dame Jane Roberts | 2 | 3 |
| Jonathan Barratt | 2 | 3 |
| Louise John-Shepherd | 3 | 3 |
| Roy Griffins | 3 | 3 |
| Antje Saunders | 3 | 3 |
| Anthea Harris | 2 | 3 |
| Emily Hubert | 3 | 3 |
| Andrea Rowe | 3 | 3 |
| Alex Woolmore | 3 | 3 |
| Faiza Ahmed | 1 | 2 |
| Anne Thiedmann | 3 | 3 |

Trustees typically also serve on a number of other sub committees, as set out on the school website.

The impact of each Governing Body Committee is reviewed and monitored through the Headline Document that each committee reviews and produces on a termly basis. The Trustees also intend to perform a self-evaluation review of governance in the coming year.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to: monitor the integrity of the financial statements;

- review internal financial controls and review the Academy's internal control and risk management systems;
- make recommendations to the Governing Body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor; and review the auditor's independence and objectivity.

No significant issues to note were dealt with during the year to 31st August 2022.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

| Governor | Meetings attended | Out of a possible |
|----------------------------|--------------------------|--------------------------|
| Michael Lightbound (Chair) | 3 | 3 |
| Robert Evans | 2 | 3 |
| Emyr Fairburn | 2 | 3 |
| Dame Jane Roberts | 3 | 3 |
| Jonathan Barrett | 2 | 3 |
| Anthea Harris | 1 | 3 |
| Sir David Clementi | 2 | 3 |
| Roy Griffins | 3 | 3 |

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy'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 appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

- Tendering for electricity, audit, insurance
- Increase in community services through extended school services and lettings which serve the local community and improve partnerships
- The business manager is part of the shared Business team with Frank Barnes School for Deaf Children and has become the key link of support and thus improving both communication and effectiveness.
- The Academy also makes effective use of budgeting and integrated curriculum financial planning. A budget for the year ended 31 August 2022 was approved by the Finance Committee. Expenditure has been controlled against this budget with any significant variances investigated and acted upon.
- The Academy has maintained and developed as necessary procedures for assessing need, and obtaining goods and services which provide the best value in terms of suitability, efficiency, time and cost. These procedures were satisfactorily adopted to obtain the best possible quotes for goods and services

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 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 King's Cross Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy 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's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The Academy'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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Academies Audit as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included benchmarking, review of the website to ensure compliance with the Academies Trust Handbook & Accounts Direction, Internal controls, Bank payment testing, petty cash, supplier setup, charge card, risk management.

Following each audit, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

Academies Audit carried out 2 internal audits during the financial period 1 September 2021 to 31st August 2022.

The agreed schedule of work has been delivered as planned. No material control issues were identified as a result of the work undertaken.

The internal audit scrutiny has led to a number of helpful recommendations and we have already begun to implement these.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2022 and signed on their behalf by:



Michael Lightbound
Chair of Finance Committee



Kay Baxter
Acting Headteacher

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of King's Cross Academy Trust I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2021.

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.

K Baxter

Kay Baxter
Acting Headteacher
Date: 12 December 2022

**STATEMENT OF TRUSTEE'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustee (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustee's Report and the financial statements in accordance with the Academies Accounts Direction 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 Trustee to prepare financial statements for each financial year. Under company law, the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustee are required to:

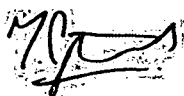
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2022 and signed on its behalf by:



Michael Lightbound
Chair of Finance Committee

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING'S CROSS ACADEMY TRUST

Opinion

We have audited the financial statements of King's Cross Academy Trust (the 'academy') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING'S CROSS ACADEMY TRUST, (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustee's Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustee's Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustee's 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 Trustee's Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING'S CROSS ACADEMY TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

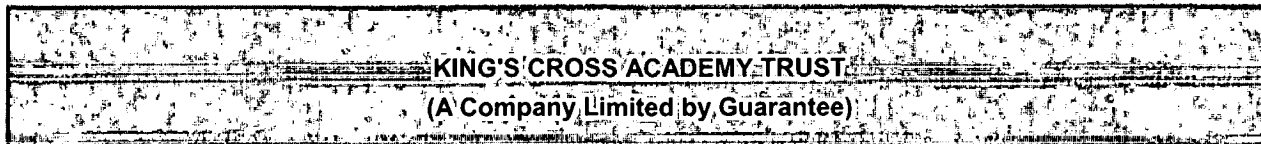
- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.
- We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.



INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING'S CROSS ACADEMY TRUST (CONTINUED)

Use of our report

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to be "J. Lew", enclosed within a rectangular border.

Jake Lew (Senior Statutory Auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

12 December 2022

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING'S
CROSS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 5 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King's Cross Academy Trust during the year 1 September 2021 to 31 August 2022 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 King's Cross Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King's Cross Academy Trust 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 King's Cross Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of King's Cross Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of King's Cross Academy Trust's funding agreement with the Secretary of State for Education dated 16 March 2015 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 year 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING'S
CROSS ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 12 December 2022

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

| | | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|----|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Note | | | | | | |
| Income from: | | | | | | |
| Donations and capital grants | 3 | 75,000 | - | 2,681 | 77,681 | 57,551 |
| Other trading activities | 5 | 70,674 | 349,899 | - | 420,573 | 329,153 |
| Charitable activities | 4 | - | 3,115,813 | - | 3,115,813 | 2,783,048 |
| Total income | | 145,674 | 3,465,712 | 2,681 | 3,614,067 | 3,169,752 |
| Expenditure on: | | | | | | |
| Raising funds | | 310 | - | - | 310 | 17 |
| Charitable activities | 7 | - | 3,672,453 | 110,353 | 3,782,806 | 3,315,771 |
| Total expenditure | | 310 | 3,672,453 | 110,353 | 3,783,116 | 3,315,788 |
| Net income/(expenditure) | | 145,364 | (206,741) | (107,672) | (169,049) | (146,036) |
| Transfers between funds | 15 | - | (43,381) | 43,381 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 145,364 | (250,122) | (64,291) | (169,049) | (146,036) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 21 | - | 1,265,000 | - | 1,265,000 | (336,000) |
| Net movement in funds | | 145,364 | 1,014,878 | (64,291) | 1,095,951 | (482,036) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 444,644 | (196,354) | 6,971,582 | 7,219,872 | 7,701,908 |
| Net movement in funds | | 145,364 | 1,014,878 | (64,291) | 1,095,951 | (482,036) |
| Total funds carried forward | | 590,008 | 818,524 | 6,907,291 | 8,315,823 | 7,219,872 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 44 form part of these financial statements.

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08803983

BALANCE SHEET
AS AT 31 AUGUST 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 6,907,291 | 6,971,582 |
| | | <u>6,907,291</u> | <u>6,971,582</u> |
| Current assets | | | |
| Debtors | 13 | 224,452 | 167,245 |
| Cash at bank and in hand | | 1,639,712 | 1,330,483 |
| | | <u>1,864,164</u> | <u>1,497,728</u> |
| Creditors: amounts falling due within one year | 14 | (455,632) | (278,438) |
| Net current assets | | <u>1,408,532</u> | <u>1,219,290</u> |
| Total assets less current liabilities | | <u>8,315,823</u> | <u>8,190,872</u> |
| Net assets excluding pension asset / liability | | <u>8,315,823</u> | <u>8,190,872</u> |
| Defined benefit pension scheme asset / liability | 21 | - | (971,000) |
| Total net assets | | <u><u>8,315,823</u></u> | <u><u>7,219,872</u></u> |
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 15 | 6,907,291 | 6,971,582 |
| Restricted income funds | 15 | 818,524 | 774,646 |
| | | <u>7,725,815</u> | <u>7,746,228</u> |
| Restricted funds excluding pension asset | 15 | 7,725,815 | 7,746,228 |
| Pension reserve | 15 | - | (971,000) |
| Total restricted funds | 15 | <u>7,725,815</u> | <u>6,775,228</u> |
| Unrestricted income funds | 15 | <u>590,008</u> | <u>444,644</u> |
| Total funds | | <u><u>8,315,823</u></u> | <u><u>7,219,872</u></u> |

The financial statements on pages 20 to 44 were approved by the Trustee, and authorised for issue on 12 December 2022 and are signed on their behalf, by:

Michael Lightbound
Chair of Finance Committee



The notes on pages 23 to 44 form part of these financial statements.

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

| | | 2022 | 2021 |
|---|--------|------------------|------------------|
| | Note | £ | £ |
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 17 | 352,610 | 93,586 |
| Cash flows from investing activities | 18 | (43,381) | (39,509) |
| Change in cash and cash equivalents in the year | | 309,229 | 54,077 |
| Cash and cash equivalents at the beginning of the year | | 1,330,483 | 1,276,406 |
| Cash and cash equivalents at the end of the year | 19, 20 | <u>1,639,712</u> | <u>1,330,483</u> |

The notes on pages 23 to 44 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

All incoming resources are recognised when the Academy 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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

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 allocated on the portion of the asset's use.

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy 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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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 requiring 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

| | |
|------------------------------|------------|
| Long-term leasehold property | - 98 years |
| Furniture and equipment | - 3 years |
| Computer equipment | - 3 years |

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

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 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 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.11 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 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 in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.12 Fund accounting

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 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 21, 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 2022. 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. Income from donations and capital grants

| | Unrestricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|----------------|------------------------------------|---|-----------------------------|-----------------------------|
| Donations | 75,000 | - | 75,000 | 50,000 |
| Capital Grants | - | 2,681 | 2,681 | 7,551 |
| | <u>75,000</u> | <u>2,681</u> | <u>77,681</u> | <u>57,551</u> |
| Total 2021 | <u>50,000</u> | <u>7,551</u> | <u>57,551</u> | |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Academy's charitable activities

| | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | |
| General annual grant | 2,443,295 | 2,443,295 | 2,068,764 |
| Other DfE/ESFA grants | | | |
| Pupil premium | 192,423 | 192,423 | 137,002 |
| UFSM | 43,215 | 43,215 | 72,596 |
| Others | 243,285 | 243,285 | 306,562 |
| | <u>2,922,218</u> | <u>2,922,218</u> | <u>2,584,924</u> |
| Other government grants | | | |
| Local authority grants | 193,595 | 193,595 | 155,714 |
| | <u>193,595</u> | <u>193,595</u> | <u>155,714</u> |
| COVID-19 additional funding (DfE/ESFA) | | | |
| Catch-up premium | - | - | 27,920 |
| Other DfE/ESFA COVID-19 funding | - | - | 14,490 |
| | <u>-</u> | <u>-</u> | <u>42,410</u> |
| | <u>3,115,813</u> | <u>3,115,813</u> | <u>2,783,048</u> |
| | <u>3,115,813</u> | <u>3,115,813</u> | <u>2,783,048</u> |
| Total 2021 | <u>2,783,048</u> | <u>2,783,048</u> | |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Income from other trading activities

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|-----------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Lettings Income | 14,326 | - | 14,326 | 10,461 |
| Other Income | - | 349,899 | 349,899 | 283,004 |
| Catering Income | 45,423 | - | 45,423 | 33,543 |
| Trip Income | 10,925 | - | 10,925 | 2,145 |
| | <u>70,674</u> | <u>349,899</u> | <u>420,573</u> | <u>329,153</u> |
| Total 2021 | <u>46,149</u> | <u>283,004</u> | <u>329,153</u> | |

6. Expenditure

| | Staff Costs 2022 £ | Premises 2022 £ | Other 2022 £ | Total 2022 £ | Total 2021 £ |
|---|--------------------------|-----------------------|--------------------|--------------------|--------------------|
| Expenditure on raising voluntary income: | | | | | |
| Direct costs | - | - | 310 | 310 | 17 |
| Educational activities: | | | | | |
| Direct costs | 1,903,724 | 75,395 | 299,830 | 2,278,949 | 2,081,584 |
| Allocated support costs | 903,879 | 403,982 | 195,996 | 1,503,857 | 1,234,187 |
| | <u>2,807,603</u> | <u>479,377</u> | <u>496,136</u> | <u>3,783,116</u> | <u>3,315,788</u> |
| Total 2021 | <u>2,496,307</u> | <u>447,015</u> | <u>372,466</u> | <u>3,315,788</u> | |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Analysis of expenditure by activities

| | Activities undertaken directly 2022 £ | Support costs 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|------------------------|---|-------------------------------|-----------------------------|-----------------------------|
| Educational activities | 2,278,949 | 1,503,857 | 3,782,806 | 3,315,771 |
| Total 2021 | 2,081,584 | 1,234,187 | 3,315,771 | |

Analysis of direct costs

| | Educational activities 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|-------------------------|--|-----------------------------|-----------------------------|
| Staff costs | 1,795,800 | 1,795,800 | 1,558,688 |
| Depreciation | 110,353 | 110,353 | 106,177 |
| Educational consultancy | 31,785 | 31,785 | 35,919 |
| Technology costs | 10,926 | 10,926 | 10,005 |
| Educational supplies | 147,936 | 147,936 | 73,330 |
| Staff development | 8,161 | 8,161 | 15,659 |
| Other direct costs | 66,064 | 66,064 | 47,993 |
| Teaching supply costs | 107,924 | 107,924 | 233,813 |
| | 2,278,949 | 2,278,949 | 2,081,584 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Educational activities 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|--|--|---------------------------------------|---------------------------------------|
| Pension finance cost | 18,000 | 18,000 | 9,000 |
| Staff costs | 350,011 | 350,011 | 333,937 |
| Technology costs | 18,066 | 18,066 | 22,923 |
| Recruitment & support | 10,470 | 10,470 | 4,582 |
| Maintenance of premises and equipment | 169,023 | 169,023 | 137,189 |
| Cleaning | 79,270 | 79,270 | 81,607 |
| Rent and rates | 41,915 | 41,915 | 43,100 |
| Energy costs | 105,053 | 105,053 | 75,789 |
| Insurance | 8,721 | 8,721 | 33,935 |
| Security and transport | 187 | 187 | 181 |
| Catering | 67,453 | 67,453 | 50,646 |
| Exceptional one-off costs due to Coronavirus | - | - | 110 |
| Other support costs | 74,524 | 74,524 | 56,915 |
| Support staff supply costs | 277,868 | 277,868 | 217,869 |
| Governance costs | 7,296 | 7,296 | 14,404 |
| Non cash pension costs | 276,000 | 276,000 | 152,000 |
| | 1,503,857 | 1,503,857 | 1,234,187 |

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2022 £ | 2021 £ |
|---------------------------------------|-------------------|-------------------|
| Depreciation of tangible fixed assets | 110,353 | 106,177 |
| Fees paid to auditors for: | | |
| - audit | 6,000 | 6,000 |
| - other services | 1,296 | 7,000 |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2022 £ | 2021 £ |
|----------------------------|------------------|------------------|
| Wages and salaries | 1,637,315 | 1,435,433 |
| Social security costs | 170,616 | 146,215 |
| Pension costs | 337,880 | 310,977 |
| | <u>2,145,811</u> | <u>1,892,625</u> |
| Supply teaching costs | 107,924 | 233,813 |
| Non cash pension costs | 276,000 | 152,000 |
| Support staff supply costs | 277,868 | 217,869 |
| | <u>2,807,603</u> | <u>2,496,307</u> |

b. Staff numbers

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

| | 2022 No. | 2021 No. |
|----------------------------|-------------|-------------|
| Teaching | 21 | 17 |
| Administration and support | 20 | 24 |
| Management | 7 | 4 |
| | <u>48</u> | <u>45</u> |

c. Higher paid staff

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

| | 2022 No. | 2021 No. |
|--------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 1 | 2 |
| In the band £70,001 - £80,000 | 1 | 1 |
| In the band £90,001 - £100,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Staff (continued)

d. Key management personnel

The key management personnel of the Academy comprise the Trustee and the senior management team as listed on page . The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £275,150 (2021 - £267,236).

10. Governors' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustee's remuneration and other benefits was as follows:

| | | 2022 £ | 2021 £ |
|---------------------------------------|----------------------------|-----------|-----------|
| E Fairburn (Headteacher and Governor) | Remuneration | 75,000 - | 70,000 - |
| | | 80,000 | 75,000 |
| | Pension contributions paid | 15,000 - | 15,000 - |
| | | 20,000 | 20,000 |

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

11. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for this insurance is included in the total insurance cost.

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Tangible fixed assets

| | Leasehold property £ | Furniture and fixtures £ | Computer equipment £ | Total £ |
|--------------------------|----------------------------|--------------------------------|----------------------------|------------|
| Cost or valuation | | | | |
| At 1 September 2021 | 7,388,663 | 522,507 | 58,811 | 7,969,981 |
| Additions | - | - | 46,062 | 46,062 |
| At 31 August 2022 | 7,388,663 | 522,507 | 104,873 | 8,016,043 |
| Depreciation | | | | |
| At 1 September 2021 | 452,370 | 522,507 | 23,522 | 998,399 |
| Charge for the year | 75,395 | - | 34,958 | 110,353 |
| At 31 August 2022 | 527,765 | 522,507 | 58,480 | 1,108,752 |
| Net book value | | | | |
| At 31 August 2022 | 6,860,898 | - | 46,393 | 6,907,291 |
| At 31 August 2021 | 6,936,293 | - | 35,289 | 6,971,582 |

13. Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|-----------|-----------|
| Due within one year | | |
| Trade debtors | 60,459 | 95,613 |
| Other debtors | 45,447 | 47,884 |
| Prepayments and accrued income | 118,546 | 23,748 |
| | 224,452 | 167,245 |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Trade creditors | 79,578 | 33,764 |
| Other taxation and social security | 43,985 | 56,624 |
| Other creditors | 472 | - |
| Accruals and deferred income | 331,597 | 188,050 |
| | <u>455,632</u> | <u>278,438</u> |
| | | |
| | 2022 £ | 2021 £ |
| Deferred income at 1 September 2021 | 144,634 | 157,108 |
| Resources deferred during the year | 128,865 | 144,634 |
| Amounts released from previous periods | (144,634) | (157,108) |
| | <u>128,865</u> | <u>144,634</u> |

At the balance sheet the academy trust was holding funds received in advance for the year 2022/23.

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. Statement of funds

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|--|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 444,644 | 145,674 | (310) | - | - | 590,008 |
| Restricted general funds | | | | | | |
| GAG | 774,646 | 2,487,151 | (2,399,892) | (43,381) | - | 818,524 |
| Pupil premium | - | 192,423 | (192,423) | - | - | - |
| UIFSM | - | 43,215 | (43,215) | - | - | - |
| Other DfE/ESFA funding | - | 199,429 | (199,429) | - | - | - |
| SEN funding (LA) | - | 163,619 | (163,619) | - | - | - |
| Other LA funding | - | 29,976 | (29,976) | - | - | - |
| General funds | - | 349,899 | (349,899) | - | - | - |
| Pension reserve | (971,000) | - | (294,000) | - | 1,265,000 | - |
| | (196,354) | 3,465,712 | (3,672,453) | (43,381) | 1,265,000 | 818,524 |
| Restricted fixed asset funds | | | | | | |
| Restricted Fixed Asset Funds - all funds | 6,892,099 | - | (110,353) | 43,381 | - | 6,825,127 |
| DfE/ESFA Capital Grants | 79,483 | 2,681 | - | - | - | 82,164 |
| | 6,971,582 | 2,681 | (110,353) | 43,381 | - | 6,907,291 |
| Total Restricted funds | 6,775,228 | 3,468,393 | (3,782,806) | - | 1,265,000 | 7,725,815 |
| Total funds | 7,219,872 | 3,614,067 | (3,783,116) | - | 1,265,000 | 8,315,823 |

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

(i) General Annual Grant must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

(ii) Voluntary income generally consists of sponsorship income and other donations.

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. Statement of funds (continued)

(iii) Restricted fixed assets funds represents the Academy Trust's premises and other fixed assets leased at a peppercorn rent and the fair value of the right to use those assets which were donated by the London Borough of Camden.

(iv) Unrestricted funds would generally include income generated from the operations such as hire of facilities.

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

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|---------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 348,512 | 96,149 | (17) | - | - | 444,644 |
| Restricted general funds | | | | | | |
| GAG | 796,697 | 2,068,764 | (2,051,306) | (39,509) | - | 774,646 |
| Pupil premium | - | 137,002 | (137,002) | - | - | - |
| UIFSM | - | 72,596 | (72,596) | - | - | - |
| Other DfE/ESFA funding | - | 306,562 | (306,562) | - | - | - |
| SEN funding (LA) | - | 122,406 | (122,406) | - | - | - |
| Other LA funding | - | 33,308 | (33,308) | - | - | - |
| Catch-up premium | - | 27,920 | (27,920) | - | - | - |
| Other DfE/ESFA COVID-19 funding | - | 14,490 | (14,490) | - | - | - |
| General funds | - | 283,004 | (283,004) | - | - | - |
| Pension reserve | (474,000) | - | (161,000) | - | (336,000) | (971,000) |
| | <u>322,697</u> | <u>3,066,052</u> | <u>(3,209,594)</u> | <u>(39,509)</u> | <u>(336,000)</u> | <u>(196,354)</u> |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. Statement of funds (continued)

| | Balance at 1 September 2020 | Income | Expenditure | Transfers in/out | Gains/ (Losses) | Balance at 31 August 2021 |
|--|-----------------------------------|-------------------------|---------------------------|---------------------|-------------------------|---------------------------------|
| | £ | £ | £ | £ | £ | £ |
| Restricted fixed asset funds | | | | | | |
| Restricted Fixed Asset Funds - all funds | 6,958,767 | - | (106,177) | 39,509 | - | 6,892,099 |
| DfE/ESFA Capital Grants | 71,932 | 7,551 | - | - | - | 79,483 |
| | <u>7,030,699</u> | <u>7,551</u> | <u>(106,177)</u> | <u>39,509</u> | <u>-</u> | <u>6,971,582</u> |
| Total Restricted funds | <u>7,353,396</u> | <u>3,073,603</u> | <u>(3,315,771)</u> | <u>-</u> | <u>(336,000)</u> | <u>6,775,228</u> |
| Total funds | <u><u>7,701,908</u></u> | <u><u>3,169,752</u></u> | <u><u>(3,315,788)</u></u> | <u><u>-</u></u> | <u><u>(336,000)</u></u> | <u><u>7,219,872</u></u> |

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ |
|-------------------------------|------------------------------------|----------------------------------|---|--------------------------------|
| Tangible fixed assets | - | - | 6,907,291 | 6,907,291 |
| Current assets | 590,008 | 1,274,156 | - | 1,864,164 |
| Creditors due within one year | - | (455,632) | - | (455,632) |
| Total | <u><u>590,008</u></u> | <u><u>818,524</u></u> | <u><u>6,907,291</u></u> | <u><u>8,315,823</u></u> |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 6,971,582 | 6,971,582 |
| Current assets | 444,644 | 1,053,084 | - | 1,497,728 |
| Creditors due within one year | - | (278,438) | - | (278,438) |
| Provisions for liabilities and charges | - | (971,000) | - | (971,000) |
| Total | 444,644 | (196,354) | 6,971,582 | 7,219,872 |

17. Reconciliation of net expenditure to net cash flow from operating activities

| | 2022 £ | 2021 £ |
|---|------------------|-----------|
| Net expenditure for the year (as per Statement of Financial Activities) | (169,049) | (146,036) |
| Adjustments for: | | |
| Depreciation | 110,353 | 106,177 |
| Capital grants from DfE and other capital income | (2,681) | (7,551) |
| Defined benefit pension scheme cost less contributions payable | 276,000 | 152,000 |
| Defined benefit pension scheme finance cost | 18,000 | 9,000 |
| Increase in debtors | (785) | (27,227) |
| Increase in creditors | 120,772 | 7,223 |
| Net cash provided by operating activities | 352,610 | 93,586 |

18. Cash flows from investing activities

| | 2022 £ | 2021 £ |
|--|-----------------|-----------|
| Purchase of tangible fixed assets | (46,062) | (47,060) |
| Capital grants from DfE Group | 2,681 | 7,551 |
| Net cash used in investing activities | (43,381) | (39,509) |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Cash in hand and at bank | 1,639,712 | 1,330,483 |
| Total cash and cash equivalents | 1,639,712 | 1,330,483 |

20. Analysis of changes in net debt

| | At 1 September 2021 £ | Cash flows £ | At 31 August 2022 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 1,330,483 | 309,229 | 1,639,712 |
| | 1,330,483 | 309,229 | 1,639,712 |

21. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2022.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

21. Pension commitments (continued)

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% administration levy)
- 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, 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 2024.

The employer's pension costs paid to TPS in the year amounted to £227,945 (2021 - £207,013).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £141,000 (2021 - £133,000), of which employer's contributions totalled £110,000 (2021 - £104,000) and employees' contributions totalled £31,000 (2021 - £29,000). The agreed contribution rates for future years are 24.3 per cent for employers and between 5.5 - 12.5 per cent 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.

Principal actuarial assumptions

London Borough of Camden Pension Fund

| | 2022 | 2021 |
|--|-------------|------|
| | % | % |
| Rate of increase in salaries | 3.45 | 3.30 |
| Rate of increase for pensions in payment/inflation | 3.05 | 2.90 |
| Discount rate for scheme liabilities | 4.25 | 1.65 |
| Inflation assumption (CPI) | 3.05 | 2.90 |

KING'S CROSS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

21. Pension commitments (continued)

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

| | 2022 Years | 2021 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| Males | 21.8 | 21.8 |
| Females | 24.1 | 23.9 |
| Retiring in 20 years | | |
| Males | 23.2 | 23.2 |
| Females | 25.9 | 25.9 |

Share of scheme assets

The Academy's share of the assets in the scheme was:

| | At 31 August 2022 £ | At 31 August 2021 £ |
|-------------------------------------|---------------------------|---------------------------|
| Equities | 522,000 | 526,000 |
| Property | 114,000 | 64,000 |
| Cash and other liquid assets | 147,000 | 57,000 |
| Debt | 33,000 | 64,000 |
| Total market value of assets | 816,000 | 711,000 |

The actual return on scheme assets was £(49,000) (2021 - £109,000).

The amounts recognised in the Statement of Financial Activities are as follows:

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Current service cost | (386,000) | (256,000) |
| Interest income | 13,000 | 9,000 |
| Interest cost | (31,000) | (18,000) |
| Total amount recognised in the Statement of Financial Activities | (404,000) | (265,000) |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

21. Pension commitments (continued)

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

| | 2022 £ | 2021 £ |
|--------------------------|------------------|-----------|
| At 1 September | 1,682,000 | 934,000 |
| Current service cost | 386,000 | 256,000 |
| Interest cost | 31,000 | 18,000 |
| Employee contributions | 31,000 | 29,000 |
| Actuarial (gains)/losses | (1,314,000) | 445,000 |
| At 31 August | 816,000 | 1,682,000 |

Changes in the fair value of the Academy's share of scheme assets were as follows:

| | 2022 £ | 2021 £ |
|--------------------------|----------------|-----------|
| At 1 September | 711,000 | 460,000 |
| Interest income | 13,000 | 9,000 |
| Actuarial (losses)/gains | (49,000) | 109,000 |
| Employer contributions | 110,000 | 104,000 |
| Employee contributions | 31,000 | 29,000 |
| At 31 August | 816,000 | 711,000 |

The actuarial valuation provided as at 31 August 2022, calculated that the value of the LGPS fund for Kings Cross Academy Trust, as being a surplus of £53,000. This amount has not been recognised within the financial statements as the recognition criteria of a pension scheme asset has not been met as per FRS 102 28.13 (a). The difference has therefore been included within the Actuarial Gain/Loss on the Statement of Financial Activities.

22. Members' liability

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period of account.

The sponsor to the Academy Trust, King's Cross Central Limited Partnership (KCCLP) donated £75,000 towards annual operating costs (2021: £50,000).

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