

**Kingsbridge Academy
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year Ended 31 August 2014

Company Registration Number 7451553

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Kingsbridge Academy

Financial Statements

Year Ended 31 August 2014

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Kingsbridge Academy

Reference and Administrative Details

Year Ended 31 August 2014

Members

D Arnold
J Turner
J Fothergill
S Tucker

Governors (Trustees)

D Arnold* (Chairman)
S Anderson*
J Fothergill*
N Grodhunce (Responsible Officer)
R Holmes (Appointed 1.10.13)
S Hurst (Appointed 1.10.13)
A Johnson*
R Johnstone*
L Matthews*
R Pope* (Principal and Accounting Officer)
K Sewell (Staff Governor)
S Tucker*

* members of the Strategy and Finance Committee

Company Secretary

L Collard

Senior Management Team:

. Deputy Principal
. Assistant Principal
. Assistant Principal
. Assistant Principal
. Assistant Principal
. Director of Finance and Operations

P Brooks
W Ohlson
T Graham
D Wibberley
M Lennon
S White

Principal and Registered Office

Balkwill Road
Kingsbridge
Devon
TQ7 1PL

Company Registration Number

7451553(England and Wales)

Independent Auditor

Francis Clark LLP
Sutton Harbour
Plymouth,
Devon
PL4 0RA

Bankers

Lloyds TSB
Kingsbridge
Devon

Solicitors

Foot Anstey
Salt Quay House,
4 North East Quay,
Sutton Harbour,
Plymouth,
PL4 0BN

Kingsbridge Academy

Governors' Report

Year Ended 31 August 2014

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in the South Hams, Devon. It has a pupil capacity of 1579 and had a roll of 1,405 in the school census on 15 May 2014.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Kingsbridge Academy Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Kingsbridge Community College. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

Every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Principal Activities

The Academy Trust's object is specifically restricted to the advancement of education for the public benefit 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.

Method of Recruitment and Appointment or Election of Governors

The Members may appoint up to 12 Governors, which must include 1 Staff Governor and a minimum of 2 Parent Governors and the Principal. The Staff Governor may be appointed through such processes which the Members determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

Parent Governors are elected by parents of registered pupils at the Academy; a Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. Any election of Parent Governors which is contested is held by secret ballot.

Governors may appoint up to three Co-opted Governors. A "Co-opted Governor" means a person who is appointed to be a Governor by being co-opted by Governors who have not been so appointed.

Election of the Chair and Vice Chair of Governors is held annually. Governors nominate before the election meeting, and election is conducted by a show of hands where this is one candidate, or secret

Kingsbridge Academy

Governors' Report

Year Ended 31 August 2014

ballot where there is more than one candidate. In the event of a tie, each candidate is given the opportunity to speak to the Governors about their nomination and further vote will be taken.

Policies and Procedures Adopted for the Induction and Training of Governors

All new Governors are assigned an experienced Governor mentor to assist them in taking on new responsibilities, and required to attend the new Governor training course provided by Devon County Council.

Organisational Structure

The structure consists of three levels: The Members, the Governors and the Senior Management Team.

The Members of the Trust comprise the signatories of the Memorandum, including the Chair of Governors. The Members have defined the roles of the Governors and the Committee structure. The Members meet annually to determine the strategic direction of the College and review progress against the strategic objectives for the College.

Each Governor is, in addition to being a member of the Full Governing Body a member of either the Learning & Community Committee or the Strategy and Finance Committee, with a minimum of 6 Governors on each committee. Governors are also assigned specific areas of focus aligned to the management and administration of the Academy Trust, or specific teaching department links.

The Governing Body Committees operate in accordance with documented terms of reference. The terms of reference for the Learning and Community Committee are to help formulate, approve and evaluate the achievement of the Community & Learning sections of the College Improvement Plan. The terms of reference for the Strategy & Finance Committee is to formulate policy, review and interrogate financial reports, approve College budgets, approve financial statements for Companies House, receive the audit report, determine capital expenditure plans, and review and make recommendations on IT, catering, health & safety and maintenance of premises.

The Senior Management Team comprises the Principal, a Deputy Principal, four Assistant Principals and the Director of Finance and Operations who together have the executive responsibility for implementing the Governors policies and delivering on the Objects of the Articles of Association. The Deputy Head leads on the delivery of the curriculum, supported by two of the four Assistant Principals; one Assistant Principal leads on pastoral care and one is Head of the Sixth Form. The Director of Finance and Operations leads Finance, Information Technology, Facilities Management, Catering and Administration. In accordance with the Academy Financial Handbook, the Governors appointed the Principal as the Accounting Officer and the Director of Finance and Operations as the Principal Finance Officer.

Connected Organisations, including Related Party Relationships

The Academy Trust is a designated National Teaching School entitling it to lead the training and professional development for staff. As a National Teaching School, Kingsbridge Community College works with Ivybridge Community College and the University of Exeter to lead an alliance of secondary, primary and special schools in the South West in order to raise standards for all students. Teaching Schools will help to develop new approaches to initial teacher training, promote professional development for staff, nurture future school leaders and help support schools that are in challenging circumstances.

The Academy Trust is a member of Challenge Partners, which is an organisation of schools which works collaboratively to raise standards for all pupils in member schools, currently 180 in number spanning primary and secondary schools. The Principal of the Academy Trust is a Senior Partner of Challenge Partners, and as such represents the views of the regional hub, defining strategy and

Kingsbridge Academy

Governors' Report

Year Ended 31 August 2014

monitoring progress against Challenge Partner objectives. He is also a member of the Management Board which implements the policy of the Partners.

The Academy Trust is also a founding member of Leading Schools South West, which is a not for profit organisation comprising seven schools in the South West and Southern Education Leadership Trust a charitable not for profit company specialising in school leadership. Leading Schools South West has been licensed by the National College of School Leaders to deliver modular leadership programmes. The Principal of the Academy Trust chairs the Board of Leading Schools South West.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Kingsbridge Community College to provide education for pupils of different abilities between the ages of 11 and 19, with an emphasis on maths, science and the performing arts.

In accordance with the articles of association the Academy Trust's object is 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.

The main objectives of the Academy during the year ended 31 August 2014 are summarised below:

- to establish, maintain, carry on, manage and develop the Academy
- to establish or support, whether financially or otherwise, any charitable trusts, associations or institutions formed for all or any of the Object
- to cooperate with other charities, other independent and maintained schools, voluntary bodies and statutory bodies operating in the furtherance of the Object and to exchange information and advice with them.
- to provide educational facilities and services to students of all ages and the wider community for the public benefit
- to carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the Academy and to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experience of industry, commerce, other schools and the voluntary sector to the education of pupils in academies

Objectives, Strategies and Activities

The Academy's main strategic goal is to ensure that our students are excited by their learning in the classroom and beyond, committed to achieving their very best and confident about their futures. This strategic goal is supported by the Kingsbridge Learning model which aims to deliver students who are aspirational, creative, resilient, reflective, confident, responsible, dynamic, inclusive and global. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- extra-curricular learning programmes to support students needing extra tuition
- a structured programme of continuous professional development for teaching staff
- a programme of sporting and after school activities for all students
- a programme of residential and daily activities, including overseas trips
- targeted individual student support
- continued development of the Kingsbridge Learning model
- significant investment in IT to support a strategy of increasing accessibility for all students
- continued development of the facilities and site

Kingsbridge Academy

Governors' Report

Year Ended 31 August 2014

Public Benefit

The Governors have ensured through review and monitoring of the activities of the Academy Trust that the primary objective of the Academy Trust to provide education for the public benefit has been met.

Strategic Report

Achievements and Performance

A level results were excellent. 63% achieved the top A*/A/B levels or equivalent; 16 students gained at least 3 A grades (in 2013, 8). At AS level 42% gained A/B grades with 17 students gaining at least 3 grades. The College has joined a new value added external analysis system which suggests that both A2 and AS results have improved since last year.

At GCSE the College again broke its record for the number of A* grades. 45 students gained at least 8 A*-C grades, and 2 students achieved A* grades in all 13 of their GCSEs. 68% gained at least 5 A*-C grades including English and Maths.

The College has put in place a number of initiatives to further raise the achievement of Pupil Premium students, and to ensure that achievement in English and Maths remains high.

Risk Management

The Governors use the Risk Register as defined in the Academy Financial Handbook to evaluate strategic and reputational, operational, compliance, and financial risks to which the Academy Trust is exposed and have ensured that the management structure, systems and controls are in place to manage this risks, as well as insurance to cover financial loss and legal exposure.

The Risk Register & The Academy Financial Handbook have been referenced in defining the programme of work for the responsible officer, which forms an important part of the risk management strategy for the College.

The Governing Body ensure regular review of risks through the reporting provided by the Senior Management Team to the aforementioned Governing Body Committees. The Strategy and Finance Committee meet 4 times each year and the Learning and Community Committee meets 5 times each, and report to the Full Governing Body once each term.

Going Concern

After making appropriate enquiries, the Governing Body 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.

Key Financial Performance Indicators

The key financial performance indicator for the Academy Trust is the adherence to the financial budget set at the beginning of the year. Excluding any generated funds, all income for the Academy is Government or Local Authority funded and therefore the income of the Academy is largely a given.

An expenditure budget is set at the beginning of the year, taking into consideration the level of Government funding. The Governors have reviewed detailed capital and revenue expenditure reports

Kingsbridge Academy

Governors' Report

Year Ended 31 August 2014

compared to expenditure budgets, which confirms that the processes and procedures in place for controlling expenditure are acceptable.

Financial Review

The Academy held fund balances at 31 August 2014 of £24,065,000 comprising £23,549,000 of restricted funds and £516,000 of unrestricted funds. A pension reserve deficit on the Local Government Pension Scheme of £1,796,000 is included in the restricted funds balance.

In accordance with the Funding Agreement, the principal source of general funding with which to finance the operations of the Academy Trust, is the Department for Education. £36,000 of general funding was spent on capital items.

The Academy Trust received £840,000 from the Academies Capital Maintenance Fund during the year which, with the brought forward balance of £77,000, was used to complete the erection of the second phase of the new science block.

The Academy Trust spent £1,231,000 on fixed assets. £1,019,000 of this was spent on land and buildings, which as well as second phase of the new science building, included the conversion of an old building into a vocational teaching centre. The expenditure on IT includes the planned upgrade of the computers.

Of the £548,000 brought forward unrestricted funds, £241,000 was allocated to capital expenditure. Aside from the amount held as a reserve, the closing balance of these funds will support the future plans of the Academy Trust.

Principal Risks and Uncertainties

The principal risk facing the Academy Trust is the future level of Government Funding. This risk is managed by careful control over budgeted expenditure which ensures that a deficit does not arise for the year, combined with a prudent reserves policy.

Reserves Policy

A reserve of £200,000 is held within the unrestricted funds to provide protection against unforeseen financial risk. Of the funds balances held at 31st August 2014 the following provisions have been approved by the Governors:

£95,000 is held to replace the playing surface of the All Weather Pitch and is expected to be spent in 2017-2018.

£22,000 to support essential and unforeseen building maintenance, for example the failure of the heating system in the older part of the academy.

£142,000 to replace IT network infrastructure and computer equipment (based on the expected life of the equipment); the periodicity of spending this reserve varies depending on the equipment.

£29,000 is allocated to the specific projects, including the completion of the new grass playing pitch.

Plans for Future Periods

The College is still engaged in a programme of intensive staff development implementing its teaching for learning strategy which it believes will continue to drive improvement.

Kingsbridge Academy

Governors' Report

Year Ended 31 August 2014


At Easter 2014 the College was invited by the DfE to consider taking over sponsorship of Dartmouth Academy. Discussions had also been taking place with the four primary schools of the Our School Federation. These discussions reached fruition with the formation of a multi-academy trust on 1st September 2014.

Auditor

In so far as the governors are aware:

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

Approved by order of the members of the Governing Body on 8th December 2014 and signed on its behalf by:



David Arnold

Kingsbridge Academy

Governance Statement

Year Ended 31 August 2014

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Kingsbridge 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 governing body has delegated the day-to-day responsibility to the Principal, 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 Kingsbridge Academy Trust and Secretary of State for Education. He is also responsible for reporting to the governing body any material weaknesses or breakdown in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors Responsibilities. The full governing body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
D Arnold (Chairman)	4	4
S Anderson	4	4
J Fothergill	4	4
N Grodhunce	2	4
R Holmes	3	4
S Hurst	2	4
A Johnson	3	4
R Johnstone	3	4
L Matthews	4	4
K Sewell	3	4
S Tucker	4	4
R Pope	4	4

The governance of the Academy has been restructured in the light of the formation of a multi-academy Trust with effect from 1st September 2014. New structures have been set up with advice from external lawyers and agreed with the Department for Education. Self-evaluation of governance is considered outstanding, manifested by outstanding outcomes.

The **Strategy & Finance Committee** is a sub-committee of the main governing body. The terms of reference for the Strategy & Finance Committee is to formulate policy, review and interrogate financial reports, approve College budgets, approve financial statements for Companies House, receive the audit report, determine capital expenditure plans, and review and make recommendations on IT, catering, health & safety and maintenance of premises. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Fothergill (Chairman)	4	4
A Johnson	4	4
D Arnold	4	4
R Johnstone	3	4
L Matthews	4	4
S Tucker	4	4
R Pope	4	4

Kingsbridge Academy

Governance Statement

Year Ended 31 August 2014

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kingsbridge Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

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

Kingsbridge Academy

Governance Statement

Year Ended 31 August 2014

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Responsible Officer (RO) appointed in the prior year has retained this role during this financial period. The Responsible Officer reviews detailed management accounts and has met with the Director of Finance and Operations during the year, as well as attending all of the Strategy and Finance Committee meetings.

Review of Effectiveness

As Accounting Officer, the Principal, who also serves on the Strategy and Finance Committee, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- regular update meetings with the Director of Finance & Operations, including detailed review during the set up of academy systems, setting of budgets, and detailed review of management information;
- attendance of all the Strategy & Finance Committee meetings
- review of the reports of the Responsible Officer.

The review has not given rise to any internal control weaknesses.

Approved by order of the members of the Governing Body on 8th December 2014 and signed on its behalf by:



David Arnold
Chair



Roger Pope
Accounting Officer

Kingsbridge Academy

Statement on Regularity, Propriety and Compliance

Year Ended 31 August 2014

As accounting officer of Kingsbridge Academy Trust I have considered my responsibility to notify the academy trust governing body 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body 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.

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.



Roger Pope
Accounting Officer

Kingsbridge Academy

Statement of Governors' Responsibilities

Year Ended 31 August 2014

The governors (who act as trustees for charitable activities of Kingsbridge Academy and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements 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 governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The governors 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 governors 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 Governors 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 Governing Body on 8th December 2014 and signed on its behalf by:



David Arnold
Chair

Kingsbridge Academy

Independent Auditor's Report to the Members of Kingsbridge Academy

Year Ended 31 August 2014

We have audited the financial statements of Kingsbridge Academy for the year ended 31 August 2014 which comprises the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of Governors and Auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 12, the Governors (who are also the directors of the charitable company 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.

Scope of the audit of the financial statements

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 charitable company'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 Governors' 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

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 2014 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 the Annual Accounts Direction issued by the Education Funding Agency;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given by the Governors' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Kingsbridge Academy

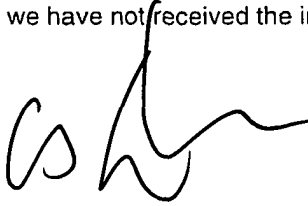
Independent Auditor's Report to the Members of Kingsbridge Academy

Year Ended 31 August 2014

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 Governors' remuneration specified by law are not made; or
- we have not received the information and explanations we require for our audit.



C D Evans (Senior Statutory Auditor)

For and on behalf of
FRANCIS CLARK LLP

North Quay House

Plymouth

PL4 0RA

9/12/14

Kingsbridge Academy

Independent Reporting Accountant's Report on Regularity to Kingsbridge Academy and the Education Funding Agency

Year Ended 31 August 2014

In accordance with the terms of our engagement letter dated 13 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingsbridge Academy during the year to 31 August 2014 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body 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 the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education 20th December 2010 and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

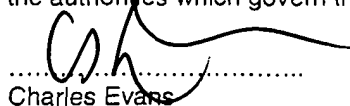
We conducted our engagement in accordance with the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- inspection and review of documentation providing evidence of governance procedures
- evaluation of the system of internal controls for authorisation and approval
- performing substantive tests on relevant transactions

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 from to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


.....
Charles Evans

Date : 9/12/14

For and on behalf of Francis Clark LLP, Chartered Accountants
North Quay House, Sutton Harbour, PLYMOUTH, Devon, PL4 0RA

Kingsbridge Academy

Statement of Financial Activities for the year ended 31 August 2014

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2014 £000	Total 2013 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	9	270	9	288	245
Activities for generating funds	3	691	23	-	714	696
Investment income	4	9	-	-	9	9
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	7,506	867	8,373	9,090
Total incoming resources		709	7,799	876	9,384	10,040
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		-	-	-	-	-
Costs of generating funds		500	-	-	500	470
<i>Charitable activities:</i>						
Academy's educational operations	7	-	7,576	1,479	9,055	8,760
Governance costs	8	-	30	-	30	11
Total resources expended	6	500	7,606	1,479	9,585	9,241
Net incoming / (outgoing) resources before transfers		209	193	(603)	(201)	799
Gross transfers between funds	16	(241)	(37)	278	-	-
Net income/(expenditure) for the year		(32)	156	(325)	(201)	799
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	16,25	-	(193)	-	(193)	(50)
Net movement in funds		(32)	(37)	(325)	(394)	749
Reconciliation of funds						
Funds brought forward at 1 September 2013		548	(1,320)	25,231	24,459	23,710
Funds carried forward at 31 August 2014		516	(1,357)	24,906	24,065	24,459

All of the Academy's activities derive from continuing operations in the year.

Kingsbridge Academy

Balance Sheet as at 31 August 2014

	Notes	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Tangible assets	12		24,906		25,154
Current assets					
Stock	13	53		48	
Debtors	14	747		358	
Cash at bank and in hand		<u>1,011</u>		<u>1,352</u>	
		1,811		1,758	
Creditors: Amounts falling due within one year	15	<u>856</u>		<u>951</u>	
Net current assets			955		807
Total assets less current liabilities			<u>25,861</u>		<u>25,961</u>
Net assets excluding pension liability			25,861		25,961
Pension scheme liability	25		<u>(1,796)</u>		<u>(1,502)</u>
Net assets including pension liability			<u>24,065</u>		<u>24,459</u>
Funds of the academy:					
Restricted funds					
Fixed asset funds	16		24,906		25,231
General funds	16		439		182
Pension Reserve	16		<u>(1,796)</u>		<u>(1,502)</u>
Total restricted funds			<u>23,549</u>		<u>23,911</u>
Unrestricted funds					
General funds	16		516		548
Total unrestricted funds			<u>516</u>		<u>548</u>
Total funds			<u>24,065</u>		<u>24,459</u>

The financial statements on pages 16 to 36 were approved by the Governors, and authorised for issue on 8th December 2014 and are signed on their behalf by:



David Arnold

Chair

Kingsbridge Academy

Cash Flow Statement for the year ended 31 August 2014

	Notes	2014 £000	2013 £000
Net cash inflow from operating activities	19	(72)	324
Returns on investments and servicing of finance	20	9	9
Capital expenditure (net of grants)	21	(278)	(257)
Increase/(Decrease) in cash in the year	22	(341)	76
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		1,352	1,276
Net funds at 31 August 2014		1,011	1,352

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The governors 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 company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt

- **Donations**

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

- **Other income**

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

- **Donated assets**

The freehold of the property at which the academy operates has been provided by the Local Authority (Devon County Council). The value of this property (at depreciated replacement cost) has been included in the Statement of Financial Activities as a donation in the restricted fixed asset fund. Fixtures, fittings and plant transferred at nil cost have also been accounted for in this way (at market value). The amounts are included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

1. Statement of Accounting Policies (continued)

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Tangible fixed assets 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Computer equipment	20%
Plant and equipment	33%
Fixtures and fittings	25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Stock

Stocks of catering provisions, cleaning consumables and stationary are valued at cost.

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

1. Statement of Accounting Policies (continued)

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Capital Funds	-	9	9	36
Other donations	9	-	9	1
Other funds	-	270	270	208
	<u>9</u>	<u>279</u>	<u>288</u>	<u>245</u>

3 Activities for Generating Funds

Educational lecturing/consultancy	108	-	108	118
Letting income	27	-	27	18
Miscellaneous income	28	-	28	31
Catering income	528	-	528	493
Student contributions	-	23	23	36
	<u>691</u>	<u>23</u>	<u>714</u>	<u>696</u>

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Interest on short term deposits	9	-	9	9
	<u>9</u>	<u>-</u>	<u>9</u>	<u>9</u>

5 Funding for Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
DfE/EFA capital grant				
Devolved Formula Capital allocations	-	27	27	11
Other capital funds	-	840	840	1,994
Academy main building grants	-	-	-	-
	<u>-</u>	<u>867</u>	<u>867</u>	<u>2,005</u>
DfE / EFA revenue grants				
General Annual Grant (GAG)	-	6,559	6,559	6,504
Other DfE / EFA grants	-	522	522	199
	<u>-</u>	<u>7,081</u>	<u>7,081</u>	<u>6,703</u>
Other Government grants				
School Standards Funds	-	-	-	-
SEN from LA	-	157	157	211
Other Funds from LA	-	69	69	69
Other Income	-	199	199	102
	<u>-</u>	<u>425</u>	<u>425</u>	<u>382</u>
	<u>-</u>	<u>8,373</u>	<u>8,373</u>	<u>9,090</u>

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2014 £000	Total 2013 £000
Costs of generating voluntary income	-	-	-	-	-
Costs of activities for generating funds	184	3	313	500	470
Academy's educational operations					
Direct costs	4,975	-	989	5,964	5,899
Allocated support costs	783	1,573	698	3,054	2,854
Redundancy costs	37	-	-	37	7
	<u>5,979</u>	<u>1,576</u>	<u>2,000</u>	<u>9,555</u>	<u>9,230</u>
Governance costs including allocated support costs	1	-	29	30	11
	<u>5,980</u>	<u>1,576</u>	<u>2,029</u>	<u>9,585</u>	<u>9,241</u>

Net Incoming/outgoing resources for the year include:

	2014 £000	2013 £000
Fees payable to auditor - audit	6	6
- other services	<u>-</u>	<u>-</u>

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

7 Charitable Activities – Academy's educational operations

	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Direct costs			
Teaching and educational support staff costs	5,012	5,012	4,818
Educational supplies	245	245	212
Examination fees	135	135	155
Staff development	29	29	39
Other direct costs	169	169	260
Teaching School & Other Grants payable	411	411	422
	6,001	6,001	5,906
Allocated support costs			
Support staff costs	735	735	679
FRS17 current service cost adjustment	48	48	74
Depreciation	1,479	1,479	1,359
Recruitment and support	23	23	15
Maintenance of premises and equipment	85	85	97
Cleaning	8	8	10
Rent & rates	118	118	111
Energy Costs	110	110	114
Bank Interest & Charges	2	2	-
Insurance	50	50	54
Security and transport	54	54	56
FRS17 Pension finance costs	53	53	39
Other support costs	289	289	246
	3,054	3,054	2,854
	9,055	9,055	8,760

8 Governance costs

	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Legal and professional fees	21	21	2
Auditor's remuneration			
Audit of financial statements	6	6	6
Support costs	1	1	1
Governor training	2	2	2
	30	30	11

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

9 Staff costs

Staff costs during the period were:

	2014 £000	2013 £000
Wages and salaries	4,844	4,647
Social security costs	342	339
Pension costs	697	689
	<u>5,883</u>	<u>5,675</u>
Supply teacher costs	59	66
Redundancy costs	37	7
	<u>5,979</u>	<u>5,748</u>

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Charitable Activities		
Teachers	84	88
Education support	37	30
Administration and support	35	37
Management	7	7
	<u>163</u>	<u>162</u>

The number of employees whose emoluments exceed £60,000 was :

	2014 No.	2013 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,000 - £110,000	-	-
£120,000 - £130,000	-	-
£130,000 - £140,000	-	1
£140,000 - £150,000	1	-

The above employees (2) participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these employees amounted to £30,029.

10 Related Parties Transactions - Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. The Principal's and staff Governor's remuneration was respectively, £143,004 (£136,639) and £48,226 (£43,668) during the year to 31 August 2014 (31 August 2013); employers pension contributions were £20,164 (£19,266) and £6,800 (£6,157) respectively. Governors do not make claims for expenses. There are no related party transactions involving the Governors.

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

11 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,600 (£1,700, 2013). The cost of this insurance is included in the total insurance cost.

12 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Computer Equipment £000	Plant & Equipment £000	Fixture & Fittings £000	Total £000
Cost					
At 1 September 2013	26,729	663	332	83	27,807
Additions	1,019	116	70	26	1,231
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 August 2014	27,748	779	402	109	29,038
Depreciation					
At 1 September 2013	2,274	223	134	22	2,653
Charged in year	1,203	142	110	24	1,479
Disposals	-	-	-	-	-
At 31 August 2014	3,477	365	244	46	4,132
Net book values					
At 31 August 2014	24,271	414	158	63	24,096
At 31 August 2013	24,455	440	198	61	25,154

13 Stock

	2014 £000	2013 £000
Stationery Supplies	34	30
Cleaning Supplies	3	3
Catering Supplies	16	15
Total Stock	53	48

14 Debtors

	2014 £000	2013 £000
Trade debtors	33	19
Prepayments	173	228
Other debtors	58	18
Grant and other income	394	28
VAT recoverable	89	65
	747	358

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

15 Creditors: amounts falling due within one year

	2014	2013
	£000	£000
Trade creditors	221	273
Other taxation and social security	105	106
Other creditors	103	95
Accruals and deferred income	352	317
Capital expenditure	75	160
	<u>856</u>	<u>951</u>

Deferred income

	2014	2013
	£000	£000
Brought forward	227	62
Resources deferred in the year	221	227
Amounts released from previous years	(227)	(62)
Deferred Income at 31 August 2014	<u>221</u>	<u>227</u>

Deferred Income includes rates and insurance cost reimbursements from EFA, devolved formula capital, year 7 catch up funding and a one off local authority funding, in aggregate £70,000. In addition £49,000 has been received from the National College for School Leadership with respect to teaching schools, £9,000 is income relating to future school trips, and £58,000 of other grant income.

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

16 Funds

	Balance at 1 September 2013	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2014
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	66	6,559	(6,589)	(36)	-
Other DfE/EFA grants	6	522	(256)	15	287
LEA and other grants	110	425	(383)	-	152
Other General Funds	-	23	(23)	-	-
Voluntary Income	-	270	(254)	(16)	-
	182	7,799	(7,505)	(37)	439
Pension Fund Reserve	(1,502)	-	(101)	(193)	(1,796)
Restricted fixed asset funds					
Fixed Asset Fund	25,154	36	(1,479)	1,195	24,906
DfE/EFA capital grants	77	840	-	(917)	-
	25,231	876	(1,479)	278	24,906
Total restricted funds	23,911	8,675	(9,085)	48	23,549
Unrestricted funds					
Unrestricted funds	548	709	(500)	(241)	516
Total unrestricted funds	548	709	(500)	(241)	516
Total funds	24,459	9,384	(9,585)	(193)	24,065

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

Restricted General Funds

The General Annual Grant(GAG) is applied in strict accordance with the terms of the Model Fund Agreement executed on the 20th December 2010, which prescribes that this funding is used to cover the normal running costs of the Academy. Under the Funding Agreement there are no limits on the amount of GAG which can be carried forward.

Other DfE and EFA Grants includes £142,000 Pupil Premium which is used by the Academy to raise attainment in pupils from low income families which has been spent during the year. Grants received to support the formation of the multi-academy trust, as well as the 16-19 Bursary Fund are included and the carried forward balance relates to the aggregate of these grants.

LEA and other grants includes £156,000 funding from Devon County Council to support specific provisions for pupils with special educational needs, £17,000 of grants to support local area based learning from the local learning community, £40,000 received from Devon County Council of which the salient elements are £22,000 broadband subsidy and a one off £15,000 standards grant ordered by the DfE.

Other General Funds represents contributions from students, spent during the year.

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

The Pension Fund Reserve deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present.

The DFE and EFA capital grants represents funding specifically provided to support capital expenditures on fixed assets. The Fixed Asset Fund represents the current value of all fixed assets owned by the Trust, including buildings and other assets transferred from the Local Authority to the Academy on the 1st January 2011.

Unrestricted Funds

Unrestricted Funds can be applied at the discretion of the Governing Body. The funds were generated during the year from the catering operation, rental of academy premises to community groups, fees for consultancy to other educational institutions including that related to Teaching School designation.

Transfers

The net transfer from the General Annual Grant, Other General Funds and the Unrestricted Funds to the Restricted Fixed Asset fund represents expenditure from these funds on fixed assets, offset by a transfer from the Pension Fund to cover financing and service costs included in the allocated support costs.

17 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2014
	£000	£000	£000	£000
Tangible fixed assets	-	-	24,906	24,906
Current assets	516	1,295	-	1,811
Current liabilities	-	(856)	-	(856)
Pension scheme liability	-	(1,796)	-	(1,796)
Total net assets	516	(1,357)	24,906	24,065

18 Capital commitments

	2014 £000	2013 £000
Contracted for, but not provided in the financial statements	-	839

This commitment is the balance of the building contract for the second phase of the new Science building

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

	2014 £000	2013 £000	
19 Reconciliation of net income to net cash inflow from operating activities			
Net income	(201)	799	
Depreciation (note 12)	1,479	1,359	
(Loss)/profit on disposal of tangible fixed assets	-	-	
Capital grants from DfE and other capital income	(876)	(1,964)	
Capital grants from DfE brought forward	(77)	(244)	
Interest receivable (note 4)	(9)	(9)	
FRS 17 net pension cost/profit less contributions payable (note 25)	101	113	
Decrease/(Increase) in stocks	(5)	1	
(Increase)/decrease in debtors	(389)	(12)	
Increase/(decrease) in creditors	(95)	281	
Net cash inflow from operating activities	(72)	324	
20 Returns on investments and servicing of finance			
Interest received	9	9	
Net cash inflow from returns on investment and servicing of finance	9	9	
21 Capital expenditure and financial investment			
Purchase of tangible fixed assets	(1,231)	(2,465)	
Capital grants from DfE/YPLA	944	1,763	
Capital funding received from local authority and others	9	445	
Receipts from sale of tangible fixed assets	-	-	
Assets Gifted by the Local Authority	-	-	
Net cash outflow from capital expenditure and financial investment	(278)	(257)	
22 Analysis of changes in net funds	At 1 September 2013	Cash flows £000	At 31 August 2014
Cash in hand and at bank	1,352	(341)	1,011
	1,276	(341)	1,011

23 Contingent Liabilities

There are no contingent liabilities.

24 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

25 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 August 2013.

Contributions amounting to £93,000 were payable to the schemes at 31 August 2014 and are included within creditors.

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 and lecturers 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.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate paid into the TPS was assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of the benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2011 – 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

Teacher's Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be full protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on this scheme.

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

25 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £208,416, of which employer's contributions totalled £155,985 and employees' contributions totalled £52,431. The agreed contribution rates for future years are 14.8% per cent for employers and variable per cent for employees.

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.4%	5.1%
Rate of increase for pensions in payment / inflation	2.6%	2.9%
Discount rate for scheme liabilities	3.9%	4.7%
Inflation assumption (CPI)	2.6%	2.9%
RPI	3.4%	3.7%

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.7	20.6
Females	26.0	24.6
<i>Retiring in 20 years</i>		
Males	24.9	22.6
Females	28.3	26.5

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 £000	Fair value at 31 August 2014 £000	Expected return at 31 August 2013 £000	Fair value at 31 August 2013 £000
UK Equities	6.7%	455	7.0%	856
Overseas Equities	6.7%	598	-	-
Gilts	3.0%	99	3.5%	185
Other bonds	3.6%	72	4.4%	-
Property	5.9%	172	6.0%	128
Infrastructure	3.6%	50	-	-
Cash	2.9%	36	0.5%	43
Alternative Assets	5.9%	32	-	-
Other assets	5.9%	256	5.0%	214
Total market value of assets		1,770		1,426
Present value of scheme liabilities				
- Funded		(3,566)		(2,928)
Surplus/(deficit) in the scheme		(1,796)		(1,502)

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period (i.e. as at 31 August 2014 for the period to 31 August 2015). The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £144,000.

Amounts recognised in the statement of financial activities

	2014 £000	2013 £000
Current service cost	267	232
Past service cost	-	-
Losses on curtailments and settlements	13	-
Total operating charge	280	232

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	91	61
Interest on pension liabilities	(144)	(100)
Pension finance income / (costs)	(53)	(39)

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014 25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £539,000 loss.

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

	2014	2013
	£000	£000
At 1 September	2,928	2,426
Current service cost	267	232
Interest cost	144	100
Employee contributions	52	48
Actuarial (gain)/loss	184	147
Benefits paid	(22)	(25)
Past Service cost	-	-
Curtailments and settlements	13	-
At 31 August	3,566	2,928

Kingsbridge Academy

Notes to the Financial Statements for the year ended 31 August 2014

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2014 £000	2013 £000
At 1 September	1,426	1,087
Expected return on assets	91	61
Actuarial gain/(loss)	53	97
Employer contributions	170	158
Employee contributions	52	48
Benefits paid	(22)	(25)
At 31 August	1,770	1,426

The estimated value of employer contributions for the year ended 31 August 2014 is £170,000.

The five-year history of experience adjustments is as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Present value of defined benefit obligations	3,566	2,928	2,426	1,552	1,415
Fair value of share of scheme assets	1,770	1,426	1,087	668	542
Deficit in the scheme	1,796	1,502	1,339	884	873
Experience adjustments on share of scheme assets					
Amount £'000	53	97	12	(1)	-
Experience adjustments on scheme liabilities:					
Amount £'000	(16)	-	-	-	-

26 Related Party Transactions

There are no related party transactions for the year ending 31 August 2014