

REGISTRAR OF COMPANIES

Kent
Catholic
Schools
Partnership



Part of the Archdiocese of Southwark

Annual Report and Financial Statements

31 August 2015

Company Limited by Guarantee
Registration Number
08176019 (England and Wales)

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Reference and administrative information

Members	The Most Reverend Peter Smith Reverend Monsignor Matthew Dickens Reverend Monsignor Canon Martin Lee
Directors (Trustees)	Stephen Adamson (appointed February 2015) Marieta Brennan Germaine Campbell Marilyn Coyle (appointed February 2015) Reverend Philip Gilbert Rev Monsignor Canon Martin Lee John Letts (resigned January 2015) Reverend Paul Mason Nora Naughton (resigned January 2015) Michael Powis Peter Ventress Mike Walters (resigned January 2015) Clive Webster Annemarie Whittle (appointed February 2015)
Company Secretary	Reverend Monsignor Canon Martin Lee
Senior Management Team	
Chief Executive Officer	Clive Webster
School Improvement Director	Nick Cross
Business and Finance Director	Mark Harris
Registered address	Barham Court Teston Maidstone Kent ME18 5BZ
Company registration number	08176019 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers Lloyds Bank plc
 2nd Floor
 78 New Road
 Gravesend
 Kent
 DA11 0AR

Solicitors Winckworth Sherwood LLP
 Minerva House
 5 Montague Close
 London
 SE1 9BB

Directors' report (including the strategic report) 31 August 2015

The Directors of Kent Catholic Schools' Partnership ('the Partnership'), who are also the trustees for the purposes of charity law, present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Partnership, which is a multi-academy trust, operates sixteen primary academies and four secondary academies in Kent.

Its academies have a combined pupil capacity of 8,300 and had a roll of 8,073 in the school census in May 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Kent Catholic Schools' Partnership is a company limited by guarantee and an exempt charity. The charitable company's articles of association are the primary governing document of the Partnership, with a scheme of delegation setting out the responsibilities of each academy's Local Governing Body.

The Directors of Kent Catholic Schools' Partnership are appointed by the members of the company who are also the Trustees of a Trust established by deed dated 21 October 1927 (the deed was signed by Bishop Peter Amigo and others, and the said Trust is now known as the Roman Catholic Diocese of Southwark Diocesan Trust and is registered as a charity with the Charity Commission no. 235468). They are represented as directors of the charitable company for the purposes of company law, by the Company Secretary and the Chairman of the Board. The charitable company is known as KCSP.

The Kent Catholic Schools' Partnership is a multi-academy trust (MAT) established under the Academies Act 2010, and is subject to the provisions of civil, Canon and charitable law. As a company limited by guarantee, the Partnership's structure of governance is laid down in articles of association which may only be amended with agreement of the Diocesan Trustees and application to the Secretary of State for Education. The Partnership is accountable to the Archbishop and Diocesan Trustees through its Board, which has ultimate responsibility for its management and administration.

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.

Directors' Indemnities

Directors benefit from an indemnity insurance with a value of £2,000,000.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of Recruitment and Appointment or Election of Directors

The Trust's executive role is to recruit Directors. Foundation Directors are practicing Catholics and are appointed by the Archbishop of Southwark on the recommendation of the Chief Executive Officer. The Academy Director post is elected from amongst qualifying Chairs of Governors of Partnership academies. The Principal Directors are elected from amongst qualifying Headteachers (HT) from both primary and secondary academies in the Trust.

Current Directors	Position
Stephen Adamson	Principal Director (HT) Secondary
Marieta Brennan	Foundation Director
Germaine Campbell	Foundation Director
Marilyn Coyle	Academy Director
Reverend Philip Gilbert	Foundation Director (Vice Chair)
Rev Monsignor Canon Martin Lee	Member Director (Foundation) Company Secretary
Reverend Paul Mason	Foundation Director (Chair)
Michael Powis	Foundation Director
Peter Ventress	Foundation Director
Clive Webster	Partnership Director
Annemarie Whittle	Principal Director (HT) Primary

Policies and Procedures Adopted for the Induction and Training of Directors

The Directors follow the key principles of the Charity Commission Code of Practice and seek to ensure through the governance structure that the Board complies with its requirements.

Organisational Structure

During this financial year the Board of Directors had three main sub committees, the Finance and Resources Committee, the Achievement Committee and Audit Committee. The Board of Directors is responsible and accountable for the governance of the Partnership and meets four times a year. The Chief Executive Officer is responsible for the day to day management of the Partnership.

Connected Organisations including Related Party Relationships

The Archdiocese of Southwark is the only connected organisation, with the Education Commission an appointed organisation of the Archbishop to fulfil his rights and responsibilities for Catholic schools.

OBJECTIVES AND ACTIVITY

Objects and Aims

The Partnership's mission is for Catholic schools across Kent to deliver outstanding spiritual, moral and learning outcomes for children and young people by collaborating as a Catholic community of academies, working together and with others, and based on excellent leadership and teaching, with Gospel values at heart.

OBJECTIVES AND ACTIVITY (continued)

Objectives, Strategies and Activities

The overarching aim of the Partnership is the preservation, protection and promotion of Catholic education as a first choice option for Catholic parents, and other parents, who value an education rooted in a strong Catholic ethos. Central to achieving this is excellence in teaching and leadership, and the attraction, retention and development of the best teachers, leaders and support staff. This in turn demands the offer of attractive career paths for all within Catholic education. Successive government policy has encouraged schools to collaborate, to take increasing control of their own destinies and to expand where there is demand and a wish to do so. In responding to this policy direction, schools working together can place themselves in a position to attract increasingly skilled staff, greater numbers of pupils, greater financial resource and, for Catholic schools, greater opportunity to bear Catholic witness. The Partnership's approach is to provide the supportive and challenging Catholic organisational framework for this to happen. Specifically it will deliver against the following ten objectives:

Immediate objectives (2014 – 2015)

1. No school in special measures, as confirmed by HMI.
2. Another secondary and two more primaries judged 'outstanding', subject to Ofsted inspection schedule.
3. Increase private sector business capacity at Board level.
4. Better value for money 'back office' services, resulting in an early financial benefit for schools.

Medium term objectives (2015 – 2016)

1. Robust school improvement challenge and support arrangements.
2. 24 schools converted to academy status.
3. Enhance business and performance knowledge, particularly across Local Governing Bodies.

Longer term objectives (2016 – 2018)

1. All 32 schools converted to academy status.
2. All 32 schools rated at least 'good' by Ofsted and exceeding national benchmarks.
3. A place for every Catholic parent seeking one.

OBJECTIVES AND ACTIVITY (continued)

Public Benefit

The advent of the Partnership introduces a new focus on positive competition and collaboration into the Kent education market, providing individual schools with an alternative source of school improvement and business efficiency geared towards preserving and protecting as much of the available education resource for Catholic learning and teaching as possible.

In setting the Partnership's objectives and planning its activities, the Board of Directors has given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and Performance

During the financial year the following schools converted to be academies within the Partnership.

Academy/School Name	Conversion date	Phase
St Peter's Catholic Primary School, Sittingbourne	1 October 2014	Primary
St Richard's Catholic Primary School, Dover	1 October 2014	Primary
More Park Catholic Primary School, West Malling	1 October 2014	Primary
Our Lady of Hartley Catholic Primary School, Hartley	1 November 2014	Primary
St Joseph's Catholic Primary School, Northfleet	1 December 2014	Primary
Ursuline College, Westgate-on Sea	1 January 2015	Secondary
Stella Maris Catholic Primary School, Folkestone	1 January 2015	Primary
St John's Catholic Primary School, Gravesend	1 July 2015	Primary
St Mary's Catholic Primary School, Whitstable	1 July 2015	Primary

STRATEGIC REPORT (continued)

Key Performance Indicators

All KCSP Academies

- ◆ All carry a s5 Ofsted overall judgement of at least 'good'.
 - ◇ All schools are good or better, except St Gregory's Primary, Margate (inspected 6 March 2013) and Holy Family Primary, Maidstone (inspected 9 November 2012). Both academies have improved their performance since 2014 and we hope that when they are inspected they will be judged to be Good.
- ◆ All carry a s48 Religious Education judgement of at least 'good'.
 - ◇ All schools are good or better, except Holy Family Primary, Maidstone which was judged to Require Improvement when it was inspected in May 2015.

Primary Academies

Targets for 2016

Level 44 Combined Score	90% (FFTD = 83%)	88% (Kent in 2015 80%) (KCSP in 2014 = 82%, National ave 2014 = 79%; LA ave 2014 = 78%)
Reading: 2+ Levels of Progress	95%	95% (KCSP in 2014 = 93%, National ave = 91%, LA ave = 91%)
Writing: 2+ Levels of Progress	97%	97% (KCSP in 2014 = 96%; National ave 2014 = 93%, LA ave 2014 = 93%)
Maths: 2+ Levels of Progress	94%	94% (KCSP in 2014 = 92%, National ave 2014 = 89%, LA ave 2014 = 89%)
Closing the Gap (Level 44 Combined Score)	Less than 5 points	Gap 25 points

FFTD – Fischer Family Trust D.

Directors' report (including the strategic report) 31 August 2015

STRATEGIC REPORT (continued)

Key Performance Indicators (continued)

Secondary Academies

Targets for 2016

%5+ GCSEs A*-C (EM)	72%	57% (KCSP in 2014 = 61%, National avge 2014 = 53%, LA avge 2014 = 58%)
Closing the Gap	Less than 10 points	28 points (KCSP in 2014 24 points)
Expected Progress in English	85%	79% (KCSP in 2014 = 78%, National avge 2014 = 72%, LA avge in 2014 = 75%)
Expected Progress in Maths	81%	70% (KCSP in 2014 = 67%, National avge 2014 = 66%, LA avge 2014 = 68%)
APS (Entry and Student) at A level	201 & 640	193 and 666 (KCSP in 2014 = 186 & 613) schools 2014 = 195 & 629

Going Concern

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

STRATEGIC REPORT (continued)

Financial Review

The net movement on funds for the year amounted to £18,059,000 (2014: £28,467,000).

Excluding the funds received on conversion to academy status, the majority of the Partnership's funding was provided by the Educational Funding Agency (EFA). The Partnership's incoming resources for the year were £53,554,000 (2014: £40,196,000) of which £18,401,000 related to funds received on conversion (2014: £29,545,000), £32,375,000 (2014: £10,233,000) related to funding for educational operations and £1,146,000 (2014: £79,000) of capital grants were received. Resources expended for the year totalled £35,078,000 (2014: £11,382,000).

Excluding assets and liabilities transferred in on conversion and movements on the fixed asset fund, the operational surplus for the period was £366,000 (2014: £197,000 deficit).

The Partnership held fund balances of £46,550,000 at 31 August 2015 (2014: £28,491,000) which included unrestricted funds of £1,079,000 (2014: £233,000) and restricted funds of £45,471,000 (2014: £28,258,000), including a deficit of £7,540,000 on the Local Government Pension Scheme (2014: £3,795,000).

The results for the year are shown on page 25.

Reserves policy

The policy of the Directors is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Partnership whilst ensuring that excessive funds are not accumulated. The Directors are satisfied that the Partnership's reserves are sufficient for its current purposes.

The reserves as at 31 August 2015 amounted to £46,550,000 (2014: £28,491,000) which comprised primarily of restricted fixed asset funds. The unrestricted funds amounted to £1,079,000 (2014: £233,000).

The Partnership has a pension scheme liability of £7,540,000 as at 31 August 2015 (2014: £3,795,000) which is included in the restricted reserves. The disclosure does not mean that the liability is already committed and is no longer available to the Directors to further the Partnership's objectives. In the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. This guarantee came into force on 18 July 2013 following Parliamentary approval. In the short term, the cash flow impact of having a pension scheme liability may be that employer contributions may increase in order to reduce the liability. The academies will always pay the employer contribution rates set by the pension scheme administrators.

STRATEGIC REPORT (continued)

Financial Review (continued)

Investment policy

The monies received by the Partnership are largely public funds provided for the education of children and young people. Consequently the Directors take a conservative view on the investment of any surpluses. This takes the form of keeping such funds on deposit in interest bearing accounts. The object of this policy is to protect the funds that the Partnership holds whilst taking opportunities to maximise them where possible.

PRINCIPLE RISKS AND UNCERTAINTIES

The business plan identified the following risks and uncertainties for the Partnership and these were agreed at Board of Director level.

Current Risks:

1. Insufficient schools join the Partnership;
2. Reputational risks
 - a) Significant Child Protection issue
 - b) Unable to deliver conversions within agreed timeline with Kent County Council/DfE
 - c) School Leaders' expectations not realised;
3. Financial impropriety within the MAT;
4. Failure of appropriate governance oversight at a school within the Partnership or Partnership Board level;
5. Loss of key personnel;
6. Academies failing to meet standards required by OFSTED;
7. Failure of the Partnership as an employer in meeting its statutory policy requirements;
8. Failure to attract and retain high-quality staff; and
9. The MAT grows too quickly to meet expectations.

An action plan is being developed by the Directors to manage the Partnership's exposure to risk.

PLANS FOR FUTURE PERIODS

Growth

The Partnership will continue to expand in line with the Archbishop's strategic vision for all 32 voluntary aided Catholic schools in the Kent County Council area, namely, for each to convert to be an academy within the Partnership. Since January 2014, 20 schools have become academies (16 primary and 4 secondary). For the remaining 12 schools, subject to RSC agreement, indicative dates for conversion will be agreed for between now and July 2017 taking account of the following, some or all of which apply to each school:

- ◆ An academy order has been granted but necessary legal and/or HR issues require resolution prior to conversion;
- ◆ Governors remain in the informal stage of working with the Partnership to understand the process from their perspective in order to reach an informed position; and
- ◆ Significant financial and/or school effectiveness issues pertain which require resolution by the local authority.

Capacity

A School Improvement Director has been appointed and took up post full time in January 2015. A panel of school improvement advisers exists and these can be called upon by individual schools and the School Improvement Director in response to school improvement demands.

A Finance Officer has been appointed to work with the Business and Finance Director and took up post at the end of November 2014.

The Partnership has commissioned and introduced a bespoke management information system that compliments applications already in use in schools and which will enable the systemic gathering on data at individual, group and whole-trust levels.

Subject to realisation of growth plans for the Partnership, additional capacity is planned for the areas of finance, data management and HR.

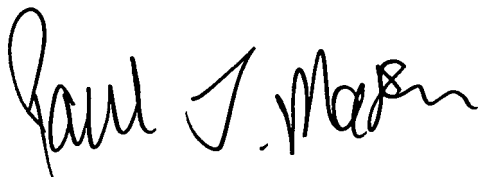
Directors' report (including the strategic report) 31 August 2015

AUDITOR

Insofar as the Directors are aware:

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

Directors' report, incorporating a strategic report, approved by order of the Board of Directors on 9.12.2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Paul J. Mason'. The signature is fluid and cursive, with a large initial 'P' and 'M'.

Reverend Paul Mason
Director

Scope of responsibility

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

The Directors have delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Partnership and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the statement of Directors' responsibilities. The Directors have formally met four times during the period. Attendance during the year at meetings of the Directors was as follows:

Director	Meetings attended	Out of a possible
Stephen Adamson	2	2
Marieta Brennan	4	4
Germaine Campbell	4	4
Marilyn Coyle	2	2
Reverend Philip Gilbert	4	4
Reverend Monsignor Canon Martin Lee	2	4
Reverend Paul Mason (Chair)	4	4
Nora Naughton	2	2
Michael Powis	4	4
Peter Ventress	3	4
Mike Walters	0	2
Clive Webster	4	4
Annemarie Whittle	2	2

Governance (continued)

Governance reviews

During the financial year a total of nine schools joined the Partnership, of these schools three were judged outstanding in their last OFSTED inspection and six judged good. The key measure of leadership and management which includes governance were all judged good or better. Governance is seen as a strength for the Partnership with attendance at local meetings by officers as observers.

At the start of the new financial year a comprehensive review of governance using the National Governors Association 21 questions for schools, and led by a National Leader of Governance with the objective of building a clear picture of the gaps in expertise and training needs will be undertaken. All Local Governing Bodies undertake regular training using on line training provision, and LA courses. The Partnership Board has commissioned a facilitated self-review which will commence in December 2015 and include two further sessions in the spring of 2016. The outcome will influence further developments for Board members.

Finance and Resources Committee

The Finance and Resources Committee is a sub-committee of the main Board of Directors.

The overall purpose of the Committee is to work strategically to ensure due diligence and probity in matters of resourcing within KCSP including financial and premises issues. To ensure the efficient use of resources and accountability, having particular regard for the effective use of public funding and protection of the resources and estates of The Church. They will pursue best practice in all such matters and have regard to the guidance of government and its agencies, the Church and other bodies and organisations having relevant responsibilities for academies.

The Committee agrees annually the budget for KCSP and maintains a 3-year rolling indicative budget. Both will be recommend for approval to the full board.

It has over-sight of the finances of the academies of the Trust, with due regard for the requirements of the Academies Financial Handbook, Academy Funding Agreements and KCSP Academy Scheme of Delegation and any other associated procedures.

Attendance at meetings by Directors in the year was as follows:

Director	Meetings attended	Out of a possible
Reverend Philip Gilbert	5	5
Germaine Campbell	3	4
Marilyn Coyle	2	3
Nora Naughton	1	2
Michael Powis	5	5
Mike Walters	2	3
Clive Webster	4	5

Governance (continued)

Audit Committee

The Audit Committee is a sub-committee of the main Board of Directors.

The Audit Committee is an advisory body with no executive powers. It is authorised by the Board to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its inquiries. The Audit Committee is authorised to obtain independent professional advice if it considers this necessary.

The specific duties of the Committee are:

- ◆ To review the Trust's internal and external financial statements and reports to ensure that they reflect best practice
- ◆ To consider all relevant reports by the appointed external auditor, including reports on the Trust's accounts, achievement of value for money and the response to any management letters
- ◆ To review the effectiveness of the Trust's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner

Attendance at meetings by Directors in the year was as follows:

Director	Meetings attended	Out of a possible
Peter Ventress	2	2
Clive Webster (in attendance)	2	2

In addition, the following individuals are members of the Audit Committee: Mike Whiddett and Adrian Radford.

Governance (continued)

Achievement Committee

The Achievement Committee is a sub-committee of the main Board of Directors.

The Committee plays a pivotal role in bringing each academy to at least 'good' and ultimately 'outstanding' in the minimum time possible. It does this within the mission, ethos and values of Catholic Education.

The Committee monitors standards as evidenced by Ofsted reports, S48 report of religious education and the Catholic life of the academy, Ofsted data dashboards, DfE published attainment data including key stage and GCSE results and such other relevant material as from time to time becomes available.

Attendance at meetings by Directors in the year was as follows:

Director	Meetings attended	Out of a possible
Marieta Brennan	3	3
Reverend Philip Gilbert	3	3
John Letts	2	2
Clive Webster	3	3
Annemarie Whittle	1	2

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Partnership delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider social outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Partnership's use of its resources has provided good value for money during the academic year, and reports to the Board of Directors where value for money can be improved, including the use on benchmarking data where available.

Targeted improvement has come from;

- ♦ A strategic partnership with St. Mary's University, Twickenham, which will benefit all our academies. This partnership includes the key areas of leadership and governance, teaching and learning, professional development, subject-specific development and spiritual accompaniment.
- ♦ Increasingly centralised procurement by KCSP's Partnership Team members on behalf of Academies in the area of building refurbishment, detailed topographic and condition surveys. Additionally a number of contracts were secured which achieved economies by aggregating the requirements of a number of academies. This also minimised significantly the administrative burden on individual academies.
- ♦ Central procurement and implementation of a consistent software based approach to managing our assets.

Governance (continued)

Review of value for money (continued)

- ◆ Increasing income generation from lettings, art and music festivals, and the provision of specialist support to schools outside the KCSP family of schools. In addition our Academies are grateful for the significant parental contributions that are received each year.

Lessons learned

As KCSP has grown, the challenges to remain networked and deliver high quality local partnerships increases. We have therefore implemented a new structure to support challenge and progress in educational standards which is led by the School Improvement Director. This is a significant step forward and will enable us to accelerate the pace of change and help deliver even higher standards in our academies.

We also have planned implementation of the recommendations arising from our internal and external audit reports. Key actions we will take in 2014/15 include:

- ◆ Developing the accountability in implementing internal audit recommendations;
- ◆ Standardising documentation to support efficient and effective procurement;
- ◆ Embedding a new approach to the communication of key policies across KCSP;
- ◆ Further supporting academies in the use of standardised software.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Partnership's 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 at the Partnership for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Directors have reviewed the key risks to which the Partnership is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Directors are of the view that there is a formal ongoing process for identifying, evaluating and managing the Partnership's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors.

The risk and control framework

The Partnership'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:

- ◆ periodic financial reports which are reviewed and agreed by the Directors;
- ◆ regular reviews by the Directors 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; and
- ◆ identification and management of risks.

The Directors have considered the need for additional internal assurance and have appointed Buzzacott LLP to provide this. This includes giving advice on financial matters and performing a range of checks on the Partnership's financial systems.


Review of effectiveness

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

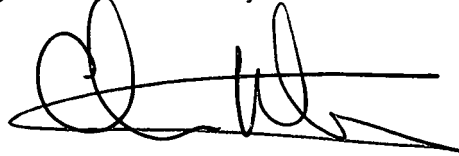
- ◆ the work of the external auditor;
- ◆ the findings from additional assurance checks;
- ◆ the financial management process;
- ◆ the work of the Senior Management Team within the Partnership who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Finance and Resources Committee of the implications of his review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Directors and signed on their behalf by:



Reverend Paul Mason
(Chair)



Clive Webster
(Accounting Officer)

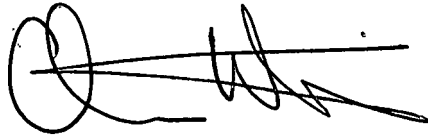
Approved on: 9.12.2015

Statement of regularity, propriety and compliance 31 August 2015

As Accounting Officer of Kent Catholic Schools' Partnership, I have considered my responsibility to notify the Partnership Board of Directors and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Partnership 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 Partnership Directors are able to identify any material irregular or improper use of funds by the Partnership, or material non-compliance with the terms and conditions of funding under the Partnership's Academy Order agreements 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 Directors and the EFA.

A handwritten signature in black ink, consisting of a large circular loop followed by several horizontal and diagonal strokes.

Clive Webster
Accounting Officer

Date: 9.12.2015

Statement of Directors' responsibilities 31 August 2015

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

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

In preparing these financial statements, the Directors are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom 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 operation.

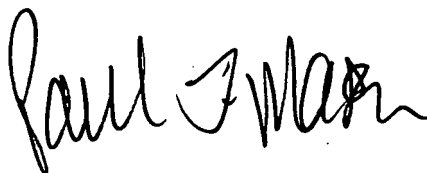
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

The Directors are responsible for the maintenance and integrity of the charity 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 Board of Directors on 9.12.2015 and signed on its behalf by:

Reverend Paul Mason
Chair
Date: 9.12.2015



Independent auditor's report 31 August 2015

Independent auditor's report on the financial statements to the members of Kent Catholic Schools' Partnership

We have audited the financial statements of Kent Catholic Schools' Partnership for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

The Directors act as trustees for the charitable activities of Kent Catholic Schools' Partnership and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of Directors' responsibilities set out in the Directors' report, including the strategic report, the Directors 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report, including the strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is 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.

Independent auditor's report 31 August 2015

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period 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 Directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Katharine Patel, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

16 December 2015

Independent accountant's assurance report 31 August 2015

Independent reporting accountant's assurance report on regularity to Kent Catholic Schools' Partnership and the Education Funding Agency

In accordance with the terms of our engagement letter dated 29 May 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kent Catholic Schools' Partnership during the period from 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 Kent Catholic Schools' Partnership and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Kent Catholic Schools' Partnership 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 Kent Catholic Schools' Partnership and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kent Catholic Schools' Partnership's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Kent Catholic Schools' Partnership's Academy Order agreements with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 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.

Independent accountant's assurance report 31 August 2015

Approach (continued)

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 Kent Catholic Schools' Partnership's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of Kent Catholic Schools' Partnership's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

16 December 2015

Statement of financial activities (including income and expenditure account and statement of total recognised gains and losses) Year to 31 August 2015

		Unrestricted	Restricted funds		2015	2014
		general	General	Fixed	Total	Total
		fund	fund	assets	funds	funds
	Notes	£'000	£'000	fund	£'000	£'000
		£'000	£'000	£'000	£'000	£'000
Incoming resources						
Incoming resources from generated funds						
. Voluntary income	1	331	10	—	341	77
. Voluntary income – transfers from Local Authority on conversion	2	—	(1,599)	19,660	18,061	29,545
. Activities for generating funds	3	567	1,053	—	1,620	258
Investment income	4	11	—	—	11	4
Incoming resources from charitable activities						
. Funding for the Partnership's educational operations	5	—	32,375	1,146	33,521	10,312
Total incoming resources		909	31,839	20,806	53,554	40,196
Resources expended						
Costs of generating funds						
. Fundraising trading		63	—	—	63	13
Charitable activities						
. Partnership's educational operations	7	—	33,320	1,079	34,399	10,997
Governance costs	8	—	616	—	616	372
Total resources expended	6	63	33,936	1,079	35,078	11,382
Net incoming/(outgoing) resources for the year before transfers						
		846	(2,097)	19,727	18,476	28,814
Gross transfers between funds	18	—	(315)	315	—	—
Net income (expenditure)		846	(2,412)	20,042	18,476	28,814
Other recognised gains and losses						
. Actuarial losses on defined pension benefit schemes	27	—	(417)	—	(417)	(347)
Net movement in funds		846	(2,829)	20,042	18,059	28,467
Reconciliation of funds						
Funds brought forward at 1 September 2014		233	(1,793)	30,051	28,491	24
Funds carried forward at 31 August 2015	18	1,079	(4,622)	50,093	46,550	28,491

All of the Partnership's activities derived from continuing operations during the above two financial periods.

The Partnership has no recognised gains and losses other than shown above and therefore no separate statement of total recognised gains and losses has been prepared.

Balance sheet 31 August 2015

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Tangible assets	13		50,093		30,051
Current assets					
Debtors	14	1,027		881	
Stock	15	9		10	
Cash at bank and in hand		6,137		3,007	
		<u>7,173</u>		<u>3,898</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(3,080)		(1,663)	
Net current assets			<u>4,093</u>		<u>2,235</u>
Total assets less current liabilities			<u>54,186</u>		<u>32,286</u>
Creditors: amounts falling due after more than one year	17		<u>(96)</u>		<u>—</u>
Net assets excluding pension liability			<u>54,090</u>		<u>32,286</u>
Pension scheme liability	27		(7,540)		(3,795)
Net assets including pension liability			<u>46,550</u>		<u>28,491</u>
Funds					
Restricted funds					
. General fund	18	2,918		2,002	
. Pension reserve	18	(7,540)		(3,795)	
		<u>(4,622)</u>		<u>(1,793)</u>	
. Fixed asset fund	18	50,093		30,051	
Total restricted funds		<u>45,471</u>		<u>28,258</u>	
Unrestricted funds					
. General fund	18	1,079		233	
Total funds			<u>46,550</u>		<u>28,491</u>

The financial statements on page 25 to 56 were approved by the Directors, and authorised for issue on 9.12.2015 and are signed on their behalf by:

Reverend Paul Mason
Director

Kent Catholic Schools' Partnership
Company Limited by Guarantee
Registration Number: 08176019 (England and Wales)

Cash flow statement Year to 31 August 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow from operating activities	22	3,750	2,840
Returns on investment and servicing of finance	23	11	4
Capital (expenditure) income	24	(631)	45
Increase in cash in the year	25	3,130	2,889
Reconciliation of net cash flow to movement in net funds:			
Net funds at 1 September 2014		3,007	118
Net funds at 31 August 2015	25	6,137	3,007

Principal accounting policies 31 August 2015

Basis of preparation

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

Conversion of schools

The conversion of schools to academies within the Partnership involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the Local Authority school to the Partnership have been valued at their fair value being a reasonable estimate of the current market value that the Directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Partnership. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in notes 2, 29 and 30 of the financial statements.

Going concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Directors 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 Partnership has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Incoming resources (continued)

Grants receivable (continued)

The 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 it is receivable and to the extent the goods have been provided or on completion of the service.

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.

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 Partnership's school development and educational operations.

Governance costs

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

All resources expended are stated net of recoverable VAT.

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets other than land, at rates calculated to write off the cost of each asset on a straightline basis.

Principal accounting policies 31 August 2015

Tangible fixed assets (continued)

◆ Leasehold buildings	50 years
◆ Building improvements	10 years
◆ Furniture and equipment	3 years
◆ Computer equipment	3 years
◆ Motor vehicles	3 years

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

Land and buildings have been valued at EFA valuation, where available, and at 40% of insurance valuation where EFA valuation is not available.

The land and buildings occupied by the academy trust company are owned by the Diocese of Southwark. The Diocese of Southwark owns the freehold of the site. The academy trust company occupies the site under a mere licence, which does not create an interest in land. The site is always recoverable, and the licence therefore passes no rights to the academy trust company to occupy the site. The Diocese of Southwark has, however, undertaken to the Secretary of State, by virtue of the Church Supplemental Agreement, to make the land available for use by the academy trust company, which use may be terminated by the Diocese of Southwark by it giving not less than 2 years notice.

There are continuing discussions between the Catholic Education Service ("CES") and the EFA about the correct accounting treatment of Church land and buildings, to reflect the actual 'asset' of the academy trust company, which may well change the basis of the valuation of what is currently recorded in the academy trust company's accounts. Until these discussions are concluded, the directors of the academy trust company have decided to continue to include a value of the land and buildings in the academy trust company accounts, acknowledging that in the future this accounting treatment may no longer be deemed appropriate.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost and net realisable value.

Taxation

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Partnership 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 27, the TPS is a multi employer scheme and the Partnership 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 Partnership in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

Restricted general funds comprise all other grants received from the Education Funding Agency, and other bodies, including the Local Authority, Kent County Council.

Agency Arrangements

The Partnership acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the Partnership does not have control over the charitable application of the funds. The Partnership can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid, and any balances held are disclosed in note 31.

1 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Donations	312	10	322	6
Other income	19	—	19	71
	331	10	341	77

2 Transfers from Local Authority on conversion

	General fund £'000	Fixed assets fund £'000	2015 Total funds £'000	2014 Total funds £'000
Fixed assets	—	19,344	19,344	30,630
Capital grant unspent balance	—	316	316	—
Budget surplus on LA funds	1,109	—	1,109	2,296
Defined benefit pension scheme deficit	(2,708)	—	(2,708)	(3,381)
Net assets	(1,599)	19,660	18,061	29,545

The transfer of identifiable assets and liabilities on conversion of schools to academies within the Partnership is accounted for as voluntary income in the Statement of Financial Activities. Further details of the assets and liabilities transferred on conversion for each school are provided in note 30.

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Hire of facilities	124	—	124	43
Trip income	—	904	904	91
Catering income	416	—	416	98
Uniform sales	27	—	27	5
Travelcard income	—	35	35	16
Swimming income	—	19	19	2
Other income generating activities	—	95	95	3
	567	1,053	1,620	258

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Bank interest	11	—	11	4
	11	—	11	4

5 Funding for the Partnership's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
DfE/EFA capital grant				
. Devolved formula capital allocations	—	200	200	79
. Academy capital grants	—	946	946	—
	—	1,146	1,146	79
DfE/EFA revenue grants				
. General Annual Grant (GAG)	—	29,013	29,013	9,038
. Pupil Premium	—	999	999	246
. Catchup grant	—	—	—	26
. Other DfE/EFA grants	—	108	108	41
. Conversion grants	—	200	200	165
. Free School Meals	—	330	330	86
	—	30,650	30,650	9,602
Other Government grants				
. Special Educational Needs from Local Authority	—	924	924	356
. Pupil premium from LA	—	94	94	7
. Reorganisation funding	—	223	223	—
. Rising roll funding	—	207	207	—
. Other grants	—	277	277	268
	—	1,725	1,725	631
	—	33,521	33,521	10,312

6 Resources expended

	Staff costs £'000	Non pay expenditure		Total funds £'000	Total funds £'000
		Premises £'000	Other costs £'000		
Costs of activities for generating funds	—	28	35	63	13
Partnership's educational operations (note 7)					
. Direct costs	19,834	1,026	3,222	24,082	7,588
. Support costs	5,434	53	4,830	10,317	3,409
	25,268	1,079	8,052	34,399	10,997
Governance costs (note 8)	—	—	616	616	372
	25,268	1,107	8,703	35,078	11,382

Net incoming resources for the year is stated after charging:

Operating leases		
. Plant and machinery	86	23
. Other leases	8	—
Fees payable to auditor		
. Statutory audit	41	28
. Non - statutory audit	9	3
. Other services	16	3

7 Charitable activities – Partnership's educational operations

	2015 Total funds £'000	2014 Total funds £'000
Direct costs – educational operations		
. Teaching and educational support staff costs	19,834	6,118
. Depreciation	1,026	612
. Technology costs	242	40
. Educational supplies	1,848	494
. Examination fees	400	183
. Staff development	195	53
. Educational consultancy	363	56
. Other direct costs	174	32
	24,082	7,588
Support costs – educational operations		
. Support staff costs	5,434	1,912
. Depreciation	53	1
. Technology costs	635	219
. Recruitment and support	159	73
. Maintenance of premises and equipment	939	335
. Cleaning	587	203
. Rent and rates	177	44
. Energy costs	525	143
. Insurance	288	113
. Security and transport	72	29
. Catering	749	124
. FRS17 charge and bank charges	137	26
. Other support costs	562	187
	10,317	3,409
	34,399	10,997

8 Governance costs

	2015 Total funds £'000	2014 Total funds £'000
Legal and professional fees	550	338
Auditor's remuneration:		
. Statutory audit	41	28
. Non statutory audit	9	3
. Other services	16	3
	616	372

9 Staff

(a) Staff costs

Staff costs during the year were:

	2015 Total funds £'000	2014 Total funds £'000
Wages and salaries	19,654	6,236
Social security costs	1,340	447
Pension costs (includes FRS17 charge of £495,000 (2014 - £47,000))	3,324	959
	24,318	7,642
Supply teacher costs	426	157
Agency costs	497	231
Staff restructuring costs	27	—
	25,268	8,030

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Partnership during the year, expressed as a full time equivalents, was as follows:

Charitable activities	2015 No.	2014 No.
Teachers	395	248
Administration and support	367	228
Management	57	36
	819	512

The average staff numbers have been calculated based on the period since conversion to academy status for each school. No adjustment has been made in respect of the length of time that each school has been part of the Partnership.

(c) Higher paid staff

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

	2015 No.	2014 No.
£60,001 - £70,000	4	—
£70,001 - £80,000	3	2
£80,001 - £90,000	3	—
£100,001 - £110,000	1	—
£140,001 - £150,000	1	1

Emoluments for the purposes of this note have been calculated based on the amount paid to the employees during the time that each school has been part of the Partnership and are not the emoluments on a per annum basis.

9 Staff (continued)

(c) Higher paid staff (continued)

Nine (2014 – one) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff members amounted to £97,358 (2014 - £10,000). The other employees participated in the Local Government Pension Scheme, pension contributions amounted to £44,550 (2014 - £45,000), for these employees for the year ended 31 August 2015.

10 Directors' remuneration and expenses

Employees who are also Directors only receive remuneration in respect of services they provide in undertaking their role as employees of the Partnership and not in respect of their services as Directors. Other Directors did not receive any payments from the Partnership in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

	2015 £'000	2014 £'000
Clive Webster, Chief Executive Officer		
. Remuneration	145 - 150	145 - 150
. Employer's pension contributions	25 - 30	30 - 35
Stephen Adamson, Principal		
. Remuneration	80 - 85	—
. Employer's pension contributions	10 - 15	—
Annemarie Whittle, Principal		
. Remuneration	70 - 75	—
. Employer's pension contributions	10 - 15	—
Mike Walters, Staff Member		
. Remuneration	85 - 90	30 - 40
. Employer's pension contributions	10 - 15	10 - 15

Other related party transactions involving the trustees are set out in note 28.

During the year ended 31 August 2015, travel and subsistence expenses totalling £12,367 (2014 - £2,866) were reimbursed to the above Directors. These were reimbursed as part of the Directors' work as employees of the Partnership. No expenses were reimbursed to the other Directors (2014 – none).

11 Directors' and Officers' insurance

In accordance with normal commercial practice the Partnership has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Partnership business. The insurance provides cover up to £2,000,000 (2014 - £500,000) on any one claim and the cost for the year ended 31 August 2015 was £2,843 (2014 - £250). The cost of this insurance is included in the total insurance cost.

12 Central services

The Partnership has provided the following central services to its schools during the year:

- ◆ Financial services
- ◆ Legal services
- ◆ Office administration
- ◆ IT support
- ◆ School improvement
- ◆ HR Personnel support

The Partnership charges the schools for the above services based on the Education Services Grant received. This is calculated as £140 per pupil for the year.

The actual amounts charged during the year are as follows:

	2015 £'000	2014 £'000
St Joseph's Catholic Primary School, Aylesham	14	11
St Simon Stock Catholic School, Maidstone	165	114
St Gregory's Catholic Comprehensive School, Tunbridge Wells	142	88
St Joseph's Catholic Primary School, Broadstairs	32	18
St Anselm's Catholic School, Canterbury	146	57
St Gregory's Catholic Primary School, Margate	43	18
Holy Family RCP School, Maidstone	25	8
St Mary's Catholic Primary School, Deal	27	5
St Simon of England RCP School, Ashford	29	6
St Margaret Clitherow Catholic Primary School	44	5
St Thomas' Catholic Primary School, Sevenoaks	29	3
St Peter's Catholic Primary School, Sittingbourne	29	—
St Richard's Catholic Primary School, Dover	26	—
More Park Catholic Primary School, West Malling	28	—
Our Lady of Hartley Catholic Primary School, Hartley	26	—
St Joseph's Catholic Primary School, Northfleet	25	—
Ursuline College, Westgate-on-Sea	81	—
St John's Catholic Primary School, Gravesend	16	—
Stella Maris Catholic Primary School, Folkestone	19	—
St Mary's Catholic Primary School, Whitstable	10	—
	956	333

13 Tangible fixed assets

	Leasehold land and buildings £'000	Leasehold improve- ments £'000	Furniture and equipment £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 September 2014	30,630	—	2	32	—	30,664
Additions	—	1,449	73	251	4	1,777
Transfers on conversion (notes 29 and 30)	19,344	—	—	—	—	19,344
At 31 August 2015	49,974	1,449	75	283	4	51,785
Depreciation						
At 1 September 2014	612	—	—	1	—	613
Charged in year	999	27	7	46	—	1,079
At 31 August 2015	1,611	27	7	47	—	1,692
Net book values						
At 31 August 2015	48,363	1,422	68	236	4	50,093
At 31 August 2014	30,018	—	2	31	—	30,051

14 Debtors

	2015 £'000	2014 £'000
Trade debtors	24	113
Prepayments	295	294
VAT recoverable	413	211
Other debtors	295	263
	1,027	881

15 Stock

	2015 £'000	2014 £'000
Uniforms	7	8
Catering	2	2
	9	10

16 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	1,155	274
PAYE and NIC creditor	534	324
Other creditors	506	461
Accruals and deferred income	885	604
	3,080	1,663
Deferred income (included within 'Accruals and deferred income' above)		
Deferred income at 1 September 2014	254	7
Resources deferred in the year	449	247
Amounts released from previous years	(254)	—
Deferred income at 31 August 2015	449	254

At the balance sheet date the Partnership was holding funds received in advance for free school meals, school meals, trips, and travel card deposits received from Parent Pay.

Other creditors include a credit facility of £420,000 provided by the Diocese of Southwark. Although it is not currently felt that this will be reclaimed within twelve months of the balance sheet date, it has been included as a current liability as it remains 'repayable on demand', as set out in the conditions of the facility. Other creditors also include a credit facility of £32,000 from the Diocese of Southwark. Please see note 17 for further details of this facility.

17 Creditors: amounts falling due after more than one year

	2015 £'000	2014 £'000
Other creditors	96	—
	96	—

Other creditors comprise a credit facility of £128,000 from the Diocese of Southwark which is repayable by monthly instalments of £2,667. £32,000 of the credit facility is repayable within one year and is included within other creditors in note 16. The balance of £96,000 is included in creditors falling due after more than one year.

18 Funds

	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
. General Annual Grant (GAG)	—	29,013	(28,698)	(315)	—
. Donated current assets on conversion	1,953	1,109	(193)	—	2,869
. Other EFA grants	—	1,637	(1,637)	—	—
. Local Authority and other grants	—	1,725	(1,725)	—	—
. St Simon Stock Catholic School – Science Legacy	49	—	—	—	49
. Trip income	—	904	(904)	—	—
. Other restricted income	—	159	(159)	—	—
	2,002	34,547	(33,316)	(315)	2,918
Pension reserve	(3,795)	(2,708)	(620)	(417)	(7,540)
	(1,793)	31,839	(33,936)	(732)	(4,622)
Restricted fixed assets fund					
. Capital grant funding	—	1,146	—	(1,146)	—
. Donated fixed assets on conversion (note 29)	30,018	19,660	(1,000)	—	48,678
. Acquired fixed assets	33	—	(79)	1,461	1,415
	30,051	20,806	(1,079)	315	50,093
Total restricted funds	28,258	52,645	(35,015)	(417)	45,471
Unrestricted funds					
. General fund	233	909	(63)	—	1,079
Total unrestricted funds	233	909	(63)	—	1,079
Total funds	28,491	53,554	(35,078)	(417)	46,550

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

EFA revenue grant fund and other restricted funds

These grants relate to the Partnership's development and educational activities.

General Annual Grant (GAG)

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

Fixed asset fund

These grants relate to funding received from the EFA which have been used to purchase fixed assets. This has been reflected by a transfer between funds.

The fund also includes assets received from Kent County Council on conversion of the schools to academies within the Partnership.

Pension reserve

The pension reserve relates to the Partnership's share of the Kent County Council Local Government Pension Scheme.

18 Funds (continued)

Analysis of expenditure by school

Expenditure incurred by each school and the central services team (excluding depreciation) during the year was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total £'000
St Joseph's Catholic Primary School, Aylesham	329	53	29	119	530
St Simon Stock Catholic School, Maidstone	3,022	623	369	1,086	5,100
St Gregory's Catholic Comprehensive School, Tunbridge Wells	3,225	888	312	929	5,354
St Joseph's Catholic Primary School, Broadstairs	558	119	37	213	927
St Anselm's Catholic School, Canterbury	3,561	1,153	312	1,136	6,162
St Gregory's Catholic Primary School, Margate	830	174	69	293	1,366
Holy Family RCP School, Maidstone	551	105	35	189	880
St Mary's Catholic Primary School, Deal	618	81	37	170	906
St Simon of England RCP School, Ashford	112	81	46	738	977
St Margaret Clitherow Catholic Primary School, Sevenoaks	919	95	57	314	1,385
St Thomas' Catholic Primary School, Sevenoaks	657	129	50	183	1,019
St Peter's Catholic Primary School, Sittingbourne	532	80	42	166	820
St Richard's Catholic Primary School, Dover	535	109	36	186	866
More Park Catholic Primary School, West Malling	463	92	50	208	813
Our Lady of Hartley Catholic Primary School, Hartley	454	72	47	177	750
St Joseph's Catholic Primary School, Northfleet	497	94	52	186	829
Ursuline College, Westgate-on-Sea	1,599	397	164	672	2,832
Stella Maris Catholic Primary School, Folkestone	408	85	34	142	669
St John's Catholic Primary School, Gravesend	276	43	19	68	406
St Mary's Catholic Primary School, Whitstable	175	24	12	48	259
Central Services	—	458	—	691	1,149
Academy Trust Partnership	19,321	4,955	1,809	7,914	33,999

18 Funds (continued)

Analysis of fund balances by school.

Fund balances at 31 August 2015 were allocated as follows:

	2015 £'000	2014 £'000
St Joseph's Catholic Primary School, Aylesham	157	130
St Simon Stock Catholic School, Maidstone	571	492
St Gregory's Catholic Comprehensive School, Tunbridge Wells	812	466
St Joseph's Catholic Primary School, Broadstairs	113	64
St Anselm's Catholic School, Canterbury	245	367
St Gregory's Catholic Primary School, Margate	576	457
Holy Family RCP School, Maidstone	191	91
St Mary's Catholic Primary School, Deal	75	72
St Simon of England RCP School, Ashford	103	92
St Margaret Clitherow Catholic Primary School, Sevenoaks	92	71
St Thomas' Catholic Primary School, Sevenoaks	255	265
St Peter's Catholic Primary School, Sittingbourne	116	—
St Richard's Catholic Primary School, Dover	142	—
More Park Catholic Primary School, West Malling	83	—
Our Lady of Hartley Catholic Primary School, Hartley	100	—
St Joseph's Catholic Primary School, Northfleet	157	—
Ursuline College, Westgate-on-Sea	258	—
Stella Maris Catholic Primary School, Folkestone	86	—
St John's Catholic Primary School, Gravesend	333	—
St Mary's Catholic Primary School, Whitstable	(56)	—
Central Services	(412)	(332)
Total funds before fixed assets fund and pension reserve	3,997	2,235
Restricted fixed asset fund	50,093	30,051
Pension reserve	(7,540)	(3,795)
Total	46,550	28,491

The funds deficit of £56,000 in respect to St Mary's Catholic Primary School, Whitstable, is due to a credit facility from the Diocese of Southwark which at 31 August 2015 amounted to £128,000. The School is managing the monthly repayment of £2,667 from its operational budget. Please see note 17 for details.

The Central Services deficit of £412,000 is due to a credit facility of £420,000 provided by the Diocese of Southwark. Please see note 16 for details.

19 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2015 £'000
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	—	—	50,093	50,093
Current assets	1,079	6,094	—	7,173
Creditors: Amounts falling due within one year	—	(3,080)	—	(3,080)
Creditors: Amounts falling due after more than one year	—	(96)	—	(96)
Pension scheme liability	—	(7,540)	—	(7,540)
Total net assets	1,079	(4,622)	50,093	46,550

20 Capital commitments

At 31 August 2015, the Partnership had the following capital commitments:

	2015 £'000	2014 £'000
Contracted for, but not provided in these financial statements	253	—

The above capital commitments, relating to the refurbishment of toilets at Ursuline College will be met from DfE capital grants received.

21 Financial commitments

Operating leases

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

	2015 £'000	2014 £'000
Land and buildings		
Expiring in over five years	12	—
Other		
Expiring within one year	21	15
Expiring within two and five years inclusive	49	56
	70	71

22 Reconciliation of net income to net cash inflow from operating activities

	2015 £'000	2014 £'000
Net income	18,476	28,814
Depreciation (note 13)	1,079	613
Interest income	(11)	(4)
Capital grants from EFA and other capital income	(1,146)	(79)
Fixed assets brought in on conversion	(19,344)	(30,630)
FRS17 pension liability brought in on conversion	2,708	3,381
FRS17 pension costs less contributions payable	495	47
FRS17 pension finance income	125	20
Decrease (increase) in stock	1	(10)
Increase in debtors	(146)	(868)
Increase in creditors	1,513	1,556
Net cash inflow from operating activities	3,750	2,840

23 Return on investments and servicing of finance

	2015 £'000	2014 £'000
Interest received	11	4
Net cash inflow from returns on investment and servicing of finance	11	4

24 Capital expenditure and financial investment

	2015 £'000	2014 £'000
Purchase of tangible fixed assets	(1,777)	(34)
Capital grants from EFA and other capital income	1,146	79
Net cash (outflow) inflow from capital expenditure and financial investment	(631)	45

25 Analysis of changes in net funds

	At 1 September 2014 £'000	Cashflows £'000	At 31 August 2015 £'000
Cash in hand and at bank	3,007	3,130	6,137

26 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.

27 Pension and similar obligations

The Partnership'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 Kent County Council. Both are multi – employer defined-benefit schemes.

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

Contributions amounting to £59,176 (2014 - £nil) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers 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;

27 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- ◆ 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 £2,187,000 (2014: £592,000).

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

Local Government Pension Scheme (LGPS)

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 £1,578,000, of which employer's contributions totalled £1,208,000 and employees' contributions totalled £370,000. The agreed contribution rates for future years are 21% for employers and 6% for employees.

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

Principal Actuarial Assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.5%	4.5%
Rate of increase for pensions in payment / inflation	2.7%	2.7%
Discount rate for scheme liabilities	4.0%	4.0%
Inflation assumption (CPI)	2.7%	2.7%
Commutation of pensions to lump sums	3.6%	3.5%

27 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.8	22.7
Females	25.2	25.1
<i>Retiring in 20 years</i>		
Males	25.1	24.9
Females	27.6	27.4

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

	Value at 31 August 2015 £'000	Expected return at 31 August 2014*	Fair value at 31 August 2014 £'000
Equities	5,731	6.7%	1,669
Gilts	83	3.0%	30
Bonds	927	3.6%	288
Property	1,137	5.9%	250
Cash	220	2.9%	103
Target return portfolio	365	5.9%	105
Total market value of assets	8,463		2,445
Present value of scheme liabilities	(16,003)		(6,240)
(Deficit) in the scheme	(7,540)		(3,795)

*No long-term expected rate of return at 31 August 2015 has been provided, as for accounting periods beginning on or after 1 January 2015, the expected return and interest cost will be replaced with a single net interest cost. This will effectively set the expected return at a level equal to the discount rate of 4%.

27 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The actual return on scheme assets was £253,000.

Amounts recognised in statement of financial activities	2015 £'000	2014 £'000
Current service costs (net of employee contributions)	(495)	(47)
Total operating charge	(495)	(47)
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	467	77
Interest on pension liabilities	(592)	(97)
Pension finance (costs)	(125)	(20)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £764,000.

Movements in the overall deficit were as follows:	2015 £'000	2014 £'000
At 1 September 2014	3,795	—
Deficit inherited on conversion	2,708	3,381
Current service cost	1,703	243
Employer contributions	(1,208)	(196)
Net finance interest	125	20
Actuarial losses	417	347
At 31 August 2015	7,540	3,795

For schools which converted to academies after 1 May 2015, the actuary has not provided a valuation of the pension fund as at 31 August 2015. A valuation was provided on the date of conversion and any movement between the valuation at the date of conversion and 31 August 2015 is not expected to be material.

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 £'000
At 1 September 2014	6,240	5,502
Inherited on conversion	6,854	—
Current service costs	1,703	243
Interest costs	592	97
Employee contributions	370	55
Benefits paid	29	—
Actuarial loss	215	343
At 31 August 2015	16,003	6,240

Movements in the fair value of Partnership's share of scheme assets:	2015 £'000	2014 £'000
At 1 September 2014	2,445	2,121
Inherited on conversion	4,146	—
Expected return on assets	467	77
Actuarial (loss)	(202)	(4)
Employer contributions	1,208	196
Employee contributions	370	55
Benefits paid	29	—
At 31 August 2015	8,463	2,445

27 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The estimated value of the employer contributions for the year ending 31 August 2016 is £1,075,000 for schools that joined the Partnership before 31 August 2015.

The adjustments are as follows:

	2015 £'000	2014 £'000
Present value of defined benefit obligations	(15,236)	(6,240)
Fair value of share scheme assets	8,045	2,445
Deficit on the scheme	(7,191)	(3,795)
Experience adjustments on share of scheme assets		
Amount	194	55
Experience adjustments on scheme liabilities		
Amount	232	347

28 Related party transactions

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

The Partnership received credit facility funding of £nil (2014 - £320,000) from the Diocese of Southwark during the year to support the set up costs of the Partnership. At 31 August 2015, no amount of this balance of £420,000 has been repaid to the Diocese of Southwark. All of the Partnership's members and two of the Directors, Reverend Father Philip Gilbert and Father Paul Mason are employees of the Diocese of Southwark.

The Partnership has another credit facility of £128,000 outstanding at 31 August 2015 from the Diocese. This is being repaid at a monthly amount of £2,667.

29 Transfers on conversion of the schools from the Local Authority

The conversion of the schools from the Local Authority to academies within the Partnership has involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration. This has been accounted for under the acquisition method.

29 Transfers on conversion of the schools from the Local Authority (continued)

The assets and liabilities transferred on conversion from the following schools to the Partnership have been valued at their fair value being a reasonable estimate of the current market value that the Directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Partnership. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds.

Schools converting in the year ended 31 August 2015 were as follows:

	Date of conversion
St Peter's Catholic Primary School, Sittingbourne	1 October 2014
St Richard's Catholic Primary School, Dover	1 October 2014
More Park Catholic Primary School, West Malling	1 October 2014
Our Lady of Hartley Catholic Primary School, Hartley	1 November 2014
St Joseph's Catholic Primary School, Northfleet	1 December 2014
Ursuline College, Westgate-on-Sea	1 January 2015
Stella Maris Catholic Primary School, Folkestone	1 January 2015
St John's Catholic Primary School, Gravesend	1 July 2015
St Mary's Catholic Primary School, Whitstable	1 July 2015

30 Conversion of schools

St Peter's Catholic Primary School

On 1 October 2014 the **St Peter's Catholic Primary School**, located in **Sittingbourne**, converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kent Catholic Schools' Partnership from Kent County Council for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2015 £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	937	937
Cash at bank				
Budget surplus on LA funds	—	48	—	48
Pension liability				
LGPS pension deficit	—	(125)	—	(125)
	—	(77)	937	860

The above net assets include £48,550 transferred as cash.

30 Conversion of schools (continued)

St Richard's Catholic School

On 1 October 2014 the **St Richard's Catholic School, located in Dover**, converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kent Catholic Schools; Partnership from Kent County Council for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2015 £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	1,027	1,027
Cash at bank				
Budget surplus on LA funds	—	90	—	90
Pension liability				
LGPS pension deficit	—	(222)	—	(222)
	—	(132)	1,027	895

The above net assets include £89,965 transferred as cash.

More Park Catholic Primary School

On 1 October 2014 the **More Park Catholic Primary School, located in West Malling**, converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kent Catholic Schools' Partnership from Kent County Council for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2015 £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	1,160	1,160
Cash at bank				
Budget surplus on LA funds	—	69	—	69
Pension liability				
LGPS pension deficit	—	(104)	—	(104)
	—	(35)	1,160	1,125

The above net assets include £69,451 transferred as cash.

30 Conversion of schools (continued)

Our Lady of Hartley Catholic Primary School

On 1 November 2014 the **Our Lady of Hartley Catholic Primary School**, located in **Hartley**, converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kent Catholic Schools' Partnership from Kent County Council for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2015 £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	1,092	1,092
Cash at bank				
Budget surplus on LA funds	—	107	—	107
Pension liability				
LGPS pension deficit	—	(110)	—	(110)
	—	(3)	1,092	1,089

The above net assets include £106,858 transferred as cash.

St Joseph's Catholic Primary School

On 1 December 2014 the **St Joseph's Catholic Primary School**, located in **Northfleet**, converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kent Catholic Schools' Partnership from Kent County Council for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2015 £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	1,052	1,052
Cash at bank				
Budget surplus on LA funds	—	170	—	170
Pension liability				
LGPS pension deficit	—	(131)	—	(131)
	—	39	1,052	1,091

The above net assets include £169,854 transferred as cash.

30 Conversion of schools (continued)

Ursuline College

On 1 January 2015 **Ursuline College, located in Westgate-on-Sea**, converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kent Catholic Schools' Partnership from Kent County Council for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2015 £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	7,444	7,444
Cash at bank				
Budget surplus on LA funds	—	388	—	388
Capital grant – unspent balance	—	—	316	316
	—	388	316	704
Pension liability				
LGPS pension deficit	—	(628)	—	(628)
	—	(240)	7,760	7,520

The above net assets include £703,353 transferred as cash.

Stella Maris Catholic Primary School

On 1 January 2015 the **Stella Maris Catholic Primary School, located in Folkestone**, converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kent Catholic Schools' Partnership from Kent County Council for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2015 £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	1,140	1,140
Cash at bank				
Budget surplus on LA funds	—	75	—	75
Pension liability				
LGPS pension deficit	—	(340)	—	(340)
	—	268	1,140	875

The above net assets include £75,296 transferred as cash.

30 Conversion of schools (continued)

St John's Catholic Primary School

On 1 July 2015 the **St John's Catholic Primary School**, located in **Gravesend**, converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kent Catholic Schools' Partnership from Kent County Council for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2015 £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	2,746	2,746
Cash at bank				
Budget surplus on LA funds	—	250	—	250
Pension liability				
LGPS pension deficit	—	(686)	—	(686)
	—	(436)	2,746	2,310

The above net assets include £249,794 transferred as cash.

St Mary's Catholic Primary School

On 1 July 2015 the **St Mary's Catholic Primary School**, located in **Whitstable**, converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kent Catholic Schools' Partnership from Kent County Council for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2015 £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	2,746	2,746
Cash at bank				
Budget surplus on LA funds	—	45	—	45
Creditors: amounts falling due within one year				
Borrowing obligations	—	(133)	—	(133)
Pension liability				
LGPS pension deficit	—	(362)	—	(362)
	—	(450)	2,746	2,296

The above net assets include £45,222 transferred as cash.

On conversion the St Mary's Catholic Primary School had a credit facility from the Diocese of Southwark of £133,333 the details of which are detailed in notes 16 and 17.

31 Agency Arrangements

The Partnership distributes 16-19 bursary funds to students as an agent for the EFA. In the year ended 31 August 2015 the Partnership received £4,020 and disbursed £3,940 from the fund. An amount of £80 is included in other creditors relating to undistributed funds that is repayable to the EFA.