

Office Copy

**KENNINGTONS PRIMARY ACADEMY**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>Members</b>	Mrs S Sayers Mrs D Bunn Mr i R White
<b>Trustees</b>	Mrs S Sayers, Chair of Governors <sup>1</sup> Mrs D Bunn, Vice Chair of Governors <sup>1</sup> Mr I R White Mr R Price, Chair of Finance & Audit Committee (resigned 5 September 2018) <sup>1</sup> Miss J Hillyer Mrs J Shea, Staff Governor <sup>1</sup> Mrs J Sawtell-Haynes, Headteacher <sup>1</sup> Mr G Morris (resigned 31 December 2017) Mrs J Johnson, Staff Governor Ms S Anjonrin-Ohu Ms V Powell (removed 25 January 2018) <sup>1</sup>
	<sup>1</sup> Finance and audit committee
<b>Company registered number</b>	08187197
<b>Company name</b>	Kenningtons Primary Academy
<b>Company secretary</b>	Miss A Wynne
<b>Chief executive officer</b>	Mrs S Sayers
<b>Senior management team</b>	Mrs J Sawtell-Haynes, Headteacher Mrs C Clarke, Deputy Headteacher Miss B Brand, Assistant Headteacher
<b>Independent auditors</b>	MWS Chartered accountants Statutory auditor Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE
<b>Bankers</b>	HSBC 33 Town Square Basildon Essex SS14 1BA
<b>Solicitors</b>	Browne Jacobsen LLP Victoria House Victoria Square Birmingham B2 4BU

**KENNINGTONS PRIMARY ACADEMY**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Aveley. It has a pupil capacity of 480 (plus 52 nursery children) and had a roll of 423 (plus 18 nursery children) in the school census on 5 October 2018.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Structure, governance and management**

**a. CONSTITUTION**

The academy trust is a company limited by guarantee, is an exempt charity and was set up by a Memorandum of Association. The company registration number is 08187197.

The academy is constituted under a Memorandum of Association which, along with the Articles of Association, are the primary governing documents of the Academy Trust.

The academy's principle activity is to provide education to pupils between the ages of 3 and 11 in South Ockendon.

**b. 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.

**c. TRUSTEES' INDEMNITIES**

The Academy, through its Articles, has indemnified its Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Governors

**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the Terms of the Articles of Association.

Governor recruitment is through a combination of approaches, one being the co-option of those with necessary skills, from parents of children at the school to those with an interest in the school community. Nominations for Parent Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the Academy Trust who will decide the successful candidate.

Parent Governors are elected to the Governing Body in accordance with the terms of the Parent Governor Election procedures.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The School provides all new Governors with a comprehensive induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the Academy, and to achieve this, the Academy purchases training from appropriate bodies, mainly Thurrock Local Authority.

**f. ORGANISATIONAL STRUCTURE**

Kenningtons Primary Academy is governed by the Governing Body and is constituted under a Memorandum of Association and Articles of Association.

The Governing Body is responsible for the strategic management of the school; deciding and setting key aspects such as strategic direction, annual budgets, senior staff appointments, policy development and changes and ensuring compliance with legal requirements.

The Headteacher is the Accounting Officer and is supported by the senior leadership team. The Academy Manager is the Chief Financial Officer. The Governing Body has delegated day to day running of the Academy to the Headteacher and while it has retained responsibility for certain aspects of governance, the majority of the roles and responsibilities are delegated to the Committees, as defined in the School's Standing Orders and the individual Committee terms of reference.

There are four main Committees, each with their own terms of reference:

- Finance and Audit
- Pay
- Admissions
- Headteacher Performance Management

There are additional sub-committees that convene as and when required.

**g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

The Pay Ranges of Senior Leaders are set and approved by the Governing Body. The Governing Body take into account recommendations from the Teachers Pay & Conditions document whilst also taking into consideration the local context.

Senior Leadership pay awards are determined by Performance Management. The pay range for the Academy Manager is recommended by the Headteacher to the Pay Committee and is ratified by the Governing Body.

**h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

There were no related parties of other connected charities and organisations that we are aware.

**i. TRADE UNION FACILITY TIME**

No facility time has either been claimed or accounted for during the year in respect of union representatives.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Objectives and Activities**

**a. OBJECTS AND AIMS**

The Object, per the Articles of Association, is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice, to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

At Kenningtons Primary Academy, we believe that all members of our school community should work collaboratively to:

- Have high standards for excellent achievement
- Embrace and adapt to change
- Be included in all aspects of school life
- Support pupils to attend school everyday
- Ensure everyone has the right to be safe
- Enjoy learning through different experiences, have a range of opportunities and experience success
- Demonstrate respect for one another, our environment and ourselves
- Celebrate what makes us different and the same
- Have the skills and knowledge to be healthy in mind and body

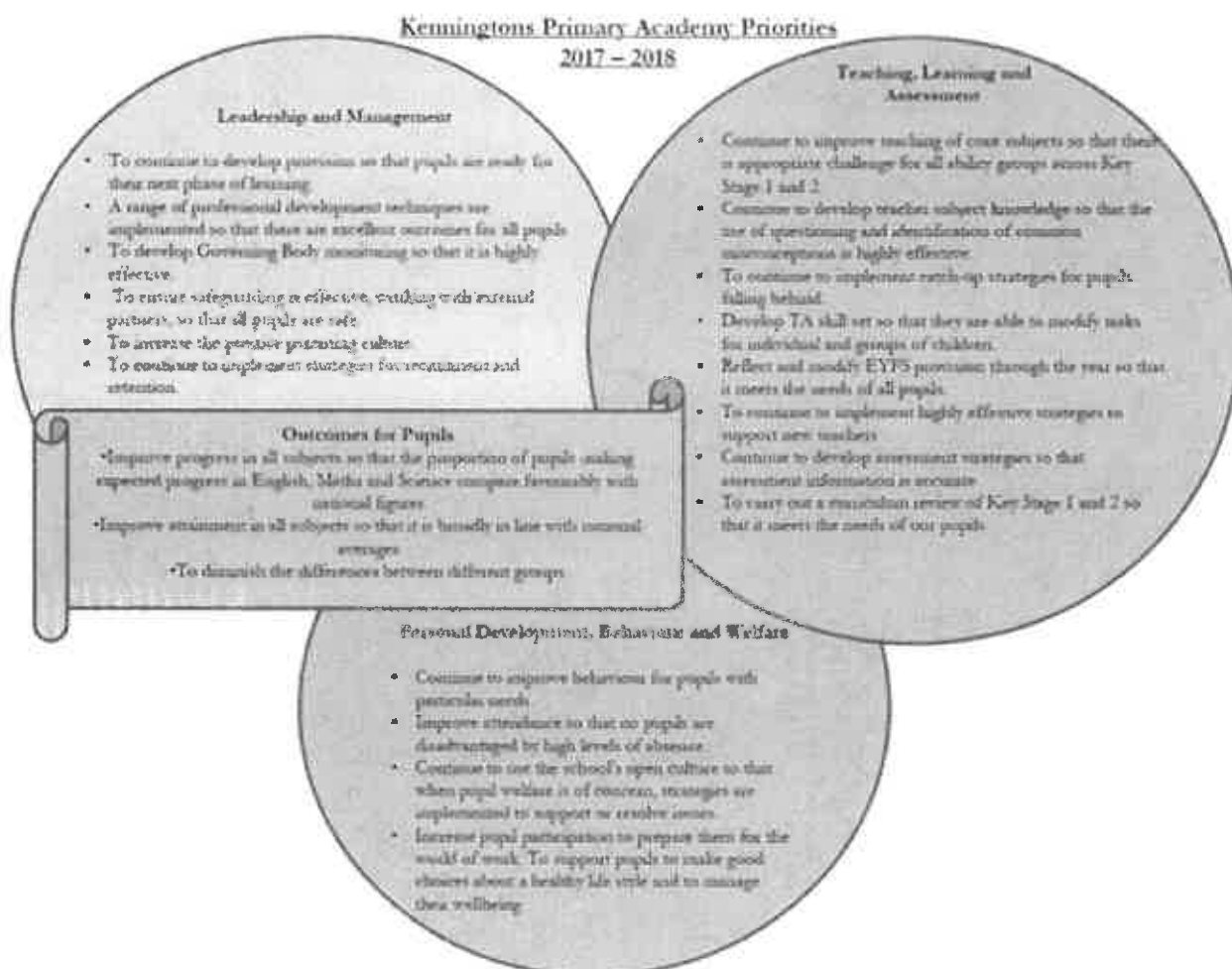
Through all of the above, we believe that members of our school community will be able to make good choices about their future.

One of the key aims of the Academy following an OFSTED report in July 2018 is to keep the Academy at its current rating of 'Good.'

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**



**c. PUBLIC BENEFIT**

The Academy provides education services to all children in the local area. The Governors confirm that they have complied with the duty in Section 3 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

**d. VOLUNTEERS**

The Academy is grateful for the unstinting efforts of its volunteers, mainly parents and carers, who are involved in supporting the teaching and learning of the children. The Academy does not record a financial value for this time within the accounts.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Achievements and performance**

**Strategic report**

**a. KEY PERFORMANCE INDICATORS**

Kenningtons Primary Academy has had another positive year. Pupils continue to make good progress, with attainment results comparable and in some cases exceeding National, as evidenced in the table below:

<b>Reception:</b>	<b>Kenningtons 2018</b>	<b>National 2018</b>
% of pupils reaching Good Level of Development	69%	71.5%
	<b>% of pupils reaching expected standard</b>	
	<b>Kenningtons 2018</b>	<b>National 2018</b>
<b>Year 1 Phonics</b>	77.4%	82.6%
<b>KS1:</b>		
Reading	81.2%	75.5%
Writing	76.8%	70%
Mathematics	82.6%	76.2%
	<b>% of pupils reaching expected standard</b>	
	<b>Kenningtons 2018</b>	<b>National 2018</b>
<b>KS2:</b>		
Reading	82.9%	75%
Writing	86.8%	78.2%
Mathematics	92.1%	75.3%
Reading/Writing/Mathematics Combined	78.9%	64.1%



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Key Performance Indicators	2017 - 18	2018 - 19	2019 - 20
Total Staff Costs (£)	1,723,306	1,737,528	1,787,025
Total Staff Costs to EFA Revenue Income(%)	85%	83%	89%
Total Staff Costs to Total Income (%)	74%	77%	82%
Total Staff Costs as Proportion of Total Expense (%)	76%	81%	82%
FTE Teaching Staff	28	26.2	26.2
FTE Support Staff	25.9	25.9	26
Total FTE	53.9	52.1	52.2
Total Pupil Numbers by Lagged Pupil Numbers	464	484	462
Pupil Teacher Ratio as per Lagged Pupil Numbers	16.57	18.47	17.63
Average Teacher Cost (£)	41,154	44,061	45,475
Proportion of budget spent on the Leadership team (%)	10%	11%	11%
Spend per pupil for non-pay expenditure lines (£)	1154.9	837.65	825.91

All of the above KPI's are within the parameters set by the board.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**b. GOING CONCERN**

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

**Financial review**

**a. PRINCIPAL FUNDING**

The principal source of the Academy's funding is provided by the Education Skills Funding Agency (ESFA) in the form of recurring grants. The principal grants are the General Annual Grant (GAG). Other smaller grants and capital grants are also received from the ESFA. Each of the foregoing grants is 'restricted' for particular purposes for the running of the Academy and providing services in accordance with the Academy's objectives.

Additional Funding has been received from the Local Authority in respect of the AWPU for the children in the bulge classes.

**b. RESERVES POLICY**

The Governing Body regularly monitors the reserves to ensure sufficient funds are maintained to meet anticipated future needs whilst avoiding long term accumulation of excessive sums. This is particularly pertinent in a time when a National Funding Formula is under review.

The Trustees have determined that the appropriate level of reserves (unrestricted and restricted) should be at least equivalent to three months of staff costs, approximately £446,000. At 31 August 2018, the Academy had free reserves of £180,399 (2017 £163,487), restricted reserves of £364,122 (2017 £504,363), restricted asset funds of £4,335,745 (2017 £3,909,545) and a pension deficit of £525,000 (2017 £616,000). The Trust's current level of reserves are £98,521 above the appropriate level.

The Governing Body maintains a prudent level of reserves in line with their policy to spend funding received on the pupils in the Academy at that time, except where a specific project required funding to be built up over several years.

It is the Governing Body's intention to utilise reserves in line with the School Improvement Plan.

On conversion, the Academy was operating with a Local Government Pensions Scheme Deficit. However, the Academy has recognised the deficit, the employer's pension contributions (as a percentage of gross pay) have been reduced and a fixed sum is being repaid each month in order to slowly repay the deficit. As a result, there is no actual cash flow deficit on the fund, or direct impact on free reserves on the Academy Trust because of recognizing the deficit.

**c. PRINCIPAL RISKS AND UNCERTAINTIES**

The Academy Trust has a comprehensive Risk Register which is reviewed regularly. Falling pupil numbers would impact on funding streams for the Academy, making a deficit budget a possibility and affecting long-term viability. Consequently pupil forecasts are monitored carefully and appropriate responsive action is taken.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

## **Fundraising**

Throughout the year we support a number of different charities, for example we hold non uniform days in which children donate £1 to wear their own clothes. We also collect items for the local food bank. All donations are voluntary and our parents are very supportive of this. Children who do not donate are not penalised in any way.

## **Plans for future periods**

### **a. FUTURE DEVELOPMENTS**

The Governing Body held a Strategic Planning Day on 22/06/16 and again on 21/06/17.

Below is the School Vision for the next four years which evolved from this day.

- Three form entry across the school
- Maintain a strong leadership team
- Keep pace with Government implemented changes
- 85% combined pupils to meet National Academic Standard
- Make our own interpretations of relevant changes
- Maintain 'Good' Ofsted judgement; moving towards 'Outstanding'
- That the curriculum evolves and is relevant

The School Vision for the next three years which was developed during the previous Strategic Planning Day in 2015 is recorded as below:

- Three form entry across the school
- Retain management team
- Keep pace with Government implemented changes
  - 75% combined pupils to meet National Academic Standard
  - Make our own interpretations of relevant changes
- Maintain school ethos and values
- Develop school buildings
  - KS1 and KS2 buildings to be linked
  - Keep buildings fit for purpose
- Maintain 'Good' Ofsted judgement; moving towards 'Outstanding'
- Develop a positive community
- Develop a 'grassland' area within school grounds
- CIF bids as appropriate are submitted to the ESFA for capital projects.
- Refurbishment of Toilets
- Exploring 3 form entry and pre planning application.

The Governing Body will meet again during the next academic year to review and monitor the plan and implement any changes or strategies that are needed.

## **FUNDS HELD AS CUSTODIAN**

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors and other funders, Kenningtons Primary Academy does not hold, and the Governors do not anticipate that it will in the future hold, any funds as custodian for third party.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors, MWS, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 November 2018 and signed on its behalf by:

  
**Mrs S Sayers**  
Chair of Trustees

  
**Mrs J Sawtell-Haynes**  
Headteacher

## KENNINGTONS PRIMARY ACADEMY

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### GOVERNANCE STATEMENT

#### SCOPE OF RESPONSIBILITY

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

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

#### GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Sayers, Chair of Governors	7	7
Mrs D Bunn, Vice Chair of Governors	6	7
Mr I R White	7	7
Mr R Price, Chair of Finance & Audit Committee	6	7
Miss J Hillyer	3	7
Mrs J Shea, Staff Governor	1	7
Mrs J Sawtell-Haynes, Headteacher	6	7
Mr G Morris	2	3
Mrs J Johnson, Staff Governor	6	7
Ms S Anjonrin-Ohu	6	7
Ms V Powell	0	0

Mr G Morris resigned from Governing Body on 31 December 2017. Ms V Powell was removed from the Governing Body on 25 January 2018 after a period of suspension. The membership of the Governing Body has otherwise remained constant during the year.

#### Governance Reviews

The Governing Body undertook a self-assessment exercise during the Strategic Planning Day on 22 June 2016, utilising the 'A Competency Framework for Governance' (DfE, January 2017) publication as a template. Discussions were valuable, and the overall outcome was positive in terms of Kenningtons Governing Body confidence in the competency of the Governing Body in relation to National Standards. The Governing Body participates in, and is assessed in, School Strategic Monitoring reviews throughout the academic year.

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to report back to the Governing Body on the school's financial undertakings and to make recommendations to the Full Governing Body.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Price, Chair of Finance & Audit Committee	3	3
Mrs J Shea, Staff Governor	2	3
Mrs S Sayers, Chair of Governors	3	3
Mrs J Sawtell-Haynes, Headteacher	3	3
Mrs D Bunn, Vice Chair of Governors	2	3

## KENNINGTONS PRIMARY ACADEMY

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### GOVERNANCE STATEMENT (continued)

#### 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:

#### Introduction

The governing body was accountable for the way in which the school's resources were allocated to meet the objectives set out in the school's improvement and subject development plans. Governors needed to secure the best possible outcome for all pupils, in the most efficient and effective way, at a reasonable cost. This led to continuous improvement in the school's achievements and services.

#### What Is Best Value?

Governors applied the four principles of **best value**:

- **Challenge** - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently?
- **Compare** - How does the school's pupil performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- **Consult** - How does the school seek the views of stakeholders about the services the school provides?
- **Compete** - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

#### The Governors' Approach

The Governors and school leaders applied the principles of **best value** when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all pupils.

Governors, and the school leaders:

- made comparisons with other/similar schools using data provided by the LA and the Government.
- challenged proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets.
- required suppliers to compete on grounds of cost, and quality/suitability of services/products/backup.
- consulted individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers.

This applied in particular to:

- staffing
- use of premises
- use of resources
- quality of learning and teaching
- purchasing
- pastoral support
- health and safety
- safeguarding

The pursuit of minor improvements or savings was not cost effective if the administration involved substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

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**GOVERNANCE STATEMENT (continued)**

**Staffing**

Governors and school leaders deployed staff to provide best value in terms of quality of learning and teaching, adult-pupil ratio, and curriculum leadership.

**Use of Premises**

Governors and school leaders considered the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for learning and teaching, for support services, and for communal access to central resources.

**Use of Resources**

Governors and school leaders deployed equipment, materials and services to provide pupils and staff with resources which support quality of learning and teaching.

**Teaching**

Governors and school leaders reviewed the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- a curriculum which meets the needs of the pupils and, the LA Agreed RE Syllabus,
- teaching which builds on previous learning and ensures high achievement

**Learning**

Governors and school leaders reviewed the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve at least nationally expected progress.

**Purchasing**

Governors and school leaders developed procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place included:

- competitive tendering procedures for goods and services over £50,000
- procedures for accepting "best value" quotes, which are not necessarily the cheapest.
- procedures which minimise office time by the purchase of goods or services under £25,000 direct from known, reliable suppliers.

**Pastoral Support**

Governors and school leaders reviewed the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation. They reviewed the quality of targeted provision for groups and individual pupils.

**Health & Safety**

Governors and school leaders reviewed the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

**Monitoring**

These areas formed the monitoring process:

1. In-house monitoring by the Headteacher and senior leaders and subject leaders
2. School Improvement Plan, and Strategic Monitoring Group
3. Monitoring of budget
4. Staffing Structure
5. Budget setting agenda item
6. Asset Management Plan
7. Termly points meetings between the Headteacher and class teachers.
8. Annual Performance Management, with termly reviews
9. Analysis of school pupil performance data, e.g. SATs results, standardised cohort data against all schools, LA schools, similar schools

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**GOVERNANCE STATEMENT (continued)**

10. Analysis of DfE pupil performance data, e.g. Raise on Line
11. Ofsted Inspection reports
12. Governors' termly classroom visits
13. Governors' half termly meetings
14. Annual Health Check by external consultant.
15. Attendance panels
16. Audits e.g. Safeguarding (internal and external)
17. LA Audits e.g. EYFS

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Kenningtons Primary Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint EES for Schools 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:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the 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 board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned, and there were no material control or other issues reported by the RO to date.



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**GOVERNANCE STATEMENT (continued)**


**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 Finance and Audit 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 15 November 2018 and signed on their behalf, by:

  
**Mrs S Sayers**  
**Chair of Trustees**

  
**Mrs J Sawtell-Haynes**  
**Accounting Officer**

**KENNINGTONS PRIMARY ACADEMY**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Mrs J Sawtell-Haynes**  
**Accounting Officer**

Date: 15 November 2018

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 15 November 2018 and signed on its behalf by:



**Mrs S Sayers**  
**Chair of Trustees**

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KENNINGTONS PRIMARY ACADEMY**

**OPINION**

We have audited the financial statements of Kenningtons Primary Academy (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2015 and the Academies Accounts Direction 2017 to 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

**KENNINGTONS PRIMARY ACADEMY**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KENNINGTONS PRIMARY ACADEMY**

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of 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 Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (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.

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KENNINGTONS PRIMARY ACADEMY**

**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**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.



Jonathan Gorridge (Senior statutory auditor)

for and on behalf of

**MWS**

Chartered Accountants  
Statutory Auditor

Kingsridge House  
601 London Road  
Westcliff-on-Sea  
Essex  
SS0 9PE  
15 November 2018

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
KENNINGTONS PRIMARY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 February 2013 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kenningtons Primary Academy during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kenningtons Primary Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kenningtons Primary Academy and the 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 Kenningtons Primary Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF KENNINGTONS PRIMARY ACADEMY'S ACCOUNTING OFFICER  
AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Kenningtons Primary Academy's funding agreement with the Secretary of State for Education dated 20 September 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

Based upon our risk assessment of material non-compliance, we carried out detailed testing of the specific income streams from the ESFA, and the related expenditure streams, to which specific conditions had been attached.

We evaluated the control environment of the Academy Trust, extending the procedures required for the financial statements to include regularity. We tested a sample of the specific control activities over regularity of particular activities. We confirmed that the Academy Trust had not entered into any borrowing arrangements. We carried out substantive testing of fixed assets to confirm that no sales of any assets had taken place. We reviewed cash payments made by the School for any unusual transactions and verified the nature of said transactions. We reviewed the list of suppliers to consider whether any supplies were made by related parties connected to the Principal, Finance Manager or any Governor. We reviewed the nature and terms of any lettings to ensure that

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
KENNINGTONS PRIMARY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

any lettings made to any related parties were made at the normal third party rates and not on any favourable terms.

**CONCLUSION**

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



**MWS**

Chartered Accountants

Kingsridge House  
601 London Road  
Westcliff-on-Sea  
Essex  
SS0 9PE

15 November 2018



**KENNINGTONS PRIMARY ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	48,279	-	1,057,130	1,105,409	627,199
Charitable activities	4	-	2,188,087	-	2,188,087	2,290,052
Other trading activities	3	62,179	-	-	62,179	56,814
<b>TOTAL INCOME</b>		<b>110,458</b>	<b>2,188,087</b>	<b>1,057,130</b>	<b>3,355,675</b>	<b>2,974,065</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		93,546	2,924,251	151,007	3,168,804	2,797,996
<b>TOTAL EXPENDITURE</b>	7	<b>93,546</b>	<b>2,924,251</b>	<b>151,007</b>	<b>3,168,804</b>	<b>2,797,996</b>
<b>NET BEFORE TRANSFERS</b>		<b>16,912</b>	<b>(736,164)</b>	<b>906,123</b>	<b>186,871</b>	<b>176,069</b>
Transfers between Funds	20	-	479,923	(479,923)	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>16,912</b>	<b>(256,241)</b>	<b>426,200</b>	<b>186,871</b>	<b>176,069</b>
Actuarial gains on defined benefit pension schemes	25	-	207,000	-	207,000	37,000
<b>NET MOVEMENT IN FUNDS</b>		<b>16,912</b>	<b>(49,241)</b>	<b>426,200</b>	<b>393,871</b>	<b>213,069</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		163,487	(111,637)	3,909,545	3,961,395	3,748,326
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>180,399</b>	<b>(160,878)</b>	<b>4,335,745</b>	<b>4,355,266</b>	<b>3,961,395</b>

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08187197**

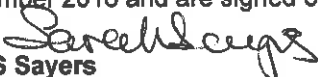
**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	15	3,881,500		3,840,828	
Investment property	16	106,275		106,275	
			<u>3,987,775</u>		<u>3,947,103</u>
Total tangible assets			<u>3,987,775</u>		<u>3,947,103</u>
<b>CURRENT ASSETS</b>					
Debtors	17	519,569		260,722	
Cash at bank and in hand		531,087		524,685	
		<u>1,050,656</u>		<u>785,407</u>	
<b>CREDITORS: amounts falling due within one year</b>	18	<b>(133,125)</b>		<b>(123,815)</b>	
<b>NET CURRENT ASSETS</b>			<u>917,531</u>		<u>661,592</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,905,306</u>		<u>4,608,695</u>
<b>CREDITORS: amounts falling due after more than one year</b>	19		<u>(25,040)</u>		<u>(31,300)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>4,880,266</u>		<u>4,577,395</u>
Defined benefit pension scheme liability	25		<u>(525,000)</u>		<u>(616,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>4,355,266</u>		<u>3,961,395</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	20	364,122		504,363	
Restricted fixed asset funds	20	4,335,745		3,909,545	
			<u>4,699,867</u>		<u>4,413,908</u>
Restricted income funds excluding pension liability			<u>4,699,867</u>		<u>4,413,908</u>
Pension reserve			<u>(525,000)</u>		<u>(616,000)</u>
Total restricted income funds			<u>4,174,867</u>		<u>3,797,908</u>
Unrestricted income funds	20		<u>180,399</u>		<u>163,487</u>
<b>TOTAL FUNDS</b>			<u>4,355,266</u>		<u>3,961,395</u>

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2018**

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue, on 15 November 2018 and are signed on their behalf, by:

  
**Mrs S Sayers**  
**Chair of Trustees**

  
**Mrs J Sawtell-Haynes**  
**Headteacher and Trustee**

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	22	<u>(859,049)</u>	<u>(411,938)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(191,679)	(44,727)
Capital grants from DfE Group		<u>1,057,130</u>	<u>583,653</u>
<b>Net cash provided by investing activities</b>		<u><b>865,451</b></u>	<u><b>538,926</b></u>
<b>Change in cash and cash equivalents in the year</b>		<b>6,402</b>	<b>126,988</b>
Cash and cash equivalents brought forward		<u>524,685</u>	<u>397,697</u>
<b>Cash and cash equivalents carried forward</b>	23	<u><u><b>531,087</b></u></u>	<u><u><b>524,685</b></u></u>

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES**

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

Kenningtons Primary Academy constitutes a public benefit entity as defined by FRS 102.

**1.2 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 Trustees.

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

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

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**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 charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Furniture and fixtures	-	25% reducing balance

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 incorporating income and expenditure account.

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.8 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 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.

**1.10 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.

**1.11 Liabilities and provisions**

Liabilities and provisions 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 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 basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. 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 costs as detailed in notes 18 and 19. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.



**KENNINGTONS PRIMARY ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.13 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

**1.14 Concessionary loans**

As allowed per the Statement of Recommended Practice 2015 (FRS 102), it is the policy of the Academy to measure the loans at the amount received, with the carrying amount adjusted for any repayments and accrued interest (and adjusted if necessary to the settlement account if the loan or part of the loan is waived).

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**1. ACCOUNTING POLICIES (continued)**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Donations and other activities	18,596	-	-	18,596	23,313
Educational trips and visits	29,683	-	-	29,683	20,234
Capital grants	-	-	1,057,130	1,057,130	583,652
	<u>48,279</u>	<u>-</u>	<u>1,057,130</u>	<u>1,105,409</u>	<u>627,199</u>
<i>Total 2017</i>	<u>43,546</u>	<u>-</u>	<u>583,653</u>	<u>627,199</u>	

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**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	9,600	9,600	9,600
Catering income	52,579	52,579	47,214
	<u>62,179</u>	<u>62,179</u>	<u>56,814</u>
<i>Total 2017</i>	<u>56,814</u>	<u>56,814</u>	

**4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	1,785,324	1,785,324	1,883,217
Other DfE/ESFA grants	255,015	255,015	249,723
	<u>2,040,339</u>	<u>2,040,339</u>	<u>2,132,940</u>
<b>Other government grants</b>			
Local authority grants	147,749	147,749	157,112
	<u>147,749</u>	<u>147,749</u>	<u>157,112</u>
	<u>2,188,088</u>	<u>2,188,088</u>	<u>2,290,052</u>
<i>Total 2017</i>	<u>2,290,052</u>	<u>2,290,052</u>	

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**5. DIRECT COSTS**

	Educational Operations £	Total 2018 £	Total 2017 £
Educational supplies	109,389	109,389	86,053
Staff development	4,762	4,762	5,123
Legal and professional fees	22,927	22,927	31,992
Wages and salaries	1,201,431	1,201,431	1,209,218
National insurance	95,143	95,143	89,535
Pension cost	130,386	130,386	130,987
	<u>1,564,038</u>	<u>1,564,038</u>	<u>1,552,908</u>
<i>Total 2017</i>	<u>1,552,908</u>	<u>1,552,908</u>	

**6. SUPPORT COSTS**

	Educational Operations £	Total 2018 £	Total 2017 £
Net pension finance charge	15,000	15,000	12,000
Depreciation	151,007	151,007	173,707
Recruitment and support	75	75	296
Maintenance of premises and equipment	804,175	804,175	506,432
Cleaning	9,080	9,080	9,550
Rent and rates	13,572	13,572	11,282
Energy costs	25,687	25,687	26,593
Insurance	15,736	15,736	13,665
Security and transport	384	384	3,408
Catering	93,547	93,547	93,208
Legal and professional fees	96,942	96,942	68,674
Other support costs	22,251	22,251	17,062
Wages and salaries	177,499	177,499	176,011
National insurance	3,268	3,268	2,790
Pension cost	176,543	176,543	130,411
	<u>1,604,766</u>	<u>1,604,766</u>	<u>1,245,089</u>
<i>Total 2017</i>	<u>1,245,089</u>	<u>1,245,089</u>	

During the year ended 31 August 2018, the academy incurred the following Governance costs:  
£7,250 (2017 - £7,250) included within the table above in respect of audit fees .

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**7. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations:					
Direct costs	1,426,960	-	137,078	1,564,038	1,552,908
Support costs	357,310	1,003,521	243,935	1,604,766	1,245,089
	<u>1,784,270</u>	<u>1,003,521</u>	<u>381,013</u>	<u>3,168,804</u>	<u>2,797,997</u>
<i>Total 2017</i>	<u>1,738,952</u>	<u>741,301</u>	<u>317,744</u>	<u>2,797,997</u>	

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Direct costs - Activities	<u>1,564,038</u>	<u>1,604,766</u>	<u>3,168,804</u>	<u>2,797,997</u>
<i>Total 2017</i>	<u>1,552,908</u>	<u>1,245,089</u>	<u>2,797,997</u>	

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	151,007	173,707
Auditors' remuneration - audit	<u>7,250</u>	<u>7,250</u>

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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,364,529	1,346,969
Social security costs	98,411	92,325
Operating costs of defined benefit pension schemes	306,928	261,398
	1,769,868	1,700,692
Agency staff costs	14,402	38,260
	1,784,270	1,738,952

**b. Staff numbers**

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

	2018 No.	2017 No.
Management	3	4
Teachers	23	29
Administration and support	41	42
	67	75

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

The employee above participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for this staff member amounted to £14,697 (2017 : £13,627).

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £233,197 (2017: £309,000)

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**11. TRUSTEES' REMUNERATION AND EXPENSES**

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

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Miss J Sawtell - Haynes, Headteacher		
Remuneration	<b>85-90</b>	<b>80-85</b>
Pension contributions paid	<b>10-15</b>	<b>10-15</b>
Mrs J Johnson, Staff Governor		
Remuneration	<b>35-40</b>	<b>35-40</b>
Pension contributions paid	<b>5-10</b>	<b>5-10</b>
Mrs J Shea, Staff Governor		
Remuneration	<b>25-30</b>	<b>25-30</b>
Pension contributions paid	<b>5-10</b>	<b>0-5</b>

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

Details of related parties can be found in the related parties note.

**12. TRUSTEES' 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 £1,000,000 on any one claim and the cost for the year is included in the total insurance cost.

**13. OTHER FINANCE INCOME**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest income on pension scheme assets	<b>11,000</b>	<b>7,000</b>
Interest on pension scheme liabilities	<b>(26,000)</b>	<b>(19,000)</b>
	<b>(15,000)</b>	<b>(12,000)</b>
	<b>(15,000)</b>	<b>(12,000)</b>

**14. TRANSFERS BETWEEN FUNDS**

£188,545 has been transferred from restricted funds to restricted fixed asset funds representing assets purchased using the General Annual Grant (GAG).

£668,468 has been transferred from restricted fixed asset funds to restricted funds representing capital grant income spent on capital repairs.

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**15. TANGIBLE FIXED ASSETS**

	Freehold property £	Furniture and equipment £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2017	3,893,746	678,901	235,092	4,807,739
Additions	183,319	2,919	5,441	191,679
At 31 August 2018	<u>4,077,065</u>	<u>681,820</u>	<u>240,533</u>	<u>4,999,418</u>
<b>Depreciation</b>				
At 1 September 2017	286,789	479,805	200,317	966,911
Charge for the year	74,523	50,045	26,439	151,007
At 31 August 2018	<u>361,312</u>	<u>529,850</u>	<u>226,756</u>	<u>1,117,918</u>
<b>Net book value</b>				
At 31 August 2018	<u>3,715,753</u>	<u>151,970</u>	<u>13,777</u>	<u>3,881,500</u>
At 31 August 2017	<u>3,606,957</u>	<u>199,096</u>	<u>34,775</u>	<u>3,840,828</u>

**16. INVESTMENT PROPERTY**

	Freehold investment property £
<b>Valuation</b>	
At 1 September 2017 and 31 August 2018	<u>106,275</u>

The 2018 valuations were made by the insurers in 2012, on an open market value for existing use basis.

**17. DEBTORS**

	2018 £	2017 £
Trade debtors	682	711
VAT repayable	141,825	89,170
Other debtors	410	-
Prepayments and accrued income	376,652	170,841
	<u>519,569</u>	<u>260,722</u>



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**18. CREDITORS: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	£	£
0% Salix loan	6,260	6,260
Other taxation and social security	25,830	26,175
Other creditors	63,674	28,329
Accruals and deferred income	37,361	63,051
	<b>133,125</b>	<b>123,815</b>
	<b>133,125</b>	<b>123,815</b>
	<b>2018</b>	<b>2017</b>
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2017	63,007	40,565
Resources deferred during the year	37,361	63,007
Amounts released from previous years	(63,007)	(40,565)
	<b>37,361</b>	<b>63,007</b>
	<b>37,361</b>	<b>63,007</b>

At the balance sheet date the school was holding income received in advance for:

Music income £1,007 (2017 - £1,250)  
 Trip income £120 (2017 - £660)  
 Government grants £35,434 (2017 - £61,097)  
 Rental income £800 (2017 - £Nil)

**19. CREDITORS: Amounts falling due after more than one year**

	<b>2018</b>	<b>2017</b>
	£	£
Other loans	25,040	31,300
	<b>25,040</b>	<b>31,300</b>

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>2018</b>	<b>2017</b>
	£	£
Repayable by instalments	-	6,260
	<b>-</b>	<b>6,260</b>

The above relates to a Salix loan provided by the Department of Education at 0% interest.

The total carrying amount at the end of the year was £31,300.

The loan is being paid off by £3,130 twice yearly for 6 years.

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**20. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds - all funds	163,487	110,458	(93,546)	-	-	180,399
<b>Restricted funds</b>						
General Annual Grant (GAG)	346,570	1,785,323	(1,635,513)	(188,545)	-	307,835
Other DfE/ESFA grants	-	81,333	(81,333)	-	-	-
Local Authority grants	-	147,749	(147,749)	-	-	-
Pupil Premium	30,623	173,682	(180,070)	-	-	24,235
Cif grants	127,170	-	(763,586)	668,468	-	32,052
Pension reserve	(616,000)	-	(116,000)	-	207,000	(525,000)
	<u>(111,637)</u>	<u>2,188,087</u>	<u>(2,924,251)</u>	<u>479,923</u>	<u>207,000</u>	<u>(160,878)</u>
<b>Restricted fixed asset funds</b>						
Inherited fixed assets	2,416,959	-	(75,116)	-	-	2,341,843
DfE/ESFA Capital grants	335,102	9,394	(15,477)	-	-	329,019
Expenditure from grants	941,258	-	(54,111)	188,545	-	1,075,692
Local authority capital grants	11,902	-	(737)	-	-	11,165
Restricted Fixed Asset	204,324	-	(5,566)	-	-	198,758
Cif grants	-	1,047,736	-	(668,468)	-	379,268
	<u>3,909,545</u>	<u>1,057,130</u>	<u>(151,007)</u>	<u>(479,923)</u>	<u>-</u>	<u>4,335,745</u>
Total restricted funds	<u>3,797,908</u>	<u>3,245,217</u>	<u>(3,075,258)</u>	<u>-</u>	<u>207,000</u>	<u>4,174,867</u>
Total of funds	<u><u>3,961,395</u></u>	<u><u>3,355,675</u></u>	<u><u>(3,168,804)</u></u>	<u><u>-</u></u>	<u><u>207,000</u></u>	<u><u>4,355,266</u></u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the ESFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy.

The Other DfE/ESFA grants fund has been created to recognise the restricted grant funding received from the DfE/ESFA which fall outside the scope of core funding.

The Local Authority grants fund has been created to recognise the restricted grant funding received from the Local Authority.

The pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

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**20. STATEMENT OF FUNDS (continued)**

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority which represent the school site inherited from the local authority including the leasehold land and buildings and all material items of plant and machinery therein. Depreciation charged on those inherited assets is allocated to this fund.

The capital grant funds have been created to recognise the capital grants received from DfE/ESFA and others for the purpose of the acquisition of tangible fixed assets. Expenditure made from this fund is transferred to the capital expenditure from grants fund. Depreciation relating to these assets has been allocated to this fund.

The Capital expenditure from grants fund has been created to reflect the value of tangible fixed assets purchased from GAG funding and from the capital grants fund.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
<b>General funds</b>						
General Funds - all funds	156,337	100,361	(93,211)	-	-	163,487
<b>Restricted funds</b>						
General Annual Grant (GAG)	175,809	1,883,217	(1,596,762)	(115,694)	-	346,570
Other DfE/ESFA grants	-	71,203	(71,203)	-	-	-
Local Authority grants	-	157,112	(157,112)	-	-	-
Pupil Premium	29,743	178,520	(177,640)	-	-	30,623
Cif grants	-	-	(447,362)	574,532	-	127,170
Pension reserve	(572,000)	-	(81,000)	-	37,000	(616,000)
	<u>(366,448)</u>	<u>2,290,052</u>	<u>(2,531,079)</u>	<u>458,838</u>	<u>37,000</u>	<u>(111,637)</u>
<b>Restricted fixed asset funds</b>						
inherited fixed assets	2,483,857	-	(66,898)	-	-	2,416,959
DfE/ESFA Capital grants	354,138	583,653	(28,157)	(574,532)	-	335,102
Expenditure from grants	896,797	-	(71,233)	115,694	-	941,258
Local authority capital grants	14,540	-	(2,638)	-	-	11,902
Restricted Fixed Asset	209,105	-	(4,781)	-	-	204,324
	<u>3,958,437</u>	<u>583,653</u>	<u>(173,707)</u>	<u>(458,838)</u>	<u>-</u>	<u>3,909,545</u>
<b>Total restricted funds</b>	<u>3,591,989</u>	<u>2,873,705</u>	<u>(2,704,786)</u>	<u>-</u>	<u>37,000</u>	<u>3,797,908</u>
<b>Total of funds</b>	<u>3,748,326</u>	<u>2,974,066</u>	<u>(2,797,997)</u>	<u>-</u>	<u>37,000</u>	<u>3,961,395</u>

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**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds - all funds	156,337	210,819	(186,757)	-	-	180,399
<b>Restricted funds</b>						
General Annual Grant (GAG)	175,809	3,668,540	(3,232,275)	(304,239)	-	307,835
Other DfE/ESFA grants	-	152,536	(152,536)	-	-	-
Local Authority grants	-	304,861	(304,861)	-	-	-
Pupil Premium	29,743	352,202	(357,710)	-	-	24,235
Cif grants	-	-	(1,210,948)	1,243,000	-	32,052
Pension reserve	(572,000)	-	(197,000)	-	244,000	(525,000)
	<u>(366,448)</u>	<u>4,478,139</u>	<u>(5,455,330)</u>	<u>938,761</u>	<u>244,000</u>	<u>(160,878)</u>
<b>Restricted fixed asset funds</b>						
Inherited fixed assets	2,483,857	-	(142,014)	-	-	2,341,843
DfE/ESFA Capital grants	354,138	593,047	(43,634)	(574,532)	-	329,019
Expenditure from grants	896,797	-	(125,344)	304,239	-	1,075,692
Local authority capital grants	14,540	-	(3,375)	-	-	11,165
Restricted Fixed Asset	209,105	-	(10,347)	-	-	198,758
	-	1,047,736	-	(668,468)	-	379,268
	<u>3,958,437</u>	<u>1,640,783</u>	<u>(324,714)</u>	<u>(938,761)</u>	<u>-</u>	<u>4,335,745</u>
	<u>3,591,989</u>	<u>6,118,922</u>	<u>(5,780,044)</u>	<u>-</u>	<u>244,000</u>	<u>4,174,867</u>
<b>Total of funds</b>	<u><u>3,748,326</u></u>	<u><u>6,329,741</u></u>	<u><u>(5,966,801)</u></u>	<u><u>-</u></u>	<u><u>244,000</u></u>	<u><u>4,355,266</u></u>

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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,881,500	3,881,500
Investment property	-	-	106,275	106,275
Current assets	181,525	489,862	379,270	1,050,657
Creditors due within one year	(1,126)	(125,740)	(6,260)	(133,126)
Creditors due in more than one year	-	-	(25,040)	(25,040)
Provisions for liabilities and charges	-	(525,000)	-	(525,000)
	<u>180,399</u>	<u>(160,878)</u>	<u>4,335,745</u>	<u>4,355,266</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,840,830	3,840,830
Investment property	-	-	106,275	106,275
Current assets	165,397	620,008	-	785,405
Creditors due within one year	(1,910)	(115,645)	(6,260)	(123,815)
Creditors due in more than one year	-	-	(31,300)	(31,300)
Provisions for liabilities and charges	-	(616,000)	-	(616,000)
	<u>163,487</u>	<u>(111,637)</u>	<u>3,909,545</u>	<u>3,961,395</u>

**22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	186,871	176,069
<b>Adjustment for:</b>		
Depreciation charges	151,007	173,709
Increase in debtors	(258,847)	(194,863)
Increase/(decrease) in creditors	3,050	(64,200)
Capital grants from DfE and other capital income	(1,057,130)	(583,653)
Defined benefit pension scheme cost less contributions payable	101,000	69,000
Defined benefit pension scheme finance cost	15,000	12,000
<b>Net cash used in operating activities</b>	<u>(859,049)</u>	<u>(411,938)</u>

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**23. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018	2017
	£	£
Cash in hand	531,087	524,685
Total	531,087	524,685

**24. CAPITAL COMMITMENTS**

At 31 August 2018 the academy had capital commitments as follows:

	2018	2017
	£	£
Contracted for but not provided in these financial statements	327,925	127,170

**25. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.

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**25. PENSION COMMITMENTS (continued)**

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

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

The employer's pension costs paid to TPS in the period amounted to £130,386 (2017 - £130,832).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £91,401 (2017 - £79,213), of which employer's contributions totalled £70,149 (2017 - £59,442) and employees' contributions totalled £21,252 (2017 - £19,771). The agreed contribution rates for future years are 12.3% for employers and 5.5 - 7.5% 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:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Increase in RPI	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

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**25. PENSION COMMITMENTS (continued)**

<b>Sensitivity analysis</b>	<b>At 31 August 2018 £</b>	<b>At 31 August 2017 £</b>
Discount rate +0.1%	1,003,000	974,000
Discount rate -0.1%	1,073,000	1,043,000
Mortality assumption + 1 year increase	1,070,000	1,040,000
Mortality assumption - 1 year decrease	1,005,000	977,000
Long term salary increase +0.1%	1,040,000	1,013,000
Long term salary increase -0.1%	1,034,000	1,003,000

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

	<b>Fair value at 31 August 2018 £</b>	<b>Fair value at 31 August 2017 £</b>
Equities	326,000	256,000
Gilts	27,000	24,000
Other Bonds	30,000	15,000
Property	46,000	38,000
Property	-	-
Cash and other liquid assets	17,000	12,000
Alternative assets	46,000	30,000
Other managed funds	20,000	17,000
<b>Total market value of assets</b>	<b>512,000</b>	<b>392,000</b>

The actual return on scheme assets was £27,000 (2017 - £49,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2018 £</b>	<b>2017 £</b>
Current service cost	(172,000)	(127,000)
Interest income	11,000	7,000
Interest cost	(26,000)	(19,000)
<b>Total</b>	<b>(187,000)</b>	<b>(139,000)</b>



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**25. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening defined benefit obligation	1,008,000	865,000
Current service cost	172,000	127,000
Interest cost	26,000	19,000
Employee contributions	22,000	19,000
Actuarial gains	(191,000)	(22,000)
	<u>1,037,000</u>	<u>1,008,000</u>
Closing defined benefit obligation	<u>1,037,000</u>	<u>1,008,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	392,000	293,000
Expected return on assets	16,000	42,000
Interest income	11,000	7,000
Actuarial gains	-	(27,000)
Employer contributions	71,000	58,000
Employee contributions	22,000	19,000
	<u>512,000</u>	<u>392,000</u>
Closing fair value of scheme assets	<u>512,000</u>	<u>392,000</u>

**26. RELATED PARTY TRANSACTIONS**

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

**27. CONTROLLING PARTY**

There is no ultimate controlling party.

**28. 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.