

EFA Copy

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

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KENNINGTONS PRIMARY ACADEMY

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

| | |
|----------------------------------|--|
| Members | Mrs S Sayers Mrs D Bunn Mr R White |
| Trustees | Mrs S Sayers, Chair of Governors ¹ Mrs D Bunn, Vice Chair of Governors Mr R White Mr R Price, Chair of Finance & Audit Committee ¹ Miss J Hillyer Mrs J Shea, Staff Governor ¹ Mrs J Sawtell-Haynes, Headteacher ¹ Mr G Morris Mrs J Johnson, Staff Governor Mrs Z Kirstein (resigned 7 September 2016) Ms S Anjonrin-Ohu (appointed 12 November 2015) Ms V Powell (appointed 15 November 2016) |
| | ¹ Finance and audit committee |
| Company registered number | 08187197 |
| Company name | Kenningtons Primary Academy |
| Company secretary | \ Wynne |
| Chief executive officer | Mrs S Sayers |
| Senior management team | Mrs J Sawtell-Haynes, Headteacher Mrs C Clarke, Deputy Headteacher Miss L Brewster, Assistant Headteacher Miss B Brand, Assistant Headteacher |
| Independent auditors | MWS Chartered accountants Statutory auditor Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE |
| Bankers | HSBC 173 High Street Hornchurch Essex RM11 3YS |
| Solicitors | Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES |

KENNINGTONS PRIMARY ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. 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 510 (plus 52 nursery children) and had a roll of 466 (plus 26 nursery children) in the school census on 6 October 2016.

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. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the _____ who
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.

d. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. 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.

The Performance Management of the Senior Leadership Team determines pay awards. The pay range for the Academy Manager is recommended by the Pay Committee and ratified by the Governing Body.

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 three 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. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

h. 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

Objectives and Activities

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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:

- Make good progress in academic skills whilst ensuring good personal, moral and spiritual development
- Demonstrate respect for one another, our environment and ourselves
- Be included in all aspects of school life
- Support pupils to attend school everyday
- Have the right to be safe
- Enjoy learning through different experiences
- See change as a positive way forward and adapt to changes when they happen
- Celebrate the differences between each other

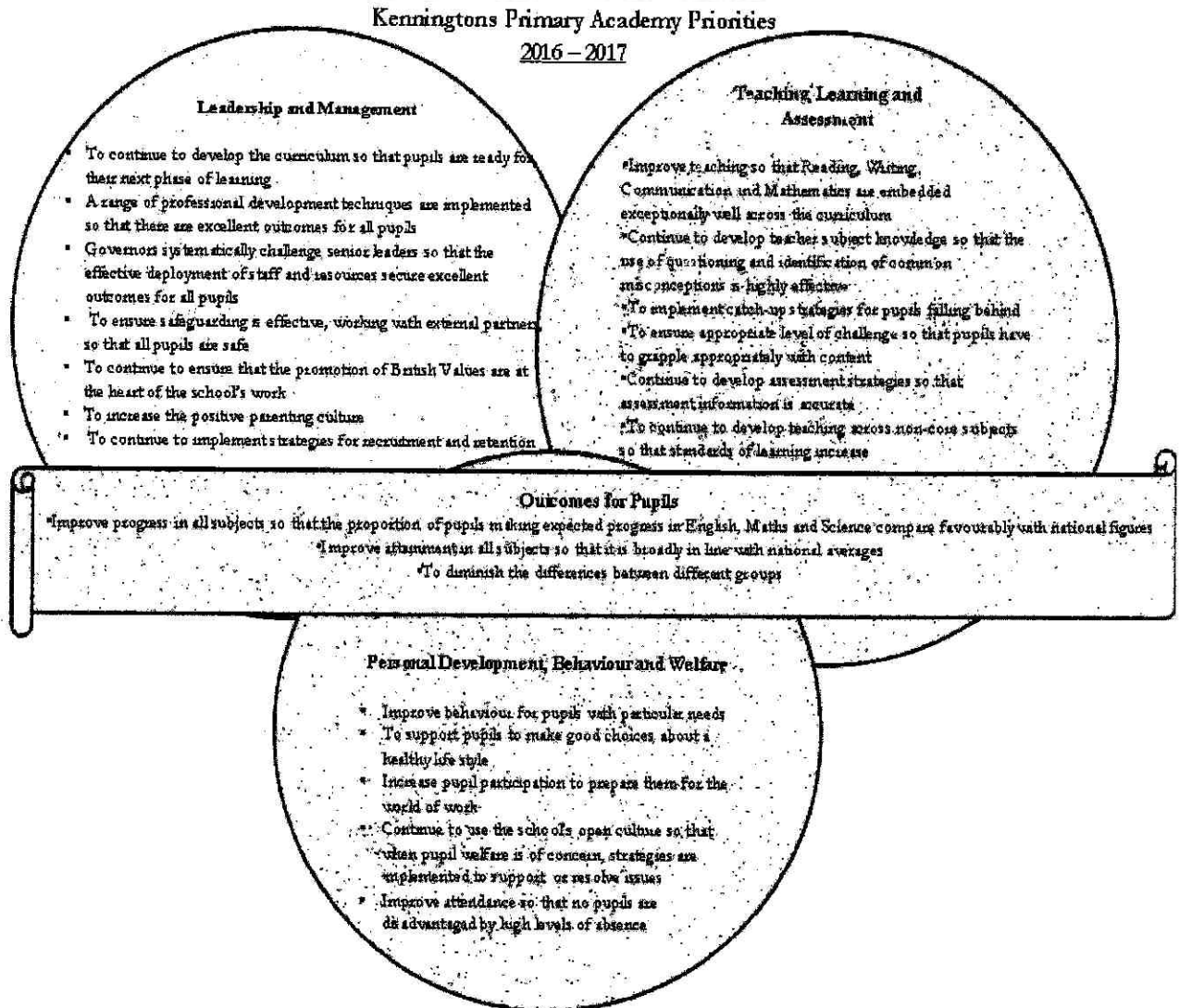
Through all of the above, we believe that members of our school community will be able to make good choices about their future.

One of the key aims of the Academy following an OFSTED report current rating of 'Good.'

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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.

Achievements and performance

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

a. REVIEW OF ACTIVITIES

Kenningtons Primary Academy has had another positive year and continue to make good progress, as evidenced in the table below:-

| | | School | National |
|--------------------------|----------|---------------|-----------------|
| EYFSP | | 64% | 69% (estimate) |
| Year 1 Phonics | | 69% | 81% |
| KS1 Level 2B+ | Reading | 77% | 74% |
| | Writing | 60% | 65% |
| | Maths | 82% | 73% |
| KS2 Level 4B+ | Reading | 66% | 66% |
| | Writing | 81% | 74% |
| | Maths | 89% | 70% |
| | Combined | 63% | 53% |
| KS1 -2 Expected Progress | Reading | -1.54 | 0 |
| | Writing | 0.54 | 0 |
| | Maths | 0.92 | 0 |

Since September 2013, the number of pupils on role has continued to rise, and again this the during 2015.

During the Summer Term of 2014/15 the Local Authority approached Kenningtons Primary Academy and requested that we take a 'bulge' of 30 additional Reception Children in September 2015. This made us 3 form entry in Reception. We are full at 90 children.

Again at the request of the local a in 1, a class in Year 4 in February 2016.

We are full in Reception, Year 2 and Year 3. There is also a waiting list in these year groups. This is a significant achievement and demonstrates the ever growing popularity of the school. We continue to take additional children into the 'bulge' years.

Financial review

a. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. 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.

c. 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.

At 31 August 2016, the Academy had free reserves of £156,337 (2015 £140,696), restricted reserves of £205,552 (2015 £14,760), restricted asset funds of £3,958,438 (2015 £3,770,585) and a pension deficit of £572,000 (2015 £241,000).

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.

d. PRINCIPAL FUNDING

The principal source of the Academy's funding is provided by the Education Funding Agency (EFA) 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 EFA. 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.

Plans for future periods

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

a. FUTURE DEVELOPMENTS

The Governing Body held a Strategic Planning Day. Below is the School Vision for the next four years which evolved from this day.

- Three form entry across the school
- Retain management team
- Keep pace with Government implemented changes
 - o 75% combined pupils to meet National Academic Standard
 - o Make our own interpretations of relevant changes
- Maintain school ethos and values
- Develop school buildings
 - o KS1 and KS2 buildings to be linked
 - o 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 EFA 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, Kenning tons 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has 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.

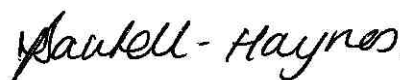
AUDITORS

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.

This report of the board of trustees as the company directors, on 15 December 2016 and signed



**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 8 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 | 8 | 8 |
| Mrs D Bunn, Vice Chair of Governors | 6 | 8 |
| Mr R White | 8 | 8 |
| Mr R Price, Chair of Finance & Audit Committee | 8 | 8 |
| Miss J Hillyer | 2 | 8 |
| Mrs J Shea, Staff Governor | 6 | 8 |
| Mrs J Sawtell-Haynes, Headteacher | 8 | 8 |
| Mr G Morris | 7 | 8 |
| Mrs J Johnson, Staff Governor | 5 | 8 |
| Mrs Z Kirstein | 2 | 8 |
| Ms S Anjonrin-Ohu | 3 | 7 |
| Ms V Powell | 0 | 0 |

A new Parent Governor was elected to the Governing Body on 12 November 2015. During the period 1 September 2015 to 31 August 2016, the membership of the Governing Body has otherwise remained constant.

The Governing Body completed a skills audit in Autumn Term of 2015. The Governing Body attended an away-day on 22 June 2016 to review their strategic role. 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 |
|-------------------------------------|-------------------|-------------------|
| Ms J Sawtell-Haynes | 2 | 3 |
| Mrs S Sayers | 3 | 3 |
| Mrs D Bunn, Vice Chair of Governors | 2 | 3 |
| Mr R Price | 3 | 3 |
| Mrs J Shea | 3 | 3 |

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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

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.

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.

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GOVERNANCE STATEMENT (continued)

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. Termly APP meetings between Deputy Headteacher and class teachers.
9. Annual Performance Management, with termly reviews
10. Analysis of school pupil performance data, e.g. SATs results, standardised cohort data against all schools, LA schools, similar schools
11. Analysis of DfE pupil performance data, e.g. Raise on Line
12. Ofsted Inspection reports
13. Governors' termly classroom visits
14. Governors' half termly meetings
15. Annual Health Check by external consultant.

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GOVERNANCE STATEMENT (continued)

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 2015 to 31 August 2016 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 2015 to 31 August 2016 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 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 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. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

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.

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

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GOVERNANCE STATEMENT (continued)

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 December 2016 and signed on their behalf, by:


Mrs ~~Seery~~
Chair of Trustees


Mrs J Sawtell-Haynes
Officer

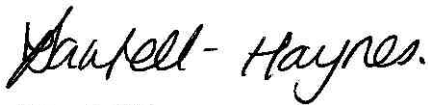
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Kenningtons Primary Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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 2015.

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 2015.

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 EFA.



Mrs J Sawtell-Haynes
Accounting Officer

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Kenningtons Primary Academy and 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 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the EFA/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 December 2016 and signed on its behalf by:



Mrs S Sayers
Chair of Trustees

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

We have audited the financial statements of Kenningtons Primary Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 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 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in
report to you if, in our opinion:

2006 requires us to

- adequate accounting records have not been kept, or returns adequate
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.

audit have not been



Clive Smith FCA (Senior Auditor)

for and on behalf of

MWS

Chartered Accountants
Statutory Auditor

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE
15 December 2016

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 19 February 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA 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 EFA 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 EFA, 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 AUDITORS**

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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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 EFA, 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 AUDITORS' ASSURANCE REPORT ON REGULARITY TO KENNINGTONS
PRIMARY ACADEMY AND THE EDUCATION 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 2015 to 31 August 2016 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
Statutory Auditor

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

15 December 2016

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

| | Note | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | 54,730 | - | 226,251 | 280,981 | 399,883 |
| Charitable activities | 4 | - | 2,148,705 | - | 2,148,705 | 1,942,010 |
| Other trading activities | 3 | 44,664 | - | - | 44,664 | 39,650 |
| TOTAL INCOME | | <u>99,394</u> | <u>2,148,705</u> | <u>226,251</u> | <u>2,474,350</u> | <u>2,381,543</u> |
| EXPENDITURE ON: | | | | | | |
| Charitable activities | | 83,753 | 1,832,799 | 184,512 | 2,101,064 | 1,909,470 |
| TOTAL EXPENDITURE | 7 | <u>83,753</u> | <u>1,832,799</u> | <u>184,512</u> | <u>2,101,064</u> | <u>1,909,470</u> |
| NET INCOME BEFORE TRANSFERS | | | | | | |
| Transfers between Funds | 19 | 15,641 | 315,906 | 41,739 | 373,286 | 472,073 |
| | | - | (146,114) | 146,114 | - | - |
| NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | 15,641 | 169,792 | 187,853 | 373,286 | 472,073 |
| Actuarial losses on defined benefit pension schemes | 23 | - | (310,000) | - | | |
| NET MOVEMENT IN FUNDS | | 15,641 | (140,208) | 187,853 | 63,286 | 470,073 |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 140,696 | (226,240) | 3,770,585 | 3,685,041 | 3,214,968 |
| TOTAL FUNDS CARRIED FORWARD | | <u>156,337</u> | <u>(366,448)</u> | <u>3,958,438</u> | <u>3,748,327</u> | <u>3,685,041</u> |

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

BALANCE SHEET
AS AT 31 AUGUST 2016

| | Note | £ | 2016 £ | £ | 2015 £ |
|--|------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 14 | 3,969,812 | | 3,790,925 | |
| Investment property | 15 | 106,275 | | 106,275 | |
| | | | <u>4,076,087</u> | | <u>3,897,200</u> |
| Total tangible assets | | | <u>4,076,087</u> | | <u>3,897,200</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 16 | 65,858 | | 58,794 | |
| Cash at bank and in hand | | 397,697 | | 189,337 | |
| | | <u>463,555</u> | | <u>248,131</u> | |
| CREDITORS: amounts falling due within one year | 17 | (181,755) | | (175,470) | |
| | | | <u>281,800</u> | | <u>72,661</u> |
| NET CURRENT ASSETS | | | <u>281,800</u> | | <u>72,661</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>4,357,887</u> | | <u>3,969,861</u> |
| CREDITORS: amounts falling due after more than one year | 18 | (37,560) | | (43,820) | |
| | | | <u>4,320,327</u> | | <u>3,926,041</u> |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES | | | <u>4,320,327</u> | | <u>3,926,041</u> |
| Defined benefit pension scheme liability | 23 | (572,000) | | (241,000) | |
| | | | <u>3,748,327</u> | | <u>3,685,041</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u>3,748,327</u> | | <u>3,685,041</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 19 | 205,552 | | 14,760 | |
| Restricted fixed asset funds | 19 | 3,958,438 | | 3,770,585 | |
| | | | <u>4,163,990</u> | <u>3,785,345</u> | |
| Restricted income funds excluding pension liability | | 4,163,990 | | 3,785,345 | |
| Pension reserve | | (572,000) | | (241,000) | |
| | | | <u>3,591,990</u> | <u>3,544,345</u> | |
| Total restricted income funds | | | <u>3,591,990</u> | <u>3,544,345</u> | |
| Unrestricted income funds | 19 | 156,337 | | 140,696 | |
| | | | <u>3,748,327</u> | <u>3,685,041</u> | |
| TOTAL FUNDS | | | <u>3,748,327</u> | <u>3,685,041</u> | |

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were
are signed on their behalf, by:


Mrs S Sayers
Chair of Trustees

Trustees, and authorised for issue, on 15 December 2016 and


Mrs J Sawtell-Haynes
Headteacher and Trustee

The notes on pages 24 to 41 form part of these financial statements.

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

| | Note | 2016 £ | 2015 £ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 21 | <u>519,134</u> | <u>302,467</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (363,398) | (992,404) |
| Capital grants from DfE/EFA | | 8,571 | 359,964 |
| Capital funding received from sponsors and others | | <u>44,053</u> | <u>17,669</u> |
| Net cash used in investing activities | | <u>(310,774)</u> | <u>(614,771)</u> |
| Change in cash and cash equivalents in the year | | 208,360 | (312,304) |
| Cash and cash equivalents brought forward | | <u>189,337</u> | <u>501,641</u> |
| Cash and cash equivalents carried forward | 22 | <u><u>397,697</u></u> | <u><u>189,337</u></u> |

KENNINGTONS PRIMARY ACADEMY

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

First time adoption of FRS 102

These financial statements are the first financial statements of Kenningtons Primary Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Kenningtons Primary Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

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 the Department for Education 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 and include grants from the Department for Education.

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 there is certainty of receipt and it is measurable.

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

Donations are recognised on a receivable basis where there is certainty of receipt 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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.

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.

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.

Assets in the course of construction are included on the balance sheet at cost and are charged until they are brought into use.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|-----------------------|----------------------------------|
| Freehold property | 2% straight line |
| Fixtures and fittings | 25% reducing balance |
| Computer equipment | straight line basis over 3 years |

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating 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 2016

1. ACCOUNTING POLICIES (continued)

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.9 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.

1.10 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.

1.11 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.

1.12 Liabilities and provisions

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

1.13 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

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 23, 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

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

KENNINGTONS PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|--------------------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations and other activities | 36,591 | | - | 36,591 | 17,871 |
| Educational trips and visits | 18,139 | | - | 18,139 | 22,049 |
| Fixed asset donations | - | - | 217,681 | 217,681 | - |
| Capital grants | - | - | 8,570 | 8,570 | 359,963 |
| | <u>54,730</u> | <u>-</u> | <u>226,251</u> | <u>280,981</u> | <u>399,883</u> |

In 2015, of the total income from donations and capital grants, £39,920 was to unrestricted funds and £359,963 was to restricted funds

3. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|--------------------|------------------------------------|-----------------------------|-----------------------------|
| Hire of Facilities | 9,599 | 9,599 | 9,807 |
| Catering Income | 34,794 | 34,794 | 28,448 |
| School Sales | 271 | 271 | 1,395 |
| | <u>44,664</u> | <u>44,664</u> | <u>39,650</u> |

In 2015, of the total income from other trading activities, £39,650 was to unrestricted funds and £ NIL was to restricted funds.

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Restricted funds 2016 £ | Total funds 2016 £ | <i>Total funds 2015 £</i> |
|--------------------------------|--|---------------------------------------|---------------------------------------|
| DfE/EFA grants | | | |
| General Annual Grant (GAG) | 1,578,006 | 1,578,006 | 1,585,210 |
| Other DfE/EFA grants | 226,831 | 226,831 | 199,351 |
| | - | - | - |
| | <u>1,804,837</u> | <u>1,804,837</u> | <u>1,784,561</u> |
| Other government grants | | | |
| Local authority grants | 343,868 | 343,868 | 157,449 |
| | - | - | - |
| | <u>343,868</u> | <u>343,868</u> | <u>157,449</u> |
| | <u>2,148,705</u> | <u>2,148,705</u> | <u>1,942,010</u> |

In 2015, of the total income from charitable activities, £1,942,010 was to unrestricted funds and £ NIL was to restricted funds.

5. DIRECT COSTS

| | Educational Operations £ | Total 2016 £ | <i>Total 2015 £</i> |
|-----------------------------|---|-----------------------------|-----------------------------|
| Educational supplies | 86,122 | 86,122 | 98,668 |
| Staff development | 3,232 | 3,232 | 5,339 |
| Catering | 84,031 | 84,031 | 66,972 |
| Legal and professional fees | 35,735 | 35,735 | 20,093 |
| Wages and salaries | 1,105,941 | 1,105,941 | 991,309 |
| National insurance | 66,775 | 66,775 | 41,124 |
| Pension cost | 122,078 | 122,078 | 90,917 |
| | <u>1,503,914</u> | <u>1,503,914</u> | <u>1,314,422</u> |

KENNINGTONS PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

6. SUPPORT COSTS

| | Educational Operations £ | Total 2016 £ | Total 2015 £ |
|---------------------------------------|--------------------------------|--------------------|--------------------|
| Net pension finance charge | 9,000 | 9,000 | 7,000 |
| Depreciation | 184,512 | 184,512 | 197,466 |
| Recruitment and support | 1,102 | 1,102 | 610 |
| Maintenance of premises and equipment | 18,976 | 18,976 | 14,469 |
| Cleaning | 8,691 | 8,691 | 7,359 |
| Rent and rates | 11,089 | 11,089 | 7,968 |
| Energy costs | 22,141 | 22,141 | 17,105 |
| Insurance | 12,848 | 12,848 | 16,192 |
| Security and transport | 6,818 | 6,818 | 2,447 |
| Legal and professional fees | 64,156 | 64,156 | 66,893 |
| Other support costs | 17,740 | 17,740 | 30,707 |
| Wages and salaries | 175,297 | 175,297 | 171,459 |
| National insurance | 2,001 | 2,001 | 2,114 |
| Pension cost | 62,779 | 62,779 | 53,258 |
| | <u>597,150</u> | <u>597,150</u> | <u>595,047</u> |

During the year ended 31 August 2016, the academy incurred the following Governance costs:
£7,250 (2015 - £7,250) included within the table above in respect of Educational Operations.

7. EXPENDITURE

| | Staff costs 2016 £ | Premises 2016 £ | Other costs 2016 £ | Total 2016 £ | Total 2015 £ |
|-------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Educational Operations: | | | | | |
| Direct costs | 1,294,794 | - | 209,120 | 1,503,914 | 1,314,423 |
| Support costs | 240,078 | 258,257 | 98,815 | 597,150 | 595,047 |
| | <u>1,534,872</u> | <u>258,257</u> | <u>307,935</u> | <u>2,101,064</u> | <u>1,909,470</u> |

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

| | 2016 £ | 2015 £ |
|--|----------------|----------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 184,512 | 197,466 |
| Auditors' remuneration - audit | 6,965 | 7,250 |
| | <u>191,477</u> | <u>204,716</u> |

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9. STAFF COSTS

Staff costs were as follows:

| | 2016 | 2015 |
|--|-----------|-----------|
| | £ | £ |
| Wages and salaries | 1,248,087 | 1,124,082 |
| Social security costs | 68,777 | 43,238 |
| Operating costs of defined benefit pension schemes | 184,857 | 144,176 |
| | 1,501,721 | 1,311,496 |
| Supply teacher costs | 33,151 | 38,684 |
| | 1,534,872 | 1,350,180 |

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

| | 2016 | 2015 |
|----------------------------|------|------|
| | No. | No. |
| Management | 4 | 4 |
| Teachers | 22 | 18 |
| Administration and support | 45 | 33 |
| | 71 | 55 |

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

| | 2016 | 2015 |
|-------------------------------|------|------|
| | No. | 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 2016, pension contributions for this staff member amounted to £13,459 (2015: £10,762).

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 £294,000 (2015: £266,000)

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10. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2015 - 3) in pension schemes.

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:

| | 2016 | <i>2015</i> |
|--------------------------------------|--------------|--------------|
| | £'000 | <i>£'000</i> |
| Miss J Sawtell - Haynes, Headteacher | 80-85 | <i>75-80</i> |
| Pension contributions paid | 10-15 | <i>10-15</i> |
| Staff Governor | 35-40 | <i>0-5</i> |
| Pension contributions paid | 5-10 | <i>0-5</i> |
| Shea, Staff Governor | 25-30 | <i>25-30</i> |
| Pension contributions paid | 0-5 | <i>0-5</i> |

During the year, no Trustees received any reimbursement of expenses (2015 - £240).

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

11. 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.

12. OTHER FINANCE INCOME

| | 2016 | <i>2015</i> |
|--|-----------------------|-----------------------|
| | £ | <i>£</i> |
| Interest income on pension scheme assets | 9,000 | <i>8,000</i> |
| Interest on pension scheme liabilities | (18,000) | <i>(15,000)</i> |
| | <u>(9,000)</u> | <i><u>(7,000)</u></i> |

13. TRANSFERS BETWEEN FUNDS

£146,114 has been transferred from restricted funds to restricted fixed asset funds representing assets purchased using the General Annual Grant (GAG).

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14. TANGIBLE FIXED ASSETS

| | Freehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|-----------------------|---------------------------|------------------------------------|----------------------------|------------------|
| Cost | | | | |
| At 1 September 2015 | 3,567,011 | 636,801 | 195,805 | 4,399,617 |
| Additions | 314,840 | 25,419 | 23,139 | 363,398 |
| At 31 August 2016 | <u>3,881,851</u> | <u>662,220</u> | <u>218,944</u> | <u>4,763,015</u> |
| Depreciation | | | | |
| At 1 September 2015 | 143,303 | 333,449 | 131,940 | 608,692 |
| Charge for the year | 70,330 | 80,499 | 33,682 | 184,511 |
| At 31 August 2016 | <u>213,633</u> | <u>413,948</u> | <u>165,622</u> | <u>793,203</u> |
| Net book value | | | | |
| At 31 August 2016 | 3,668,218 | 248,272 | 53,322 | 3,969,812 |
| At 31 August 2015 | <u>3,423,708</u> | <u>303,352</u> | <u>63,865</u> | <u>3,790,925</u> |

15. INVESTMENT PROPERTY

| | Freehold investment property £ |
|--|---|
| Valuation | |
| At 1 September 2015 and 31 August 2016 | <u>106,275</u> |

The 2016 valuations were made by the insurers in 2012, on an open market value for existing use basis.

16. DEBTORS

| | 2016 £ | 2015 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 17,755 | 20,517 |
| VAT repayable | 16,659 | 11,337 |
| Other debtors | 800 | 2,133 |
| Prepayments and accrued income | 30,644 | 24,807 |
| | <u>65,858</u> | <u>58,794</u> |

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17. CREDITORS: Amounts falling due within one year

| | 2016 | 2015 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Other taxation and social security | 25,813 | 18,998 |
| Other creditors | 108,212 | 116,961 |
| Accruals and deferred income | 47,730 | 39,511 |
| | 181,755 | 175,470 |
| | 181,755 | 175,470 |
| | 2016 | 2015 |
| | £ | £ |
| Deferred income | | |
| Deferred income at 1 September 2015 | 32,261 | 36,621 |
| Resources deferred during the year | 40,565 | 32,261 |
| Amounts released from previous years | (32,261) | (36,621) |
| | 40,565 | 32,261 |
| | 40,565 | 32,261 |

At the balance sheet date the school was holding music tuition fees received in advance for music tuition to take place in the autumn term 2016. In addition to this the school was holding rates relief and universal free school meals funding relating to the 2016/17 year.

Included in other creditors is the relevant liability due within one year on a 0% Salix loan of £50,080 (£6,260 recognised above) from the DfE which was provided on annual savings due to boiler replacements and heating distribution improvements. The remaining balance of £37,560 is disclosed below.

18. CREDITORS:
Amounts falling due after more than one year

| | 2016 | 2015 |
|---|---------------|---------------|
| | £ | £ |
| Other creditors | 37,560 | 43,820 |
| | 37,560 | 43,820 |
| Creditors include amounts not wholly repayable within 5 years as follows: | | |
| | 2016 | 2015 |
| | £ | £ |
| Repayable by instalments | 12,520 | 18,780 |
| | 12,520 | 18,780 |

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19. STATEMENT OF FUNDS

| | Brought Forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|-------------------------------------|-------------------------|-------------------------|---------------------------|--------------------------|-------------------------|-------------------------|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 140,696 | 99,394 | (83,753) | - | - | 156,337 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | (8,850) | 1,578,007 | (1,247,234) | (146,114) | | 175,809 |
| Other DfE/EFA grants | | 68,503 | (68,503) | | - | |
| Local Authority grants | | 343,867 | (343,867) | - | - | |
| Pupil Premium | 23,610 | 158,328 | (152,195) | - | | 29,743 |
| Pension reserve | (241,000) | - | (21,000) | - | (310,000) | (572,000) |
| | <u>(226,240)</u> | <u>2,148,705</u> | <u>(1,832,799)</u> | <u>(146,114)</u> | <u>(310,000)</u> | <u>(366,448)</u> |
| Restricted fixed asset funds | | | | | | |
| Inherited fixed assets | 2,602,408 | - | (118,551) | - | - | 2,483,857 |
| DfE/EFA Capital grants | 363,378 | 8,570 | (17,809) | - | - | 354,139 |
| Expenditure from grants | 787,621 | | (36,938) | 146,114 | - | 896,797 |
| Local authority capital grants | 17,178 | | (2,638) | | - | 14,540 |
| Restricted Fixed Asset | - | 217,681 | (8,576) | | - | 209,105 |
| | <u>3,770,585</u> | <u>226,251</u> | <u>(184,512)</u> | <u>146,114</u> | <u>-</u> | <u>3,958,438</u> |
| Total restricted | <u>3,544,345</u> | <u>2,374,956</u> | <u>(2,017,311)</u> | <u>-</u> | <u>(310,000)</u> | <u>3,591,990</u> |
| Total of funds | <u><u>3,685,041</u></u> | <u><u>2,474,350</u></u> | <u><u>(2,101,064)</u></u> | <u><u>-</u></u> | <u><u>(310,000)</u></u> | <u><u>3,748,327</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 EFA 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/EFA grants fund has been created to recognise the restricted grant funding received from the DfE/EFA 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.

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19. STATEMENT OF FUNDS (continued)

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.

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/EFA 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.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Restricted f £ | Total funds 2016 £ | Total funds 2015 £ |
|--|------------------------------------|----------------------------------|----------------------|-----------------------------|-----------------------------|
| Tangible fixed assets | - | - | 3,969,811 | 3,969,811 | 3,790,926 |
| Investment property | - | - | 106,275 | 106,275 | 106,275 |
| Current assets | 82,949 | 380,607 | - | 463,556 | 248,131 |
| Creditors due within one year | 73,388 | (175,055) | (80,088) | (181,755) | (175,471) |
| Creditors due in more than one year | - | - | (37,560) | (37,560) | (43,820) |
| Provisions for liabilities and charges | - | (572,000) | - | (572,000) | (241,000) |
| | <u>156,337</u> | <u>(366,448)</u> | <u>3,958,438</u> | <u>3,748,327</u> | <u>3,685,041</u> |

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

| | 2016 | 2015 |
|--|----------------|----------------|
| | £ | £ |
| Net income for the year (as per Statement of financial activities) | 373,286 | 472,073 |
| Adjustment for: | | |
| Depreciation charges | 184,511 | 197,467 |
| Increase in debtors | (7,063) | (11,379) |
| Increase in creditors | 24 | 6,939 |
| Capital grants from DfE and other capital income | (52,624) | (377,633) |
| Defined benefit pension scheme cost less contributions payable | 12,000 | 8,000 |
| Defined benefit pension scheme finance cost | 9,000 | 7,000 |
| Net cash provided by operating activities | 519,134 | 302,467 |

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2016 | 2015 |
|--------------|---------|---------|
| | £ | £ |
| Cash in hand | 397,697 | 189,337 |
| Total | 397,697 | 189,337 |

23. 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 March 2013.

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and

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23. PENSION COMMITMENTS (continued)

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 (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £122,078 (2015 - £90,917).

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).

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 2016 was £54,103 (2015 - £44,000), of which employer's contributions totalled £36,652 (2015 - £30,000) and employees' contributions totalled £17,451 (2015 - £14,000). 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:

2015

Discount rate for scheme liabilities
Rate of increase in salaries
Rate of increase for pensions in payment / inflation
Inflation assumption (CPI)
Commutation of pensions to lump sums
Increase in RPI

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23. PENSION COMMITMENTS (continued)

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

| | 2016 | 2015 |
|----------------------|-------------|-------------|
| Retiring today | | |
| Males | 22.9 | 22.8 |
| Females | 25.3 | 25.2 |
| Retiring in 20 years | | |
| Males | 25.2 | 25.1 |
| Females | 27.7 | 27.6 |

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

| | Fair value at 31 August 2016 £ | <i>Fair value at 31 August 2015 £</i> |
|--|---|---|
| Equities | 201,000 | 123,000 |
| Gilts | 11,000 | 8,000 |
| Other Bonds | 13,000 | 18,000 |
| Property | 32,000 | 22,000 |
| Cash | 9,000 | 5,000 |
| Alternative Assets and Other Managed Funds | 27,000 | 14,000 |
| | | |
| Total market value of assets | 293,000 | 190,000 |

The actual return on scheme assets was £33,000 (2015 - £7,000).

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

| | 2016 £ | <i>2015 £</i> |
|--|-------------------|-------------------|
| Current service cost (net of employee contributions) | (64,000) | <i>(55,000)</i> |
| Net interest cost | (9,000) | <i>(7,000)</i> |
| | | |
| Total | (73,000) | <i>(62,000)</i> |
| | | |
| Actual return on scheme assets | 33,000 | <i>7,000</i> |

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23. PENSION COMMITMENTS (continued)

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

| | 2016 £ | 2015 £ |
|------------------------------------|-----------|-----------|
| Opening defined benefit obligation | 431,000 | 345,000 |
| Current service cost | 64,000 | 55,000 |
| Interest cost | 18,000 | 15,000 |
| Contributions by employees | 18,000 | 15,000 |
| Actuarial losses | 334,000 | 1,000 |
| | 865,000 | 431,000 |
| Closing defined benefit obligation | 865,000 | 431,000 |

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

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Opening fair value of scheme assets | 190,000 | 121,000 |
| Return on plan assets (excluding net interest on the net defined pension liability) | 24,000 | 8,000 |
| Interest income | 9,000 | |
| Actuarial gains and (losses) | | (1,000) |
| Contributions by employer | 52,000 | 47,000 |
| Contributions by employees | 18,000 | 15,000 |
| | 293,000 | 190,000 |
| Closing fair value of scheme assets | 293,000 | 190,000 |

24. OTHER FINANCIAL COMMITMENTS

During the year the Academy entered into an agreement with the EFA for a 'Salix' 0% loan, to help fund capital works. The loan has been recognised in other creditors and is to be paid back over 8 years starting in September 2015.

25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the year.

26. CONTROLLING PARTY

There is no ultimate controlling party.

27. 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.

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28. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.