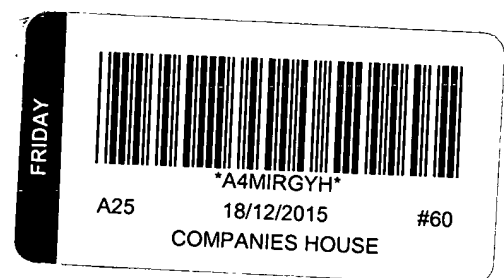


KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015



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**KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members	M Blackwell R Field (appointed 15 September 2014, resigned 31 August 2015) I Gough (appointed 18 September 2015) A Hazelton A Horn L Scragg (appointed 16 September 2014) L Thompson (resigned 31 August 2015)
Trustees	M Blackwell, Chair from 1 April 2015 ^{2,4,6} W Conaghan, Headteacher & Accounting Officer ^{2,4,6} D Bahia (appointed 13 October 2014) ^{2,6} D Bannister (resigned 7 October 2014) ^{2,3,5,6} M Bradley ^{1,2,6} S Castle ⁵ R Field (resigned 31 August 2015) ^{2,3,6} I Gough (appointed 14 November 2014) ^{3,5} S Harvey ^{3,5} A Hazelton, Interim Chair from 1 January 2014 to 31 March 2015 ^{2,4,6} A Horn ^{1,4} J Knight (appointed 28 April 2015) ⁴ L Scragg ^{4,5} B Stockford, Staff Trustee ^{1,2} L Thompson (resigned 31 August 2015) ^{2,4,5,6} L Toogood (resigned 17 October 2014) ³ D Williams, Staff Trustee (appointed 13 October 2014) ^{1,3} H Wright, Staff Trustee ¹ <div><div>1 Curriculum Committee member</div><div>2 Finance Committee member</div><div>3 Premises Committee member</div><div>4 Staff Committee member</div><div>5 Welfare Committee member</div><div>6 Audit Committee member</div></div>
Company registered number	07697067
Principal and registered office	Kingsdown School Hyde Road Stratton St Margaret Swindon SN2 7SH
Company secretary	J Carter
Accounting Officer	W Conaghan
Senior Leadership Team	W Conaghan, Headteacher S Lowe, Deputy Head M Drayton, Deputy Head A Evans, Assistant Head M Amey, Assistant Head R Green, Assistant Head M Blackwell, Business Manager (resigned 31 March 2015) H Brown, Business Manager (appointed 1 March 2015)

**KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank Plc 84-86 Gorse Hill Swindon Wiltshire SN2 6AE
Solicitors	Veale Wasbrough Vizards LLP Orchard Court Orchard Lane Bristol BS1 5WS

**KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates as an Academy for pupils aged 11 to 16 in Swindon, Wiltshire. It has a pupil capacity of 1,260 and had a roll of 1,186 in the school census on 1 October 2015.

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 School").

The Trustees of Kingsdown School are also the Directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they cease to be a member.

Trustees' Indemnities

Kingsdown School maintains Trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its Trustees.

In accordance with normal commercial practice the School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £5,000,000 on any one claim.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1 September 2011 the Trustees appointed all those Governors that served the predecessor School to be Trustees of the newly formed Academy Trust. These Trustees were appointed for a term of office that would end when their original term at the predecessor School would have ended, thus ensuring a staggered re-election or replacement process.

The School shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 7 Trustees who are appointed by Members.
- Up to 1 LA Trustee who are appointed by the Local Authority.
- A minimum of 4 Parent Trustees who are elected by parents of registered students at the School.
- Up to 3 staff Trustees (which must include 1 teacher).
- The Headteacher who is treated for all purposes as being an ex officio Trustee.
- Any additional Trustees, if appointed under Article 62, 62A or 68A; and
- Any further Trustees, if appointed under Article 63 or Article 68A.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the School's development.

The appointment is subject to the issue of a satisfactory DBS check.

The Trustees shall each school year, at their first meeting in that year, elect a chair and a vice-chair from among their number. A Trustee who is employed by Kingsdown School shall not be eligible for election as chair or vice-chair.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the School and a chance to meet staff and students. All new trustees meet with the Headteacher who will give them a 'Trustees Booklet' and other information that they will need to undertake their role as Trustees. Copies of policies, procedures, minutes, accounts, plans etc. are made available to them online, in the secure Trustees area of the web site. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the School and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 8 committees as follows;

- Finance Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, and drafting the annual budget including setting staffing levels.
- Audit Committee – this meets as required but at least twice a year and is responsible for receiving reports from the Independent Assurance auditor.
- Curriculum Committee - this meets once a term to monitor, evaluate and review School policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Admissions Committee which meets as required to deal with all matters relating to admissions.
- Premises Committee
- Staff Committee, which also acts as Pay Committee
- Welfare Committee
- Disciplinary Committee, which is formed and meets as required.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the School and its Committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the Trustees.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the School by the use of budgets and other data, and making major decisions about the direction of the School, capital expenditure and staff appointments.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees and Board of Trustees have devolved responsibility for day to day management of the School to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, two Deputy Headteachers, three Assistant Headteachers and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance. They are also responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

Connected Organisations, including Related Party Relationships

The School has strong collaborative links with 5 feeder primary Schools which form part of the Kingsdown Learning Community.

Kingsdown School is a member of the Swindon Secondary School Teaching Alliance. The benefits of this include School to School support (a sharing of best practice and training offered to other Schools within the alliance), initial teacher training and research & development.

There are no related parties which either control or significantly influence the decisions and operations of Kingsdown School.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Kingsdown School to provide high quality education and care for students of different abilities between the ages of 11 and 16.

The aims of the School during the year ended 31 August 2015 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all students;
- To provide a broad and balanced curriculum, including extracurricular activities;
- To provide value for money for the funds expended;
- To help students to develop their own abilities and intellectual curiosity to acquire skills for their future lives, whilst embedding a love of learning;
- To encourage all students to feel equally valued and to respect others;
- To help students develop a respect for cultural diversity;
- To develop self-discipline and motivation in students so that they can work on their own and with others;
- To teach students about the world they live in and help them to appreciate the achievements of the arts and science;
- To work closely with parents, schools, colleges and the wider community; and
- To conduct the School's business in accordance with the highest standards of integrity, probity and openness.

At Kingsdown School we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our School is a community in which children, staff and parents should be part of a happy and caring environment.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Objectives, Strategies and Activities

Through an analysis and evaluation of feedback from staff training days, department and pastoral reviews, Leadership and Trustee meetings and the most recent OFSTED inspection the following were identified as the key areas for development during the year ended 31 August 2015:

Achievement

- Continue to improve the differentiation and challenge further for the more able;
- Continue to improve the value added across all subjects and all abilities;
- Cyclically evaluate the impact of the comprehensive Pupil Premium (PP) interventions to ensure they continue to offer the maximum impact;
- Implement key actions from the PP review;
- Fine-tune the role of the Interventions Manager;
- Lead Practitioners established in role; and
- New progress 8 and attainment 8 data to be used for measuring achievement.

Teaching and Learning

- Ensure all Teaching is at least good or better through PMR and training;
- Deploy the use of Lead Practitioners for coaching and mentoring;
- Any member of staff graded as less than good to have an action plan personalised to their needs;
- Utilise the Outstanding Teacher and Improving Teacher programmes offered through the Teaching Alliance; and
- Build upon the use of quality feedback by ensuring that all How to Improves identified during Monitoring, Evaluation and Review scrutinies are acted upon and their impact evaluated.

Behaviour and Safety

- Increase the consistency with which staff use the Behaviour for Learning (BfL) system, review BfL thresholds;
- Evaluate the new internal exclusion;
- Monitor the different sanctions for lack of prep work rather than poor behaviour;
- Ensure Spiritual, Moral, Social and Cultural delivery is consistent across all staff;
- Continue to improve behaviour at break time to the same high standard as that seen at lunch time; and
- Address the perception of parents regarding bullying.

Leadership and Management

- Secure good progress across all subjects;
- Create a succession plan that highlights the staff to develop and promote as well as those with further need of support;
- Complete the new restructure consultation and implement by September 2015;
- Evaluate roles of SLT extended leadership team;
- Options for year 8 (4 options increased time);
- Appraise key areas where Upper Pay Spine staff can support school improvement;
- Continue to develop parental engagement; and
- Life beyond levels, develop new Assessment Policy.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Public Benefit

The Trustees confirm that they have complied with the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties.

The School provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance

This is the final year that 5A*-C including English and Maths (EM) will be a key performance measure with the focus being on Progress 8 (P8), Attainment 8 (A8), A*-C English and Maths and English Baccalaureate (EBacc) from 2016.

We have a great deal to celebrate in terms of progress with our capped 8+EM value added score being well above the national 1000 benchmark which is a significant shift from previous years. Although current value added is based on the 2014 co-efficient, value added progress across the school is to be celebrated and has significantly improved to be in line with and well above national expectations. On best results we have a positive P8 score of +0.06.

The significant developments in progress and value added across 8 subjects is particularly pleasing as it is with a weaker cohort on intake at the lower and middle ability ranges compared to national.

The 5A*-C EM headline figure of 50% is below that of 2014 and highlights the need for further improvements to progress measures in Maths and English and in identified subjects. Middle ability PP boys attainment and progress is an area of particular focus for us.

We are continuing our relentless push to close the gaps in the performance of boys and girls, SEN, PP and Non PP and progress rates in all subject areas with many successes and in a climate of considerable change and unpredictability in grade boundaries.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review £270,341 was carried forward.

As funding is based on student numbers this is also a key performance indicator. Student numbers for 2015 were similar to the prior year. It is anticipated that this number will increase, thereby increasing the Education Funding Agency (EFA) funding.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2015 this was 75.5%, compared to 71.3% in 2014. Trustees acknowledge this increase, which relates to necessary additional recruitment of teaching and support staff to support curriculum changes and to meet the needs of the school.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the School 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 Going concern policy.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

FINANCIAL REVIEW

Financial Review

The majority of the School's income is obtained from the Department for Education via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The School also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the School's accounting policies.

During the year ended 31 August 2015, total expenditure (excluding restricted fixed assets) of £6,431,403 was covered by recurrent grant funding (excluding restricted fixed assets) from the DfE, together with other incoming resources of £636,706. The excess of income over expenditure for the year was £339,244.

At 31 August 2015 the net book value of fixed assets was £13,056,331 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the School.

Key financial policies reviewed and updated during the year include the Financial Procedures manual which lays out the framework for financial management including financial responsibilities of the Headteacher, managers, budget holders and other staff, Charging Remission Policy as well as Letting charges.

Trustees have appointed the External auditors to undertake a programme of internal checks on the financial controls. During the year, the Trustees received four reports from the auditors which contained no matters of significance.

Reserves Policy

The Trustees review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the School, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or a fall in student numbers resulting in losing a classroom but not wanting to lose a teacher. The School's current level of free reserves (General Annual Grant and unrestricted funds) is consistent with the prior year. The Trustees have made a conscious decision to use some of the reserves for future years to support a short term dip in funds due to the EFA allocating funding based on the lagged census approach.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the School is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the School's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund.

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Business Manager within strict guidelines approved by the Board of Trustees.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the School are as follows:

Financial - the School has considerable reliance on continued Government funding through the EFA. In the last year 89% of the School's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the School's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the School is dependent on attracting applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the School is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The School has appointed an Internal Assurance Auditor to carry out checks on financial systems and records as required by the School Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The School has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The School has agreed a Risk Register including a Risk Management Strategy and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the School. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees recognise the risk to revenue funding from a falling roll; changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be extremely tight in the coming few years.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings.

At the year end, the School had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However as the Trustees consider that the School is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

PLANS FOR FUTURE PERIODS

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

The School will continue to work with partner schools to improve the educational opportunities for students in the wider community.

A capital project to re-roof the Sports Centre is underway; completion is expected in December 2015. The school will seek additional funding to address priorities identified in a recent Site Condition Survey.

Full details of our plans for the future are given in our Strategic Improvement Plan, which is available on our website or from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:


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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as Company Directors, on 7 December 2015 and signed on the board's behalf by:



M Blackwell
Chair of Trustees



W Conaghan
Accounting Officer

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Kingsdown School 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 Kingsdown School 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 Trustees' responsibilities statement. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
M Blackwell, Chair from 1 April 2015	4	5
W Conaghan, Headteacher & Accounting Officer	5	5
D Bahia (appointed 13 October 2014)	3	5
D Bannister (resigned 7 October 2014)	0	1
M Bradley	3	5
S Castle	2	5
R Field (resigned 31 August 2015)	3	5
I Gough (appointed 14 November 2014)	3	5
S Harvey	2	5
A Hazelton, Chair from 1 January 2014 to 31 March 2015	5	5
A Horn	2	5
J Knight (appointed 28 April 2015)	2	2
L Scragg	5	5
B Stockford	4	5
L Thompson (resigned 31 August 2015)	4	5
L Toogood (resigned 17 October 2015)	0	1
D Williams (appointed 13 October 2014)	4	5
H Wright	2	5

Challenges faced by the Board during the past 12 months include a falling roll which in turn leads to a downturn in funding. Current Y7 is nearly full and predicted to rise. The recent Governors Review has resulted in a new Chair and Vice Chair who have a new way of working. Restructuring has taken place to improve the efficiency of Leadership and Management alongside improved and continued professional development.

Governance reviews:

A Governance Review, undertaken late December 2013 concluded that governance at Kingsdown School is good. The Board of Trustees' aim is to aspire to outstanding governance, in order to achieve this a Governor's Action Plan is being developed, supported by the appointed School Improvement Partner.

GOVERNANCE STATEMENT (continued)

The **Finance Committee** is a sub-committee of the main Board of Trustees. Its purpose is to exercise the powers and duties of the Board of Trustees in respect of the financial administration of the School, except for those items specifically reserved for the Board of Trustees and those delegated to the Audit Committee, Headteacher, Business Manager, or other staff. In particular the Finance Committee shall approve the annual budget, including any revisions to the budget plan during the financial year, set charges for lettings and catering and consider and make recommendations to the Board of Trustees on all finance policies.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
D Bahia (appointed 13 October 2014)	0	4
D Bannister (resigned 7 October 2014)	1	1
M Blackwell	4	4
M Bradley	3	4
R Field (resigned 31 August 2015)	1	4
A Hazelton, Chair	4	4
B Stockford	4	4
L Thompson (joined 14 January 2015, resigned 31 August 2015)	1	3

During the year D Bahia and L Thompson joined the committee and D Bannister, R Field and L Thompson resigned as Trustees.

The **Audit Committee** is also a sub-committee of the main Board of Trustees. Its purpose is to:

- Review the Schools internal and external financial statements and reports to ensure that they reflect best practice; recommend acceptance of the financial statements by the Board of Trustees;
- Discuss with the external auditor the nature and scope of each forthcoming audit and the findings of the audit once completed;
- Work with the Internal and External auditor, ensure they are afforded full co-operation and receive and consider their reports, including reports on the School's accounts, achievement of value for money and the response to any management letters;
- Monitor the implementation of action to address adverse control findings by the Internal Assurance work or the appointed external auditor;
- Seek to promote a climate of financial discipline and control to help ensure the highest standards of probity and efficiency;
- Consider and advise the Board on the Schools audit programme, ensuring that the School's internal controls are subject to appropriate independent scrutiny by means of the Internal Assurance visits at least three times a year. Any serious concerns, particularly any which relate to potential fraud or similar misconduct, shall be reported immediately to the Chair of the Board of Trustees or, if relating to the conduct of the Chair, to the Vice Chair of the Board of Trustees;
- Consider any other matters where requested to do so by the Board; and
- Report at least twice a year to the Board on the discharge of the above duties.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
D Bahia (appointed 13 October 2014)	0	4
D Bannister (resigned 7 October 2014)	1	1
M Bradley	3	4
M Blackwell	4	4
R Field (resigned 31 August 2015)	1	4
A Hazelton	4	4
L Thompson (joined 14 January 2015, resigned 31 August 2015)	1	3

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the School 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 School's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the School has delivered improved value for money during the year by:

- Developing and maintaining a culture of high expectations and outcomes for all;
- Regularly reviewing and challenging performance, to raise standards;
- Review and restructure of the extended Leadership Team to introduce Directors of Learning;
- Careful consideration to the deployment of staff to improve outcomes in line with the Strategic Improvement Plan;
- This year's Y11 cohort produced the best value added figure for the school in the last 10 years – 2015 (un-validated);
- Collaborative purchasing;
- Competitive bids, appropriate tender processes, regular contract review and local and national benchmarking;
- Robust financial procedures, processes and policies, regularly reviewed;
- Sound governance, with dedicated and challenging committees;
- Regular Internal Assurance and External audit visits;
- Marketing school facilities and providing services to other local schools to maximise income generation;
- Successful grant awards of £200,000 for buildings improvement.

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 School 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 Kingsdown School for the year 1 September 2014 to 31 August 2015 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 School 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 School's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Bishop Fleming LLP as our Internal Assurance auditor.

The Internal Assurance's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchasing
- Testing of accounting operating systems
- Testing of income

On a termly basis, the Internal Assurance 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.

Four visits have been carried out in the reporting year with no significant control issues identified.


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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committees.

Approved by order of the members of the Board of Trustees on 7 December 2015 and signed on its behalf, by:



M Blackwell
Chair of Trustees



W Conaghan
Accounting Officer

**KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Kingsdown School I have considered my responsibility to notify the School 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 School 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 School Board of Trustees are able to identify any material, irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School'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.



W Conaghan
Accounting Officer

Date: 7 December 2015

**KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 and signed on its behalf by:



M Blackwell
Chair of Trustees

Date: 7 December 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINGSDOWN SCHOOL

We have audited the financial statements of Kingsdown School for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement 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) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust 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 Academy Trust'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. 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 Academy Trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Trust Accounts Direction 2014 to 2015 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINGSDOWN SCHOOL

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

Bishop Fleming LLP

Joseph Scaife FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square

Bristol
BS1 4NT

Date:

10/12/15

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO KINGSDOWN SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingsdown School during the year 1 September 2014 to 31 August 2015 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 Kingsdown School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kingsdown School and 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 Kingsdown School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF KINGSDOWN SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Kingsdown School's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by 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 Trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO KINGSDOWN
SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Joseph Scaife

Joseph Scaife FCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date:

10/12/15

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	200	6,692	-	6,892	61,641
Activities for generating funds	3	190,556	-	-	190,556	175,774
Investment income	4	3,200	-	-	3,200	4,743
Incoming resources from charitable activities		142,296	6,426,590	-	6,568,886	6,565,035
TOTAL INCOMING RESOURCES		336,252	6,433,282	-	6,769,534	6,807,193
RESOURCES EXPENDED						
Costs of generating funds	6	127,551	-	-	127,551	109,699
Charitable activities	8,9	99,047	6,189,002	414,167	6,702,216	6,589,131
Governance costs	10	-	14,690	-	14,690	15,264
TOTAL RESOURCES EXPENDED	7	226,598	6,203,692	414,167	6,844,457	6,714,094
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		109,654	229,590	(414,167)	(74,923)	93,099
Transfers between Funds	19	-	(210,349)	210,349	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		109,654	19,241	(203,818)	(74,923)	93,099
Actuarial gains and losses on defined benefit pension schemes		-	(17,000)	-	(17,000)	(473,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		109,654	2,241	(203,818)	(91,923)	(379,901)
Total funds at 1 September		454,650	(754,032)	12,690,149	12,390,767	12,770,668
TOTAL FUNDS AT 31 AUGUST		564,304	(751,791)	12,486,331	12,298,844	12,390,767

All of the School's activities are classed as continuing.

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

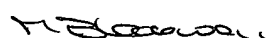
The notes on pages 24 to 43 form part of these financial statements.

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07697067

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	15		13,056,331		13,330,149
CURRENT ASSETS					
Debtors	16	205,596		270,515	
Cash at bank and in hand		1,220,691		1,016,809	
		1,426,287		1,287,324	
CREDITORS: amounts falling due within one year	17	(416,774)		(420,706)	
NET CURRENT ASSETS			1,009,513		866,618
TOTAL ASSETS LESS CURRENT LIABILITIES			14,065,844		14,196,767
CREDITORS: amounts falling due after more than one year	18		(470,000)		(570,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			13,595,844		13,626,767
Defined benefit pension scheme liability	26		(1,297,000)		(1,236,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			12,298,844		12,390,767
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	19	545,209		481,968	
Fixed asset funds	19	12,486,331		12,690,149	
Restricted funds excluding pension liability		13,031,540		13,172,117	
Pension reserve		(1,297,000)		(1,236,000)	
Total restricted funds			11,734,540		11,936,117
Unrestricted funds	19		564,304		454,650
TOTAL FUNDS			12,298,844		12,390,767

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2015 and are signed on their behalf, by:



M Blackwell
Chair of Trustees

The notes on pages 24 to 43 form part of these financial statements.

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	21	411,031	324,321
Returns on investments and servicing of finance	22	3,200	4,743
Capital expenditure and financial investment	22	(140,349)	(210,520)
CASH INFLOW BEFORE FINANCING		273,882	118,544
Financing	22	(70,000)	(70,000)
INCREASE IN CASH IN THE YEAR		203,882	48,544

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase in cash in the year	203,882	48,544
Cash outflow from decrease in debt	70,000	70,000
MOVEMENT IN NET FUNDS IN THE YEAR	273,882	118,544
Net funds at 1 September 2014	376,809	258,265
NET FUNDS AT 31 AUGUST 2015	650,691	376,809

The notes on pages 24 to 43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 School to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees conclude that it is appropriate to prepare the accounts on a going concern basis for the year ended 31 August 2015.

1.3 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

1.4 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the School has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 grant are reflected in the balance in the restricted fixed asset fund.

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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.

1.5 RESOURCES EXPENDED

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

Charitable activities are costs incurred in the School's educational operations.

Governance costs include the costs attributable to the School's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets individually costing more than £1,000 are capitalised, and all asset groups in excess of £5,000 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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are 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 School's depreciation policy.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	50 years straight line
Freehold land	-	Not depreciated
Building improvements	-	10-20 years straight line
Plant and machinery	-	10 years straight line
Motor vehicles	-	5 years straight line
Fixtures and fittings	-	10 years straight line
Computer equipment	-	3 - 5 years straight line

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.7 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the School. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 OPERATING LEASES

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

1.9 TAXATION

The School 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 School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 PENSIONS

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 26, the TPS is a multi-employer scheme and the School 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 School 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 the 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 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.

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	200	6,692	6,892	61,641

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings	119,172	-	119,172	54,861
External Catering	49,020	-	49,020	83,994
Consultancy	22,364	-	22,364	36,919
	190,556	-	190,556	175,774

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	3,200	-	3,200	4,743

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
Capital grant	-	192,240	192,240	-
General Annual Grant	-	5,645,808	5,645,808	5,770,530
Pupil Premium	-	270,513	270,513	236,549
Other DfE/EFA revenue grants	-	24,267	24,267	24,453
	-	6,132,828	6,132,828	6,031,532
Other Government grants				
Exceptional needs funding	-	70,386	70,386	79,160
High needs funding	-	223,376	223,376	296,703
	-	293,762	293,762	375,863
Other funding				
Educational visits	99,047	-	99,047	129,071
Other	43,249	-	43,249	28,569
	142,296	-	142,296	157,640
	142,296	6,426,590	6,568,886	6,565,035

6. COSTS OF GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings staff costs	28,685	-	28,685	25,705
Lettings non-staff costs	27,482	-	27,482	-
External catering costs	49,020	-	49,020	83,994
Consultancy staff costs	22,364	-	22,364	-
	127,551	-	127,551	109,699

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other	2015	2014
	£	2015	2015	£	£
		£	£		
Costs of generating funds	51,049	-	76,502	127,551	109,699
COSTS OF GENERATING FUNDS	51,049	-	76,502	127,551	109,699
Direct costs	4,112,758	227,998	614,604	4,955,360	4,768,505
Support costs	946,273	420,056	380,527	1,746,856	1,820,626
CHARITABLE ACTIVITIES	5,059,031	648,054	995,131	6,702,216	6,589,131
GOVERNANCE	2,740	-	11,950	14,690	15,264
	5,112,820	648,054	1,083,583	6,844,457	6,714,094

8. DIRECT COSTS

	Total	Total
	2015	2014
	£	£
Pension finance costs	480	4,800
Educational supplies	306,102	304,777
Examination fees	86,885	77,083
Educational visits	113,989	128,981
Supply teachers	148,728	148,857
Wages and salaries	3,211,054	3,080,087
National insurance	241,679	232,078
Pension costs	511,297	452,278
Depreciation	335,146	339,564
	4,955,360	4,768,505

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. SUPPORT COSTS

	Total 2015 £	Total 2014 £
Pension finance costs	520	5,200
Staff development	24,304	24,006
Other costs	939	381
Recruitment and support	27,863	34,004
Maintenance of premises and equipment	170,358	254,447
Cleaning	46,273	59,863
Rent and rates	27,277	29,000
Energy costs	96,769	111,815
Insurance	57,191	61,971
Security and transport	9,533	12,605
Catering	35,344	53,270
Technology costs	38,536	12,874
Office overheads	84,687	75,856
Legal and professional	99,777	92,807
Bank charges	2,191	1,863
Wages and salaries	732,518	729,047
National insurance	35,701	34,931
Pension cost	178,054	147,588
Depreciation	79,021	79,098
	1,746,856	1,820,626

10. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	7,670	7,450
Auditors' non audit costs	2,885	4,500
Legal and professional fees	1,395	700
Wages and salaries	2,095	2,025
National insurance	132	128
Pension costs	513	461
	14,690	15,264

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	394,167	398,662
- held under finance leases	20,000	20,000
Auditors' remuneration	7,670	7,450
Auditors' non-audit costs	2,885	4,500
Operating lease rentals:		
- other fixed assets	22,816	21,925
	<u> </u>	<u> </u>

12. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,996,716	3,819,286
Social security costs	277,512	267,137
Pension costs (Note 26)	689,864	600,327
	<u> </u>	<u> </u>
	4,964,092	4,686,750
Supply teacher costs	148,728	148,857
Staff restructuring costs	-	17,578
	<u> </u>	<u> </u>
	5,112,820	4,853,185
	<u> </u>	<u> </u>

b. Staff numbers

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

	2015 No.	2014 No.
Teachers	63	58
Administration and Educational Support	71	68
Leadership	7	7
	<u> </u>	<u> </u>
	141	133
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

12. STAFF (continued)

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	2014 No.
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff amounted to £31,097 (2014: £30,789).

13. TRUSTEES

During the year retirement benefits were accruing to 5 Trustees (2014: 5) in respect of defined benefit pension schemes.

The Headteacher and other Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the School in respect of their role as Trustees. The value of Trustees' remuneration and pension contributions in respect of defined benefit schemes in the year was as follows:

W Conaghan

Remuneration £85,000 - £90,000 (2014: £80,000 - £85,000)

Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

M Blackwell

Remuneration £35,000 - £40,000 (2014: £55,000 - £60,000)

Employer's pension contributions £5,000 - £10,000 (2014: £10,000 - £15,000)

J Barnes

Remuneration £NIL (2014: £40,000 - £45,000)

Employer's pension contributions £NIL (2014: £5,000 - £10,000)

H Wright

Remuneration £30,000 - £35,000 (2014: £25,000 - £30,000)

Employer's pension contributions £0 - £5,000 (2014: £0 - £5,000)

B Stockford

Remuneration £15,000 - £20,000 (2014: £15,000 - £20,000)

Employer's pension contributions £0 - £5,000 (2014: £0 - £5,000)

D Williams

Remuneration £45,000 - £50,000 (2014: £NIL)

Employer's pension contributions £5,000 - £10,000 (2014: £NIL)

During the year ended 31 August 2015, expenses totalling £262 (2014: £347) were reimbursed to 2 Trustees (2014: 2).

During the year, no Trustees received any benefits in kind (2014: £NIL).

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FOR THE YEAR ENDED 31 AUGUST 2015

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £718 (2014: £718). The cost of this insurance is included in the total insurance cost.

15. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Building improvement £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
COST					
At 1 September 2014	12,744,816	977,964	66,101	9,167	102,690
Additions	-	-	18,797	-	18,438
At 31 August 2015	12,744,816	977,964	84,898	9,167	121,128
DEPRECIATION					
At 1 September 2014	628,876	159,787	19,932	8,742	31,150
Charge for the year	203,960	97,796	8,703	425	13,425
At 31 August 2015	832,836	257,583	28,635	9,167	44,575
NET BOOK VALUE					
At 31 August 2015	11,911,980	720,381	56,263	-	76,553
At 31 August 2014	12,115,940	818,177	46,169	425	71,540
				Computer equipment £	Total £
COST					
At 1 September 2014				577,825	14,478,563
Additions				103,114	140,349
At 31 August 2015				680,939	14,618,912
DEPRECIATION					
At 1 September 2014				299,927	1,148,414
Charge for the year				89,858	414,167
At 31 August 2015				389,785	1,562,581
NET BOOK VALUE					
At 31 August 2015				291,154	13,056,331
At 31 August 2014				277,898	13,330,149

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15. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases, included above, are as follows:

	2015 £	2014 £
Freehold land and buildings	918,333	938,333

Included in freehold land and buildings is freehold land at valuation of £2,546,830 which is not depreciated.

Prior to conversion, the School entered an agreement to acquire and manage a sports centre. On conversion the centre was transferred at a cost of £1,000,000. At the period end the net book value of the sports centre was £918,333 (2014: £938,333).

Consideration of £1,000,000 to acquire the freehold of the sports centre is to be paid over 10 years, as detailed in note 18. However the freehold transfers to the School as follows:

1. 50% at the end of year 6 and settlement of £495,000;
2. The remaining 50% after 10 years and full settlement of the £1,000,000; or
3. On complete settlement of the consideration.

16. DEBTORS

	2015 £	2014 £
Trade debtors	9,914	12,578
VAT repayable	33,110	115,182
Prepayments and accrued income	162,572	142,755
	205,596	270,515

17. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Net obligations under finance leases	100,000	70,000
Trade creditors	85,952	88,868
Other taxation and social security	87,494	79,345
Other creditors	32,984	29,642
Accruals and deferred income	110,344	152,851
	416,774	420,706

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17. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	£
DEFERRED INCOME	
Deferred income at 1 September 2014	37,097
Resources deferred during the year	45,237
Amounts released from previous years	(37,097)
	<u>45,237</u>
Deferred income at 31 August 2015	<u>45,237</u>

Deferred income refers to amounts received in respect of lettings income and educational visits which relate to the 2015/16 academic year.

18. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Net obligations under finance leases	470,000	570,000

Obligations under finance leases, included above, are payable as follows:

	2015 £	2014 £
Between one and five years	400,000	400,000
After five years	70,000	170,000
	<u>470,000</u>	<u>570,000</u>

The finance lease liability relates to the acquisition of the freehold of the sports centre and is repayable in annual instalments. No interest is being charged. The balance is secured via a fixed charge over the sports centre.

The liability could be settled earlier if some land adjacent to the sports centre is sold, per the initial agreement with the School. Some land is currently in the process of being sold by the owner, but there is insufficient certainty to recognise any reduction in the liability at this stage.

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	454,650	336,252	(226,598)	-	-	564,304

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	441,557	5,645,808	(5,549,486)	(210,349)	-	327,530
Pupil Premium	-	270,513	(270,513)	-	-	-
Exceptional needs funding	-	70,386	(70,386)	-	-	-
High needs funding	-	223,376	(223,376)	-	-	-
Devolved Formula Capital	40,411	24,267	(39,239)	-	-	25,439
Condition Improvement Fund	-	192,240	-	-	-	192,240
Educational visits	-	6,692	(6,692)	-	-	-
Pension reserve	(1,236,000)	-	(44,000)	-	(17,000)	(1,297,000)
	<u>(754,032)</u>	<u>6,433,282</u>	<u>(6,203,692)</u>	<u>(210,349)</u>	<u>(17,000)</u>	<u>(751,791)</u>

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets purchased from GAG	568,514	-	(113,530)	140,349	-	595,333
Fixed assets transferred on conversion	12,229,000	-	(237,736)	-	-	11,991,264
Sports Centre Grant	92,422	-	(12,870)	-	-	79,552
Deferred consideration	(640,000)	-	-	70,000	-	(570,000)
Catering grants	35,213	-	(5,031)	-	-	30,182
Fixed Asset Donation	405,000	-	(45,000)	-	-	360,000
	<u>12,690,149</u>	<u>-</u>	<u>(414,167)</u>	<u>210,349</u>	<u>-</u>	<u>12,486,331</u>
Total restricted funds	<u>11,936,117</u>	<u>6,433,282</u>	<u>(6,617,859)</u>	<u>-</u>	<u>(17,000)</u>	<u>11,734,540</u>
Total of funds	<u>12,390,767</u>	<u>6,769,534</u>	<u>(6,844,457)</u>	<u>-</u>	<u>(17,000)</u>	<u>12,298,844</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19. STATEMENT OF FUNDS (continued)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the School.

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged students.

Exceptional needs and High needs funding is received from the Local Authority to cater for students with learning difficulties and other disabilities.

The Devolved Formula Capital grant represents funding from the EFA to cover the maintenance and purchase of the School's assets.

Condition Improvement Fund funding represents amounts received in the year by the school for improvement works to the sports centre roof.

Educational visits relates to contributions received by parents towards the cost of specific educational visits in the period.

The pension reserve represents the School's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust. The School is following the recommendations of the actuary and making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets purchased from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

Fixed assets transferred on conversion represent the building and equipment donated to the School on conversion to an Academy Trust.

The sport centre grant represents amounts received from the Local Authority to upgrade the sport centre.

See note 18 for details of the deferred consideration.

The catering fund represents amounts received from Schools to develop the catering facilities of the School.

The fixed asset donation is the donation of an All Weather Pitch by Barratt Homes.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	13,056,331	13,056,331	13,330,149
Current assets	564,304	861,983	-	1,426,287	1,287,324
Creditors due within one year	-	(316,774)	(100,000)	(416,774)	(420,706)
Creditors due in more than one year	-	-	(470,000)	(470,000)	(570,000)
Pension scheme liability	-	(1,297,000)	-	(1,297,000)	(1,236,000)
	<u>564,304</u>	<u>(751,791)</u>	<u>12,486,331</u>	<u>12,298,844</u>	<u>12,390,767</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources	(74,923)	93,099
Returns on investments and servicing of finance	(3,200)	(4,743)
Depreciation of tangible fixed assets	414,167	418,662
Fixed asset donation	-	(55,000)
Decrease in stocks	-	10,294
Decrease/(increase) in debtors	64,919	(51,028)
Decrease in creditors	(33,932)	(107,963)
Defined benefit pension scheme adjustments	44,000	21,000
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>411,031</u>	<u>324,321</u>

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>3,200</u>	<u>4,743</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	<u>(140,349)</u>	<u>(210,520)</u>
FINANCING		
Finance lease repayments	<u>(70,000)</u>	<u>(70,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,016,809	203,882	-	1,220,691
DEBT:				
Finance leases	(640,000)	70,000	-	(570,000)
NET FUNDS	376,809	273,882	-	650,691

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.

25. CAPITAL COMMITMENTS

At 31 August 2015 the School had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	191,574	-

The capital commitment relates to repair works being carried out on the sports centre roof. The contract was dated July 2015. Works did not however begin until September 2015.

26. PENSION COMMITMENTS

The School'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 Wiltshire Council. 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 related to the period ended 31 March 2012 and of the LGPS 31 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.

NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

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 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £586,127 (2014: £560,738).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School 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 2015 was £379,000, of which employer's contributions totalled £304,000 and employees' contributions totalled £75,000. The agreed contribution rates for future years are 24.5% for employers and 5.5 - 10.5% for employees.

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

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26. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.80	1,880,000	6.30	1,597,000
Bonds	3.80	397,000	3.40	382,000
Property	3.80	318,000	4.50	225,000
Cash	3.80	53,000	3.30	45,000
Total market value of assets		<u>2,648,000</u>		<u>2,249,000</u>
Present value of scheme liabilities		<u>(3,945,000)</u>		<u>(3,485,000)</u>
Deficit in the scheme		<u><u>(1,297,000)</u></u>		<u><u>(1,236,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,945,000)	(3,485,000)
Fair value of scheme assets	<u>2,648,000</u>	<u>2,249,000</u>
Net liability	<u><u>(1,297,000)</u></u>	<u><u>(1,236,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(347,000)	(249,000)
Interest on obligation	(136,000)	(119,000)
Expected return on scheme assets	<u>135,000</u>	<u>109,000</u>
Total	<u><u>(348,000)</u></u>	<u><u>(259,000)</u></u>

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

	2015 £	2014 £
Opening defined benefit obligation	3,485,000	2,467,000
Current service cost	347,000	249,000
Interest cost	136,000	119,000
Contributions by scheme participants	75,000	65,000
Actuarial (Gains)/losses	(59,000)	637,000
Benefits paid	<u>(39,000)</u>	<u>(52,000)</u>
Closing defined benefit obligation	<u><u>3,945,000</u></u>	<u><u>3,485,000</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	2,249,000	1,725,000
Expected return on assets	135,000	109,000
Actuarial gains and (losses)	(76,000)	164,000
Contributions by employer	304,000	238,000
Contributions by employees	75,000	65,000
Benefits paid	(39,000)	(52,000)
	<u>2,648,000</u>	<u>2,249,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £624,000 (2014: £607,000).

The School expects to contribute £319,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	71.00 %	71.00 %
Bonds	15.00 %	17.00 %
Property	12.00 %	10.00 %
Cash	2.00 %	2.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.60 %
Rate of increase in salaries	4.60 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.3 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.9 years	26.9 years

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26. PENSION COMMITMENTS (continued)

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(3,945,000)	(3,485,000)	(2,467,000)	(2,040,000)
Scheme assets	2,648,000	2,249,000	1,725,000	1,278,000
Deficit	<u>(1,297,000)</u>	<u>(1,236,000)</u>	<u>(742,000)</u>	<u>(762,000)</u>
Experience adjustments on scheme liabilities	59,000	(637,000)	(61,000)	(121,000)
Experience adjustments on scheme assets	<u>(76,000)</u>	<u>164,000</u>	<u>105,000</u>	<u>(57,000)</u>

27. OPERATING LEASE COMMITMENTS

At 31 August 2015 the School had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
EXPIRY DATE:		
Within 1 year	259	4,259
Between 2 and 5 years	<u>22,195</u>	<u>7,338</u>

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the School's operations and the composition of the Board of Trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures.

R Kuklinski the daughter of M Blackwell, a Trustee, was employed in the reprographics department during the period. Her appointment was made in open competition and M Blackwell was not involved in the decision making process. R Kuklinski is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a Trustee. R Kuklinski's employment ended on 31 October 2015.

No other significant transactions have occurred during the period.