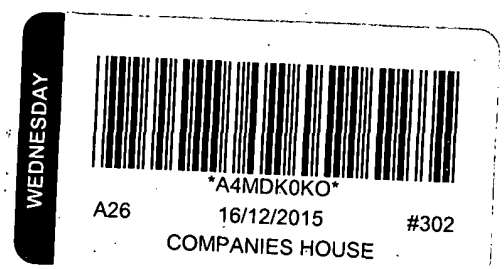


THE COOMBE SECONDARY SCHOOLS ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

Company Registration Number: 7905433 (England and Wales)



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Trustees & Members

A Burbridge
 L Clemens
 J Davies *
 M Henderson * (Vice Chair)
 J Parrott
 D Walls * (Executive Headteacher and Accounting Officer)
 M Webb (Chair)
 D Smith (Headteacher Coombe Boys' School) (appointed 20 May 2015)

Members of the Finance & Resources committee *

Senior Leadership teams :

Director of Finance	D Castanheira
Director of ICT	D Young
Director of Health & Safety/Premises	I Bawn (from 1 September 2015)

Coombe Girls' School

Head of Centre	H Buchanan
Deputy Head	D Smith (to 31 May 2015)
Deputy Head	A Platt

Coombe Boys' School

Head Teacher	D Smith (from 1 June 2015)
Deputy Head	G Rogers
Deputy Head	K O'Mahony

Knollmead Primary School

Acting Head teacher	P Utting (seconded from Burlington Junior school to 31 August 2015)
Head of Centre	S Dwyer
Acting Deputy Head	K Turvey (to 31 August 2015)
Deputy Head	D Tan (from 1 September 2015)

Principal and Registered Office	Coombe Boys' School College Gardens Blakes Lane New Malden Surrey KT3 6NU
Bankers	Lloyds Bank Plc, Commercial Division P.O.Box 112, Canons House, Canons way, Bristol, BS99 7LB
Solicitors	Stone King LLP, 16 St, John's Lane London, EC1M 4BS
Auditor	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
Company number	7905433

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, Governance and Management

Constitution

The Coombe Secondary Schools' Academy Trust (the "Academy Trust"), is a private 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 which was incorporated as a company and exempt charity on 11th January 2012. The Coombe Secondary Schools' Academy Trust replaced the previous Coombe Secondary Schools' Federation, comprising Coombe Girls' School and Coombe Boys' School, on 1st February 2012. Knollmead Primary School joined the Trust as a sponsored academy on 1st April 2014. The three academies (Coombe Girls' School, Coombe Boys' School and Knollmead) are referred to as schools in this report

The Trustees of the Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The charitable company is known as The Coombe Secondary Schools Academy Trust.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The Academy Trust has purchased indemnity insurance for members of the Board of Trustees.

Method of Recruitment and Appointment or Election of Trustees

Trustees are subject to retirement by rotation on a four-yearly cycle, but are eligible for reappointment at the end of this period. On 1st February 2012 all former Governors of the Coombe Secondary Schools' Federation became members of the Governing Body of the Academy Trust for the remaining period of their term of office. All Trustees shall be members and Directors, and formal appointment as Directors of the Academy Trust takes place upon becoming a Trustee. On 1st April 2014, Knollmead Primary School joined the Trust and a new governance structure was put in place with fewer trustees to reflect current guidance from the EFA. Trustees were selected by the outgoing governing bodies taking into account their current roles and responsibilities and all other trustees resigned from their term of office. All Trustees shall also be members.

Policies and Procedures Adopted for the Induction and Training of Trustees

Upon appointment a new trustee receives a welcome letter from the Chair, via the Clerk, along with a trustee information pack containing a broad range of data, including policies and procedures, minutes, budgets and plans that enables them to undertake their role as trustee. The new trustee will then meet with the Chair, Headteacher and Clerk, each of whom plays a crucial role in helping trustees to understand the unique context in which the schools operate. The new trustee will be encouraged to take time to consider which area(s) and committee(s) they would like to focus on. The new trustee will also be invited to visit each school, meet senior staff, and be briefed on current priorities. The new trustee will be encouraged to attend the borough's training seminar for new trustees, and to seek out other appropriate training options.

Organisational Structure**Members**

The Academy Trust has three founding members who signed the Memorandum of Association dated 11th January 2012. Subsequent members of the Company shall be: the Directors pursuant to Article 46A and any other person appointed under Article 16 who wishes to become a member subject to unanimous written approval of the existing members. At any time there must be at least three members.

Trustees

The Academy Trust has, subject to Articles 48 and 49, the following trustees: the Chair of each Local Governing Body appointed under Articles 51-52; the Vice-Chair, Chair of the Finance & Resources Committee and the Chair of the Curriculum Committee for the Coombe Secondary Schools; up to 3 other members of the Local Governing Body of the Coombe Secondary Schools currently the Chairs of the Personnel, Pastoral and Health & Safety Committees; and the Headteacher of each Academy.

The Trustees are responsible for the overall performance of the Academy Trust and for ensuring that the Trust's funds are used in accordance with the law. To discharge these responsibilities, the Trustees have approved a scheme of delegation to delegate many of their powers and functions to sub committees, the Executive Headteacher and the Headteacher. Decisions reserved for the Board of Trustees include:

- Approval of the scheme of delegation of financial powers
- Approval of financial policies and procedures
- Approval of the financial statements and annual report
- Approval of changes to staff terms and conditions,
- Headteacher appointments
- Approval for any other schools to join the Academy Trust
- Approval of policies relating to HR, Health & Safety and Child protection

Sub committees of the board

The Trust has set up various sub committees to the Board of Trustees including the Finance & Resources committee, the Audit Committee, the Pay & Conditions Committee, two Local Governing Bodies and various other school level sub committees with specific responsibilities for curriculum, pastoral, personnel and health and safety. The school level sub committees meet termly and report back to their local governing bodies who in turn report to the board of trustees via the Board of Directors/Trustees meetings.

Senior Leadership Team (SLT)

The Trustees delegate the responsibility for day-to-day management to the SLT. This comprises the Executive Headteacher, the Headteachers, Heads of Centre, the Directors of Finance, ICT and Health & Safety/Premises and the Deputy and Assistant Heads at each school. The SLT undertakes to implement the strategy of the Trustees.

The Executive Headteacher of the Academy Trust is the Accounting Officer and takes overall responsibility for the Trust's financial affairs, however the financial management and delivery of the Trust's accounting processes has been delegated to the Director of Finance who is the Chief Financial Officer appointed by the Trust Board.

Connected Organisations, including Related Party Relationships

The Academy has an informal relationship with King's College School, Wimbledon, a registered charity providing academic activities as an independent school. It may provide up to one ordinary Governor to the Academy Trust's Governing Body. There is no financial relationship between the two organisations.

Objectives and Activities**Objects and Aims**

The primary objective as stated in the Articles of Association of the Charitable Company is: 'to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the academies, offering a broad and balanced curriculum', and in addition "to promote for the benefit of the inhabitants of the areas in which the academies are situated the provision of facilities for recreation or other leisure time activities".

In accordance with the Master Funding Agreement, the schools aim to provide a balanced and broad based curriculum, for pupils of different abilities, for a cohort wholly or mainly drawn from the areas in which they are situated.

The schools seek to provide an education that inspires students to strive for higher achievement; a commitment to excellence; and an environment that seeks to develop a child's desire for lifelong learning; provide opportunities for students to develop open and questioning minds.

Objectives, Strategies and Activities

The main objectives of the Academy Trust for the year ended 31st August 2015 are summarised as:

- to achieve in line with targets set and ensure outstanding outcomes for all pupils across the Trust;
- to address inconsistencies in attainment and progress at subject and key stage level and use Trust expertise to address;
- to ensure that all pupils are exceptionally well prepared for the next stage in their education or training;
- to review and refine assessment processes and enable some consistency and cross moderation of progress;
- to develop the potential of the Trust to enhance teaching and learning;
- to ensure teaching & learning strategies are aligned and clear across CBS/CGS to ensure smooth transition at post 16;
- to foster positive relationships with all learners and their parents to ensure that they feel both supported and valued;
- to revise the Trust's compliance with the Equality Act 2010;
- to comply with appropriate statutory and curriculum requirements;
- to refresh the Trust's vision statement and establish a clear Unique Selling Point message and vision as a sponsor;
- to review the Trust's ICT infrastructure and improve facilities and working practices across the 3 schools; and
- to ensure appropriate, value for money and cost effective use of financial resources and conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The Academy Trust values diversity and seeks to give everyone in the schools an equal chance to learn, work and live, free from the action of, or fear of, racism, discrimination or prejudice. The schools work together to develop the potential of all pupils academically, socially, and culturally to establish a community that is just and fair for all people who work or visit.

The Academy Trust strives to ensure that students will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at school. They should be independent learners, aware of how to learn and the role played by emotions and dispositions in the learning process, by which they can address challenge and difficulty as well as success.

All staff will have the opportunity to develop further as self-directed learners, through working collaboratively with others to enhance their own expertise. Staff should enthuse and inspire others to explore new ideas.

Parents will fulfil their role as true partners, recognising their role in the student/school/parent relationship to ensure that their child realises their full potential.

Objectives, Strategies and Activities (continued)

Trustees will contribute to the life of the schools on a wider scale, acting as critical friends to support the Academy Trust in becoming a nationally recognised centre of excellence.

Equal Opportunities Policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust has an established policy and procedures in place to ensure that working environments are created in which the contribution and needs of all people are fully valued.

Disabled Persons

The Academy Trust complies fully with the requirements of the Equalities Act. Accessibility arrangements are in place at all schools for visitors, students and staff with a disability. Recruitment, training and career development opportunities and procedures are equitable and fair to all employees, as detailed in our Equalities Policy and recruitment procedures.

Public Benefit

With regard to the Objects and Aims above, the main focus of the Academy Trust is the provision of free education to children aged 3 to 18.

The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Academy Trust.

Strategic Report

The Trust operates a primary and two secondary schools in Kingston upon Thames. Full time equivalent (FTE) Pupils on roll on school census of May 2015 (previous year May 2014) are shown below:

school	Main school		nursery or Sixth form		Total		PAN (exc 6 th form)
	2015	2014	2015	2014	2015	2014	
Knollmead primary	220	233	19	24	239	257	30 +26 fte nursery
Coombe Boys school	697	720	60	81	757	801	180
Coombe Girls School	1,050	1,046	313	336	1363	1382	210
Total	1,967	1,999	392	441	2,359	2,440	

Achievements and Performance

The examination results and academic outcomes for 2015 at both secondary schools were pleasing. The final post 16 outcomes for the Coombe Sixth Form, which is a joint provision over the two schools, maintained the high standards of the previous year. At KS4, both schools' results were particularly pleasing against the EBacc threshold, at A/A* as well as levels of progress in English and Mathematics at CGS and Mathematics at CBS. The 2015 outcomes at Knollmead showed improvement in some areas.

Coombe Girls' School was graded Outstanding at each threshold in its most recent inspection (May 2013) and Coombe Boys' School was graded as Good with Outstanding Leadership & Management in December 2013. In December 2013, Coombe Girls' School was awarded Academy Sponsor status and National Teaching School status in March 2014.

The Academy Trust is committed to continual improvement at all schools and this is achieved in a number of ways: school improvement planning; review meetings; lesson observations and learning walks; teaching and learning and cross-school initiatives; continuing professional development and appraisal; self-evaluation; data analysis and action planning; organisational structure reviews.

Strategic Report (continued)

Knollmead Primary School was graded as having serious weaknesses at its last inspection in July 2013 and thus became a sponsored academy within the Coombe Secondary Schools Academy Trust on 1 April 2014. The interim leadership structure put in place by the Trust during the academic year 2014/15 provided stability, raised staff morale, secured increased parental support, resulted in highly visible improvements in the school environment, began to secure improvements in the quality of teaching and pupil progress, increased the effectiveness of the local governing body and started to build capacity within middle leadership. This has been further enhanced by a strong leadership structure for 2015/16 whilst the post of substantive Headteacher is recruited to and is ensuring further clarity of communication, procedure, policy as well as improved pupil progress. As a result, outcomes are forecast to increase substantially by the summer 2016.

Key financial performance indicators for the year ended August 2015, were as follows:

	COOMBE GIRLS' SCHOOL	COOMBE BOYS' SCHOOL	KNOLLMEAD PRIMARY SCHOOL
Public funded income per student	£5,272	£6,333	£7,497
Total income per student	£5,503	£6,606	£7,636
Teacher & Ed. support staff costs per student	£4,055	£4,815	£5,426
Total staff costs per student	£4,628	£5,507	£6,095
Teaching & Ed. staff costs as % of total income	74%	73%	71%
Total staff costs as % of total income	81%	82%	79%
Student:teacher ratio	15.4	13.7	21.6

Work continues to reduce the total staff costs as a percentage of total income to a target of 80% for both secondary schools.

Going Concern

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

Financial Review

The consolidated results for the year to 31 August 2015 are set out on pages 22-23 of the Financial Statements. The comparator figures to 31 August 2014 only include the 7 month period from 1 April 2014 for Knollmead Primary School, being the date it transferred from the Local Authority. Incoming resources amounted to £14.9m (2014 £19.3m which included the transfer of Knollmead on conversion of £4.7m). £13.8m of this was received as grants directly from the Education Funding Agency to support the running of the academy's educational operations. Additional grants from the Local Authority amounted to £0.6m primarily for Special Needs and the Specialist Resourced Provisions at Knollmead top up funding. This funding and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SoFA)

A further £0.38m income was received to fund educational operations, most of this as fees to cover the cost of school trips, and other educational resources. The Academy was also able to generate £0.129m of income from hiring premises and facilities. All fees would be accounted for under restricted funds, but where a voluntary contribution is requested from parents towards a specific educational resource, this is included in restricted funds. General donations from parents are also included in unrestricted funds.

Total resources expended amounted to £16m (2014: £14.3m) resulting in a net deficit for the year of £0.857m. This has arisen largely due to significant cuts in grant funding, higher employment on-costs and

Strategic Report (continued)

additional spending at Knollmead to meet educational and operational standards since becoming part of the academy trust. The LGPS operating and finance costs £180k were also significantly higher than last year (£93k). The Trust has sufficient reserves to cover this in-year deficit, however this is not sustainable long term and work is ongoing to identify efficiencies and savings across the schools to ensure each can operate with the annual funds available to it.

Net assets as at 31 August 2015 including the pension scheme liability were £40,782,635 (2014 - £41,771,425). The pension liability in relation to the Royal Borough of Kingston Pension Scheme at the year end has increased to £3,265k (2014 - £3,133k) (see note 26).

Grants are also received from the EFA for fixed assets. These are shown as restricted income within the fixed assets restricted funds. During the year Coombe Boys' school was successful in its bid for a new gymnasium floor from the EFA Condition Improvement Fund grant. At the balance sheet date £3k remained unspent.

Reserves Policy

The Board of Trustees has reviewed the free reserves (income funds freely available for the schools' general purposes) of the schools. This review encompassed the nature of income and expenditure streams and the need to match income with commitments and the nature of reserves held. The policy of the Academy Trust is to carry forward a prudent level of reserves designed to meet the longer term cyclical needs of asset renewal, to bridge the gap where grant funding is not sufficient to meet the development needs of the academy and to provide a contingency to cushion against any unforeseen contingencies or emergencies.. In future years capital maintenance and development may be considered in annual reserves policy reviews.

Given that the level of GAG funding for the secondary schools will continue to reduce over the next few years, due to a dip in pupil numbers, changes to the national funding formula and loss of transition funding, the Trustees have agreed that the level of free reserves at each of the secondary schools should remain at £575,000. The reserves at the balance sheet date fall short of this level by £34k at the Boys' school and £96k at the Girls' school. All of these reserves will be required to produce a balanced budget for 2015/16, whilst the schools continue to implement a staffing rationalisation to reduce staffing costs alongside the increasing pension and national insurance oncosts expected over the next few years.

The free reserves for Knollmead at the balance sheet date are £232,000. Although the Trustees regard an appropriate level of reserves for a school of this size to be in the region of £80,000-100,000, the Trustees consider this higher level to be acceptable because the reserves will be used over the next few years to cover additional temporary staffing costs whilst implementing a new staffing structure and to continue to support school improvement.

Investment Policy

The policy of the Academy Trust is to hold surplus cash in low risk high interest deposit accounts at the approved UK bank.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the schools are exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the schools, and their finances. The Trustees have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, behaviour, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see statement on internal controls) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover including liability as appropriate.

Risks are identified on a risk register and rated for likelihood of occurrence and impact with a statement on the controls in place to mitigate their effect.

Principal Risks and Uncertainties (continued)

The risk registers are formally reviewed annually by the audit committee on an annual basis, however risk identification, evaluation and management is considered on an ongoing day-to-day basis. The Trustees consider the principal risks to which the Trust is exposed to be:

- Establishment of a non-compliant and ineffective 3 school MAT
- Unfavourable Ofsted inspection grading for Knollmead Primary School
- Key person/succession loss
- Insufficient demand for school places due to changes and additions to provision in the local area at each key stage
- Poor ICT infrastructure and service, ineffective delivery, systems & information security
- Failure to comply with financial regulations and employment law through ineffective procedures
- Poor and ageing facilities

The schools are required to recognise their share of the deficit relating to the Royal Borough of Kingston Pension Fund. Although this represents a significant liability on the Trust's balance sheet, it is not relevant to short term funding. The current employers and employee contribution rate has been set with a view to clearing the liabilities of the fund within 30 years. Full details of the scheme are included in note 26.

Plans for Future Years

The Academy Trust will continue to strive to improve the levels of attainment for all students at all levels, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into employment, training or a place in higher education once they leave.

The schools have an excellent understanding of their strengths and areas for improvement based on rigorous analysis of data and monitoring of teaching and learning. Reports by the Local Authority's Improvement Partner provide external validation on the judgement of the quality of provision and subsequent outcomes. The School Improvement Plans, underpinned by appropriate links to budgets, have all the correct areas identified for improvement, and are reviewed annually by senior leadership and the Trustees. The improvement strategies are very effective because school subjects identified as previously underperforming have been successfully addressed through the measures in place.

The Academy Trust believes that developing the whole child is paramount to improving levels of attainment and fostering broader skills and character, leading to commitment to lifelong learning and enrichment of life. The schools strive to provide exceptional behaviour and attendance management to support their students, and offer a wide range of extra-curricular activities.

Funds held as Custodian Trustee on behalf of Others

No funds are held by the schools as Custodian Trustee on behalf of others.

Auditor

The Trustees who held office at the date of approval of the Trustees' Report confirm that, so far as they are individually aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- each Trustee has taken all reasonable steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

PKF Littlejohn LLP was appointed as auditor to the Academy Trust during the year and has signified its willingness to continue in office.

This Trustees' Report, incorporating a Strategic Report, was approved by Order of the Board of Trustees, as the Company Directors, on 8th December 2015.

and signed on its behalf by:



M. Webb
Chair

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Coombe Secondary Schools Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide 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 which conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Master Funding Agreement and Supplementary Agreements between The Coombe Secondary Schools Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The **Board of Trustees** formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Burbridge	3	3
L Clemens	3	3
J Davies	2	3
M Henderson (Vice-Chair)	3	3
J Parrott	2	3
M Webb (Chair)	3	3
M Gadd (resigned 13 October 2014)	1	1
D Brotherston	2	3

The Academy Trust has reduced the size of the Board of Trustees to comprise principal postholders in the Coombe Local Governing Body. This now formally includes the Chair of the Coombe Local Governing Body and Knollmead Local Governing Body as an attendee, the Vice-Chair of the Coombe Local Governing Body, the Chairs of the Finance & Resources and Curriculum committees. It also includes up to 3 other members of the Coombe Local Governing Body currently the Chairs of Personnel, Pastoral and Health & Safety Committees. The Headteacher of each Academy is also a member of the Board

Governance Reviews

The Coombe Boys' Ofsted inspection report highlights that:

The governing body demonstrates excellent commitment to the school and challenge and support to the school leadership. Governors have expert knowledge and a clear understanding of the strengths and areas for development. They make sure they are kept well informed on the analysis and evaluation of performance data and keep the school development plan under review. They have their own development plan and make sure their own training enables them to fulfil their responsibilities at the highest level. They are fully involved in the life of the school.

Governors are actively involved in determining salary progression from the outcomes of performance management. They are determined to ensure equality of opportunity for all and were involved in the development of the Coombe learner profile, which sets out the vision for learning. They have strategic overview of the pupil premium funding and keep its allocation and impact under review. The school is financially secure.

The Academy Trust conducts a governance self-evaluation annually and compiles a governors' action plan as a result, which is reviewed and monitored termly.

The **Finance and Resources Committee** is a sub-committee of the main Board of Trustees. It operates under its Terms of Reference as approved by the Trustees. Its principal responsibilities are to liaise with the Headteacher on financial and resource matters; advise the Board of Trustees on financial strategy and planning; formulate appropriate policies and procedures; approve budgets, accounts and long term plans; and monitor receipt and usage of capital funds.

Attendance at meetings in the year was as follows:

Trustee/ governor	Meetings attended	Out of a possible
J Davies	3	3
M Henderson	2	3
A Rennie (Chair)	2	3
D Walls	3	3
S Whittington	3	3
M Webb	1	3
Diana Brotherston	2	2
Helen Vickers	2	2
Naomi Sellayah	2	2
Clair Newton	3	3
David Smith (appointed 20 May 2015)	0	1

The **Audit Committee** is also a sub-committee of the main Board of Trustees. The Audit Committee will oversee the Academy Trust's independent checking of financial controls, systems, transactions and risk; it will review the risks to internal financial controls at the Academy Trust, agree a programme of work that will address these risks, inform the governance statement that accompanies the Trust's annual accounts and, so far as is possible, provide assurance to the external auditors.

Attendance at meetings in the year was as follows:

Trustee/governor	Meetings attended	Out of a possible
M Webb	0	1
A Burbridge	1	1
M Henderson	1	1
D Walls	1	1
D Brotherston	1	1
L Clemens	1	1
J Parrott	0	1
J Davies	1	1

Review of Value for Money

As accounting officer the principal has responsibility for ensuring that the academy trust 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 trust'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 academy trust has delivered improved value for money during the year by:

- the economic, efficient and effective use of all resources to improve educational results;
- the avoidance of waste and extravagance through greater awareness of the need for prudent spend at all levels of leadership within the schools in the Trust;

Review of Value for Money (continued)

- the establishment and maintenance of financial governance, including robust controls on expenditure, keeping and reporting of up to date financial records, enhanced financial monitoring and reporting to all concerned parties;
- value for money in all financial transactions.

A key objective in achieving the above is to realise value for money for our academy trust within the allocated funding levels, to utilise resources correctly and with probity as we strive for improved educational and wider societal outcomes for our students. We take very seriously our responsibilities as a caring employer, and work tirelessly to make our academy an outstanding place to learn, work and develop in a professional manner.

Whilst the following list is not exhaustive it gives examples of areas where we have achieved value for money;

Educational outcomes across the Trust have improved through the introduction of the Teaching School strategic action plan and the enhanced collaboration with other local schools who are members of the Kingston Teaching School Alliance. The Trust also purchases the school improvement services offered by SPARK, a Kingston & Richmond led organisation, offering good value for money and personalised support.

The curriculum structure and provision at each of the schools is reviewed annually to ensure relevance, compliance and appropriateness. The Leadership Team at each school ensures that group sizes, resources to support the curriculum and other associated costs for curriculum delivery represent value for money and where possible are pooled across the Trust. In 2014/15, a review of stationery used took place and will result in discounted cross Trust purchases in future academic years.

The Director of ICT has undertaken a detailed review of ICT support across each of the schools as well as an evaluation of the Trust's use of photocopiers and printers. New printing and copying procedures have been introduced and are being rolled out across the 3 schools. There has been a resultant saving in costs and this is forecast to continue.

At each of the Trust's schools, an expenditure restraint has been in place to highlight the need for all staff to take a cost effective approach to ordering resources and arranging activities. In order to reduce the schools' staffing costs, vacant posts are not automatically filled; the post and tasks are reviewed with alternatives considered before an advertisement is placed. This has resulted in a significant reduction in the staffing costs at each of the schools for 2015/16.

The Trust's Finance & Resources Committee oversees spend on a regular basis via management account reports for each school and uses the meetings to challenge the spend of each school. The Trust's Audit Committee commissioned a value for money audit through the Trust's internal audit function in 2014/15. The Trust has produced and is using an approved and preferred supplier list to achieve economies of scale. The Trust is able to benchmark spend across the 3 schools in the Trust to ensure parity of spend as appropriate and intends to develop this further by extending benchmarking to other local schools in the coming year.

Additional income has been generated via the Teaching School programme and additional grants will continue to be applied for in line with the strategic plan.

Future planning

At their regular meetings, trustees and senior leaders appraise initiatives both past and present. Risk and reward, cost versus gain are high on the agenda when determining the effectiveness and value for money for each project. Good practice and lessons learned within and outside of our own academy are shared and are evaluated

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Coombe Secondary School' Academy Trust for the period 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 Academy Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that was in place for the period 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.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Resources 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 appointed the Kingston and Richmond Internal Audit Department as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. During the year ended 31 August 2015, Internal audit

- reviewed the Trusts financial regulations and procedures manual;
- tested payroll systems
- tested contracts and tendering process and carried out a VFM creditor review

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;

the work of the Director of Finance within the Academy Trust who has 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 and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 8th December 2015 and signed on its behalf by:



M Webb
(Chair)



D Walls
(Headteacher and Accounting Officer)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Coombe Secondary Schools Academy Trust, I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with the EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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.



D Walls
(Accounting Officer)

Date: 8th December 2015

Statement of Trustees' Responsibilities

The Trustees (who act as governors of The Coombe Secondary Schools' Academy Trust and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency; United Kingdom Accounting Standards (UK 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 year. In preparing these financial statements the Trustees are required to:

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

The Trustees are responsible for keeping adequate 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 management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees on 8th December 2015, and signed on its behalf by :



M Webb
Chair

Independent Auditor's Report to the Members of Coombe Secondary Schools Academy Trust

We have audited the financial statements of Coombe Secondary Schools Academy Trust ("the Trust") for the year ended 31 August 2015 which comprise the Statement of Financial Activities, incorporating an Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the Trustees (who are also the Directors of the Trust as a Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope for the Audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015 issued by the EFA.

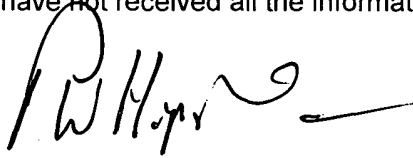
Opinion on Other Matter Prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report, including a Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Paul Hopper (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

Independent Reporting Accountant's Assurance Report on Regularity to the Trustees of The Coombe Secondary Schools Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 19 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy Trust during the period 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 the Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the EFA, for our work, for this report or for the conclusion we have formed.

Respective responsibilities of the Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2013 and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received have been 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 standards 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 period 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- a review of the conclusions reached on regularity and propriety in the prior year, including the action taken in respect of points raised in the auditor's management letter;
- a review of minutes of meetings of the Board of Trustees (previously the Governing Body) and key sub committees;
- checking a sample of expenditure transactions to ensure that they do not contravene the funding agreement and have been authorised in accordance with the Academy's financial procedures and/or the Academies Financial Handbook; and
- evaluating and documenting internal controls and testing their application by walkthrough.

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 period 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.

Paul Hopper (Reporting Accountant)
For and on behalf of PKF Littlejohn LLP

1 Westferry Circus
Canary Wharf
London E14 4HD

Date:

**COOMBE SECONDARY SCHOOLS
ACADEMY TRUST**

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income and Expenditure account and
Statement of Total Recognised Gains and Losses)
Year ended 31 August 2015

Incoming Resources	Note	Unrestricted Funds £	Restricted other funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	34,946	26,986	2,000	63,932	79,783
Voluntary income – transfer from Local Authority on conversion	6	-	-	-	-	4,719,223
Activities for generating funds	3	129,346	177	-	129,523	131,832
Investment income	4	2,418	-	-	2,418	2,818
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	331,785	14,309,419	105,858	14,747,062	14,360,298
Total Incoming Resources		498,495	14,336,582	107,858	14,942,935	19,293,954
Resources Expended						
Cost of generating funds		15,502	-	-	15,502	16,902
Charitable activities:						
Academy's educational operations	8	254,772	14,766,943	859,787	15,881,502	14,229,804
Governance costs	9	-	82,721	-	82,721	73,996
Total Resources Expended	7	270,274	14,849,664	859,787	15,979,725	14,320,702
Net Incoming Resources before Transfers		228,221	(513,082)	(751,929)	(1,036,790)	4,973,252
Gross transfers between funds	16	(19,934)	(14,247)	34,181	-	-
Net income for the Year		208,287	(527,329)	(717,748)	(1,036,790)	4,973,252
Other Recognised Gains and Losses						
Actuarial gains/(losses) on defined benefit pension scheme	26	-	48,000	-	48,000	(635,000)
Net Movement in Funds		208,287	(479,329)	(717,748)	(988,790)	4,338,252
Funds brought forward at 1 September 2014		416,276	(2,158,442)	43,513,591	41,771,425	37,433,173
Funds carried forward at 31 August 2015	16	624,563	(2,637,771)	42,795,843	40,782,635	41,771,425

All of the Academy's activities derive from continuing operations during the above two financial periods.

A separate Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The accounting policies and notes on pages 23-42 form part of these financial statements.

**THE COOMBE SECONDARY SCHOOLS
ACADEMY TRUST**
Company Number 7905433

**BALANCE SHEET
At 31 August 2015**

	Note	31 August 2015 £	31 August 2014 £
Fixed Assets			
Tangible assets	13	42,792,696	43,506,732
Current Assets			
Debtors	14	466,758	375,261
Cash at bank and in hand		1,631,330	1,967,155
		<u>2,098,088</u>	<u>2,342,416</u>
Creditors: amounts falling due within one year	15	(843,149)	(944,723)
		<u>1,254,939</u>	<u>1,397,693</u>
Net Current Assets			
		<u>44,047,635</u>	<u>44,904,425</u>
Net Assets excluding Pension Liability			
Pension liability	26	(3,265,000)	(3,133,000)
		<u>40,782,635</u>	<u>41,771,425</u>
Net Assets including Pension Liability			
Funds of the Academy:			
Restricted Funds			
Fixed asset fund	16	42,795,843	43,513,591
Other fund	16	627,229	974,558
Pension reserve	16	(3,265,000)	(3,133,000)
		<u>40,158,072</u>	<u>41,355,149</u>
Total Restricted Funds			
Unrestricted Funds			
General fund	16	624,563	416,276
		<u>624,563</u>	<u>416,276</u>
Total Unrestricted Funds			
		<u>40,782,635</u>	<u>41,771,425</u>
Total Funds			

The financial statements were approved by the Trustees, and authorised for issue on 8th December 2015 and are signed on their behalf by:



M Webb
Chair of Trustees and member of the Academy Trust

The accounting policies and notes on pages 25-44 form part of these financial statements.

THE COOMBE SECONDARY SCHOOLS ACADEMY TRUST

CASH FLOW STATEMENT
Year ended 31 August 2015

	Note	2015 £	2014 £
Net Cash outflow from Operating Activities	20	(300,350)	977,014
Returns on investments and servicing of finance	21	2,418	2,818
Capital funding	22	(37,893)	(241,352)
		<hr/>	<hr/>
Increase/(Decrease) in Cash in the Year	23	(335,825)	738,480
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		1,967,155	1,228,675
		<hr/>	<hr/>
Net funds at 31 August 2015		1,631,330	1,967,155
		<hr/>	<hr/>

The accounting policies and notes on pages 25-44 form part of these financial statements.

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for the valuation of certain fixed assets, and in accordance with applicable United Kingdom Accounting and Financial Reporting Standards, the 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of Coombe Boys' School, Coombe Girls' School and Knollmead Primary School which collectively form the Coombe Secondary Schools Academy Trust.

Going Concern

The financial statements have been prepared on the going concern basis. The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern and that there is reasonable expectation that the Academy Trust has adequate resources to continue in operation for the foreseeable future. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

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

- **Grants Receivable**

Grants are included in the Statement of Financial Activities (SoFA) on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement to receipt, its recognition is deferred and it is 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.

- **Donations**

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

- **Other Income**

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

- **Donated Services and Gifts in Kind**

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

1. **Statement of Accounting Policies (continued)**
Incoming Resources (continued)

- **Donated Services and Gifts in Kind (continued)**

The major gift in kind recognised by the Academy Trust in the prior year relates to the land and buildings occupied by Knollmead School. The Academy Trust is required to recognise a leasehold interest in land and buildings at the replacement cost to the Trust. The Academy Trust has used a valuation provided by the Local Authority in determining the value recognised in the Financial Statements.

Resources Expended

All expenditure is recognised in the year 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 cost allocations are based on the spread of staff costs.

- **Costs of Generating Funds**

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

- **Charitable Activities**

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

- **Governance Costs**

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

The Academy Trust is able to reclaim some, but not all, input VAT. Irrecoverable VAT is included with the expenditure to which it relates.

Tangible Fixed Assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost (less residual value), net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are recognised as income and credited to a restricted fixed asset fund in the SoFA and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the SoFA so as to reduce the fund over the useful economic life of the related assets on a basis consistent with the Academy Trust's depreciation policy.

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

Furniture and Equipment	- 20% straight line
Plant	- 4-5% straight line
Motor vehicles	- 20% straight line
Computer Equipment	- 33.3% straight line
Freehold Buildings	- 2% straight line
Leasehold Buildings	- 2% straight line
Leasehold Land	- Straight line over the life of the lease.
Building Improvements(within Freehold Buildings)	- 5% straight line

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets (continued)

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

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 or where the remaining useful life is in excess of 50 years. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the SoFA.

Operating Leases

Rentals payable under operating leases are charged to the SoFA over the lease term.

Taxation

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

The Academy Trust is registered for VAT.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date.

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

1. Statement of Accounting Policies (continued)

Fund Accounting

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

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

Restricted other funds comprise all other restricted funds received and include grants from the EFA.

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
2. Voluntary Income				
Donations	34,946	28,986	63,932	79,783
	<hr/>	<hr/>	<hr/>	<hr/>
3. Activities for Generating Funds				
Hire of facilities	77,202	-	77,202	75,987
Catering income	1,726	-	1,726	431
Billboards	46,001	-	46,001	46,000
Other generated income	4,417	177	4,594	9,414
	<hr/>	<hr/>	<hr/>	<hr/>
	129,346	177	129,523	131,832
	<hr/>	<hr/>	<hr/>	<hr/>
4. Investment Income				
Short term deposits	2,418	-	2,418	2,818
	<hr/>	<hr/>	<hr/>	<hr/>
5. Funding for Academy's Educational Operations				
DfE/EFA Grants				
General Annual Grant (GAG)	-	12,830,071	12,830,071	12,923,588
Devolved capital	-	53,471	53,471	53,097
Capital grants	-	52,387	52,387	-
Other DfE/EFA grants	-	849,877	849,877	760,554
	<hr/>	<hr/>	<hr/>	<hr/>
	-	13,785,806	13,785,806	13,737,239
	<hr/>	<hr/>	<hr/>	<hr/>
Other Government Grants				
Local Authority Grants	-	582,460	582,460	293,957
	<hr/>	<hr/>	<hr/>	<hr/>
	-	582,460	582,460	293,957
	<hr/>	<hr/>	<hr/>	<hr/>
Other Educational Funding				
School trips/visits	185,466	2,533	187,999	224,370
Other fees & charges for educational activities	123,122	4,121	127,243	67,341
Other income	23,197	40,357	63,554	37,391
	<hr/>	<hr/>	<hr/>	<hr/>
	331,785	47,011	378,796	329,102
	<hr/>	<hr/>	<hr/>	<hr/>
Total	331,785	14,415,277	14,747,062	14,360,298
	<hr/>	<hr/>	<hr/>	<hr/>

6. Voluntary income transfer from Local Authority on conversion to an Academy Trust

On 1 April 2014 the Knollmead Primary School converted to academy status under the Academies Act 2010 and all of its operations, assets and liabilities were transferred to the Coombe Secondary Schools Academy Trust from the Royal Borough of Kingston upon Thames Local Authority for no consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were included at their fair value and recognised in the balance sheet under the appropriate headings, with a corresponding net amount recognised as net incoming resources in the SoFA as voluntary income. The transfer included tangible fixed assets at a fair value of £5,222,517, budget surplus of £65,706 and the LGPS pension deficit of £569,000.

	Staff costs £	Premises £	Other costs £	Total 2015 £	Total 2014 £
7. Resources Expended					
Costs of activities for generating funds	15,502	-	-	15,502	16,902
Academy's educational operations:					
Direct costs	10,837,363	-	1,280,570	12,117,933	11,397,842
Allocated support costs	1,696,312	750,500	1,316,757	3,763,569	2,831,962
	<u>12,553,675</u>	<u>750,500</u>	<u>2,597,327</u>	<u>15,881,502</u>	<u>14,229,804</u>
Governance costs including allocated support costs	-	-	82,721	82,721	73,996
	<u>12,549,177</u>	<u>750,500</u>	<u>2,680,048</u>	<u>15,979,725</u>	<u>14,320,702</u>
Net expenditure for the period includes:					
				2015 £	2014 £
Operating leases:				24,428	22,408
- Plant and machinery					
Fees payable to auditor for					
- Audit				16,200	19,000
- Other services				23,025	8,900

**THE COOMBE SECONDARY SCHOOLS
ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2015**

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
8. Charitable Activities – Academy's Educational Operations				
Direct Costs				
Teaching and educational support staff costs	-	10,837,363	10,837,363	10,015,851
Educational supplies	231,358	453,328	684,686	775,907
Exam fees	-	199,908	199,908	202,509
Staff development	21,659	59,951	81,610	59,963
Educational consultancy	-	90,268	90,268	79,995
Other direct costs	1,755	58,777	60,532	65,262
Technology costs	-	163,566	163,566	198,355
	<u>254,772</u>	<u>11,863,161</u>	<u>12,117,933</u>	<u>11,397,842</u>
Allocated Support Costs				
Support staff costs	-	1,516,312	1,516,312	1,314,684
Pension fund costs	-	180,000	180,000	93,000
Depreciation	-	183,843	183,843	145,903
Depreciation – buildings	-	675,944	675,944	223,533
Recruitment	-	85,943	85,943	90,298
Maintenance of premises and equipment	-	280,740	280,740	211,753
Cleaning	-	26,733	26,733	13,383
Rent and rates	-	130,694	130,694	101,583
Insurance	-	117,749	117,749	109,382
Security and transport	-	13,984	13,984	17,707
Catering	-	111,704	111,704	110,760
Bank interest and charges	-	3,954	3,954	3,093
Other support costs	-	162,549	162,549	160,862
Technology costs	-	78,836	78,836	51,671
Energy costs	-	194,584	194,584	184,350
	<u>-</u>	<u>3,763,569</u>	<u>3,763,569</u>	<u>2,831,962</u>
	<u>254,772</u>	<u>15,626,730</u>	<u>15,881,502</u>	<u>14,229,804</u>
9. Governance Costs				
	Unrestricted Funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal fees	-	30,346	30,346	35,278
Auditor's remuneration - audit of financial statements	-	16,200	16,200	19,000
- other audit costs	-	23,025	23,025	8,900
Other governance costs	-	13,150	13,150	10,818
	<u>-</u>	<u>82,721</u>	<u>82,721</u>	<u>73,996</u>

10 Staff

	2015 £	2014 £
a. Staff costs		
Staff costs during the year were:		
Wages and salaries	9,832,620	9,132,993
Social security costs	772,484	730,386
Pension costs	1,445,554	1,321,622
Supply staff costs	316,784	158,401
Pension fund finance costs	180,000	93,000
Staff restructuring costs	1,735	4,035
	<hr/>	<hr/>
	12,549,177	11,440,437
	<hr/>	<hr/>

b. Non statutory/non-contractual staff Staff severance payments

Included in staff restructuring costs are non contractual/non-statutory severance payments totalling £nil (2014 –£1,500)

c. Staff numbers

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

Charitable Activities	2015 No.	2014 No.
Teachers	154	149
Administration and support	104	90
Management	22	19
	<hr/>	<hr/>
	280	258
	<hr/>	<hr/>

d. Higher paid staff

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

	2015	2014
£60,001 - £70,000	6	7
£70,001 - £80,000	3	3
£80,001 - £90,000	1	-
£90,001 - £100,000	2	2
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<hr/>	<hr/>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £146,043 (2014 - £147,309). None of the above employees participated in the Local Government Pension Scheme.

11 Trustees' Remuneration and Expenses

The Headteacher of the Academy and Staff 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, from the Academy in respect of their roles as Trustees. The value of Staff Trustees' remuneration and other benefits was as follows:

D Walls (Principal and Trustee):

Remuneration £130,000 - £135,000 (2014: £125,000 - £130,000)

Employer's pension contributions -£15,000-£20,000 (2014 £15,000-£20,000)

D Smith (Staff Trustee appointed 20 May 2015)

Remuneration £20,000 - £25,000 (2014: £nil)

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

A Rata (Staff Trustee – resigned 31 December 2013):

Remuneration £nil (2014 £5,000 - £10,000)

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

M Atkins (Staff Trustee – resigned 31 December 2013):

Remuneration £nil (2014 - £5,000 - £10,000)

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

H Mason (Staff Trustee – resigned 31 March 2014):

Remuneration £nil (2014 - £1,000 - £5,000)

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

L Waterton (Staff Trustee – resigned 31 March 2014):

Remuneration £nil (2014 - £10,000 - £15,000)

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

S Whittington (Staff Trustee – resigned 31 March 2014):

Remuneration £nil (2014 - £30,000 - £35,000)

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

D Macleod (Staff Trustee – resigned 31 March 2014):

Remuneration £nil (2014 - £30,000 - £35,000)

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

During the year ended 31 August 2015, there were no expenses reimbursed to trustees (2014 - £Nil).

There were no other related party transactions involving the Trustees.

12 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £4,572 (2014 - £4,813).

The cost of this insurance is included in the total insurance cost.

13. Tangible Fixed Assets

Cost or Valuation	Freehold land and buildings £	Leasehold land and buildings £	Furniture, equipment, plant and vehicles £	Computer equipment £	Assets under construction	Total £
At 31 August 2014	17,136,905	27,143,320	567,053	334,160	57,841	45,239,279
Additions		5,515	50,750	40,247	49,239	145,751
Transfers	-	54,408	3,433	-	(57,841)	-
At 31 August 2015	17,136,905	27,203,243	621,236	374,407	49,239	45,385,030
Depreciation						
At 31 August 2014	631,544	900,644	85,718	114,641	-	1,732,547
Charged in year	249,159	426,785	64,897	118,946	-	859,787
At 31 August 2015	880,703	1,327,429	150,615	233,587	-	2,592,334
Net Book Value						
At 31 August 2015	16,256,202	25,875,814	470,621	140,820	49,239	42,792,696
At 31 August 2014	16,505,361	26,242,676	481,335	219,519	57,841	43,506,732

The school buildings of Coombe Boys' and Coombe Girls' Schools were valued as at 31 August 2012 on behalf of the Department for Education by Drivers Jonas Deloitte based on data provided by the EFA sourced from the Academy and the Local Authority. The basis of the valuation was fair value on the assumption of continuation of existing use using a Depreciated Replacement Cost approach. This reflects that the assets are specialised and follows the assumption set out in GN6 of the RICS Professional Standards. The valuation was undertaken on the Special Assumption of Instant Build, in accordance with the Charity SORP. The Trustees are not aware of any material changes since the previous valuation.

The school buildings of Knollmead Primary School were valued as at 31 March 2014, when the school transferred to the Academy Trust. The valuation was determined by the Trustees with advice received from The Royal Borough of Kingston Upon Thames.

Freehold land of £5,234,313 is included within freehold land and buildings. Within the leasehold land and buildings valuation, there is land with a net book value of £9,981,119 which is being depreciated over the lease term of 125 years.

	2015 £	2014 £
14. Debtors		
Trade debtors	85,961	12,254
VAT reclaimable	86,044	96,548
Prepayments and accrued income	294,185	253,214
Other debtors	568	13,245
	<u>466,758</u>	<u>375,261</u>

	2015 £	2014 £
15. Creditors: Amounts Falling Due within One Year		
Trade creditors	231,486	336,646
Taxation and social security	219,608	221,471
Accruals and deferred income	319,400	298,982
Other creditors	72,655	87,624
	<u>843,149</u>	<u>944,723</u>

	2015 £	2014 £
Deferred Income		
Deferred income at 1 September 2014	170,376	116,444
Resources deferred in the year	220,181	170,376
Resources released from previous year	(170,376)	(116,444)
	<u>220,181</u>	<u>170,376</u>
Deferred income at 31 August 2015		
	<u>220,181</u>	<u>170,376</u>

At the balance sheet date the Academy Trust was holding funds received in advance for: Rates Relief grant of £49k (2014-£42k), Insurance grant £20k (2014-nil), Universal free school meals grant of £19k (2014-£18k), Teaching school grant of £56k (2014-£78k) and school trip fees of £76k (2014-£32k).

	Balance at 31 August 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
16. Funds					
Restricted General Funds					
General Annual Grant (GAG)	974,558	12,830,071	(13,163,153)	(14,247)	627,229
Other DfE/EFA Grants	-	849,877	(849,877)	-	-
Other	-	656,634	(656,634)	-	-
Pension reserve	(3,133,000)		(180,000)	48,000	(3,265,000)
	<u>(2,158,442)</u>	<u>14,336,582</u>	<u>(14,849,664)</u>	<u>33,753</u>	<u>(2,637,771)</u>

16. Funds (continued)	Balance at 31 August 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted Fixed Asset Funds					
Assets transferred from LA	41,122,129		(633,635)	-	40,488,494
Other DfE/EFA grants	1,638,150	105,858	(77,982)	-	1,666,026
Capital expenditure from GAG	76,831	-	(28,046)	14,247	63,032
Private donations / sponsorship	18,230	2000	(7,324)	-	12,906
General capital expenditure	658,251	-	(112,800)	19,934	565,385
	<u>43,513,591</u>	<u>107,858</u>	<u>(859,787)</u>	<u>34,181</u>	<u>42,795,843</u>
Total restricted funds	<u>41,355,149</u>	<u>14,444,440</u>	<u>(15,709,451)</u>	<u>67,934</u>	<u>40,158,072</u>
Unrestricted Funds					
Unrestricted funds	416,276	498,495	(270,274)	(19,934)	624,563
Total unrestricted funds	<u>416,276</u>	<u>498,495</u>	<u>(270,274)</u>	<u>(19,934)</u>	<u>624,563</u>
Total funds	<u>41,771,425</u>	<u>14,942,935</u>	<u>(15,979,725)</u>	<u>48,000</u>	<u>40,782,635</u>

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

General Annual Grant (GAG) income must be used for the running of the Academy including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward.

Other DfE/EFA grants relate to non GAG income received from the EFA or Department for Education. They include grants for Pupil Premium, 16-19 Bursaries, rates relief, top up insurance and teaching school.

Other relates to Local Authority funding for Special Educational Needs top up funding and nursery provision; it also includes small amounts of other income/donations received for a specific purpose.

The pension reserve is the Academy's share of the liabilities of the Local Government Pension Scheme (see note 26).

The restricted fixed asset fund represents unspent capital grants and fixed assets purchased with both restricted and unrestricted funding net of depreciation charged through the income and expenditure account.

16. Funds (Continued)

Capital grants are requested by the Academy Trust for specific capital purchases. Devolved capital, included in Other DfE/EFA Grants, is available for other minor fixed asset purchases, for example furniture and equipment and computers.

The transfers of £19,934 from the unrestricted general funds and £14,247 from the restricted GAG fund to the restricted fixed asset fund, reflect fixed asset purchases from unrestricted revenue and restricted GAG reserves respectively.

Analysis of academies by fund balance

Fund balances at 31 August were allocated as follows

	Total 2015 £	Total 2014 £
Coombe Boys' School	540,659	570,672
Coombe Girls' School	479,361	574,522
Knollmead Primary School	231,772	245,640
	<hr/>	<hr/>
Total before Fixed Assets and Pension Reserve	1,251,792	1,390,834
Restricted Fixed Asset Fund	42,795,843	43,513,591
Pension Reserve	(3,265,000)	(3,133,000)
	<hr/>	<hr/>
	40,782,635	41,771,425
	<hr/>	<hr/>

Analysis of academies by cost

Expenditure is incurred by each Academy during the year as follows:

	Teaching and Educational Support Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2015 £	Total 2014 £
Coombe Boys' School	3,890,671	570,848	238,389	724,182	5,424,090	5,593,381
Coombe Girls' School	5,554,981	789,286	371,448	984,754	7,700,469	7,723,832
Knollmead Primary School	1,391,711	171,680	74,849	357,139	1,995,379	634,053
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,837,363	1,531,814	684,686	2,066,075	15,119,938	13,951,266
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

17. Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2015 Total funds £	2014 Total funds £
Tangible fixed assets	-	-	42,792,696	42,792,696	43,506,732
Current assets	94,127	372,631	-	466,758	375,261
Cash in hand and at bank	606,153	975,090	50,087	1,631,330	1,967,155
Current liabilities	(75,717)	(720,492)	(46,940)	(843,149)	(944,723)
Pension scheme liability	-	(3,265,000)	-	(3,265,000)	(3,133,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	624,563	(2,637,771)	42,795,843	40,782,635	41,771,425
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

18. Capital Commitments

The Academy had nil capital commitments at the balance sheet date (2014: nil)

19. Financial Commitments

Operating Leases

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

	2015 £	2014 £
Other		
Expiring within one year	11,610	844
Expiring within two and five years inclusive	11,693	15,745
	<hr/>	<hr/>
	23,303	16,589
	<hr/>	<hr/>

20. Reconciliation of Net Income to Net Cash Inflow from Operating Activities	2015 £	2014 £
Net income	(1,036,790)	4,973,252
Depreciation (note 13)	859,787	369,436
Capital grants from DfE and other capital income (note 5)	(107,858)	(74,293)
Interest receivable (note 4)	(2,418)	(2,818)
Increase in debtors	(91,497)	142,799
Decrease in creditors	(101,574)	129,155
FRS 17 (pension liability) adjustment	180,000	662,000
Gifts in Kind – land and buildings (note 6)	-	(5,222,517)
	<hr/>	<hr/>
Net cash outflow from operating activities	(300,350)	977,014
	<hr/>	<hr/>

21. Returns on Investments and Servicing of Finance

Interest received	2,418	2,818
	<hr/>	<hr/>
Net cash inflow from returns on investment and servicing of finance	2,418	2,818
	<hr/>	<hr/>

22. Capital Expenditure and Financial Investment

Purchase of tangible fixed assets	(145,751)	(315,645)
Capital grants from DfE/EFA	105,858	53,097
Capital funding received from sponsors and others	2,000	21,196
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	(37,893)	(241,352)
	<hr/>	<hr/>

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
23. Analysis of Changes in Net Funds			
Cash in hand and at bank	1,967,155	(335,825)	1,631,330
	<hr/>	<hr/>	<hr/>

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. Contingent Liabilities

There were no contingent liabilities as at 31 August 2015 (2014 – none).

26. Pension and Similar Obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was as at 31 March 2012 and of the LGPS as at 31 March 2013.

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

a) Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and 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 £ 965,831 (2014:£941,769)

26. Pension and Similar Obligations (continued)

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme

b) Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £596,200 (2014 - £470,205) of which employer's contributions totalled £480,532 (2014 - £378,444) and employees' contributions totalled £115,668 (2014 - ££91,761). At the 2013 formal valuation the administering authority (Royal Borough of Kingston) agreed stabilised employer contribution rates for academies. The agreed contribution rates for future years are 25.5% to March 2015, 26% from April 2015 to March 2016 and 26.5% to March 2017. Rates will then be reassessed at the next formal valuation of the fund as at March 2016. Employees contribute between 5.5% and 12.5%, banded according to salary.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The Academy's share of the scheme was valued by an independent actuary for FRS17 purposes as at 31 August 2015. The results of the valuation are as set out below:

	At 31 August 2015 %	At 31 August 2014 %
Principal Actuarial Assumptions		
Rate of increase in salaries	4.6	4.5
Rate of increase for pensions in payment/inflation	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7
Inflation assumption (CPI)	2.7	2.7
Commutation of pensions to lump sums - Pre April 2008 service	50	50
- Post 2008 service	75	75

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

Retiring Today		
Males	22.5	22.5
Females	24.7	24.7
Retiring in 20 Years		
Males	24.6	24.6
Females	27.0	27.0

26. Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The Academy's share of the net 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 £'000	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £'000
Equities	3.8	1,756	6.2	1,505
Bonds	3.8	627	3.7	242
Property	3.8	100	4.5	74
Cash	3.8	25	3.3	38
		<hr/>		<hr/>
Total market value of assets		2,508		1,859
Present value of scheme liabilities – funded		(5,773)		(4,992)
		<hr/>		<hr/>
Deficit in the scheme		(3,265)		(3,133)
		<hr/>		<hr/>

The expected rates of return are set equal to the discount rate as per the forthcoming FRS102 disclosures.

The actual return on scheme assets was £84,000 (2014 - £172,000).

Amounts Recognised in the Statement of Financial Activities	2015 £'000	2014 £'000
Expected return on pension scheme assets	123	78
Interest on pension liabilities	(197)	(154)
Pension finance income (costs)	<hr/> (74) <hr/>	<hr/> (76) <hr/>
Current service cost (net of employee contributions)	(106)	(17)
Past service cost	-	-
Total operating charge	<hr/> (106) <hr/>	<hr/> (17) <hr/>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities (SoFA). The cumulative amount of actuarial gains and losses recognised in the SoFA since the adoption of FRS 17 is a £673,000 loss (2014 - £721,000 loss).

26. Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Movements in the Present Value of Defined Benefit Obligations

At 1 September 2014	4,992	2,853
Transfer of Knollmead as at 01/04/14		742
Current service cost	587	396
Interest cost	197	154
Employee contributions	115	91
Benefits paid	(31)	(20)
Actuarial (gain)/loss	(87)	776
	<hr/>	<hr/>
At 31 August 2015	5,773	4,992

Movements in the Fair Value of Academy's Share of Scheme Assets

At 1 September 2014	1,859	1,017
Transfer of Knollmead as at 1 April 2014		173
Expected return on assets	123	78
Actuarial (loss)/gain	(39)	141
Employer contributions	481	379
Benefits paid	(31)	(20)
Employee contributions	115	91
	<hr/>	<hr/>
At 31 August 2015	2,508	1,859

The estimated value of employer contributions for the year ended 31 August 2015 is £508,000

The four -Year History of Experience Adjustments

	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Present value of defined benefit obligations	(5,773)	(4,992)	(2,853)	(2,310)
Fair value of share of scheme assets	2,508	1,859	1,017	518
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(3,265)	(3,133)	(1,836)	(1,792)

Experience adjustments on share of scheme assets:

Amount £'000 gains/(losses)	(39)	141	91	2
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Experience adjustments on scheme liabilities:

Amount £'000 gains/(losses)	3	(273)	-	-
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26. Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Reconciliation of opening and closing deficit

Deficit at beginning of year	(3,133)	(1,836)
Knollmead deficit introduced	-	(569)
Current service cost	(587)	(396)
Employer contributions	481	379
Finance cost	(74)	(76)
Actuarial (losses)/gains	48	(635)
	<hr/>	<hr/>
Deficit at end of year	(3,265)	(3,133)
	<hr/>	<hr/>

27. Related Party Transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees (being drawn from local public and private sector organisations) transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. No related party transactions took place during the year ended 31 August 2015 other than those stated in notes 11 and 12.

28. Central Services

The Academy Trust did not provide any central services to its academies during the year and no central charges arose.