

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

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KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members	M Blackwell I Gough (appointed 18 September 2015) A Hazelton A Horn L Scragg
Trustees	M Blackwell, Chair ^{2,3} W Conaghan, Headteacher and Accounting Officer ^{2,3} D Bahia (resigned 24 April 2016) ² B Baker (appointed 19 October 2015) ^{1,4} A Bradbury (appointed 12 October 2015) ^{2,3} M Bradley ^{1,2} S Castle (resigned 8 December 2015) ⁴ I Gough ^{2,3,4} S Harvey (resigned 22 July 2016) ^{2,4} A Hazelton ^{2,3} A Horn ^{1,3} J Knight (resigned 22 July 2016) ³ S Page (appointed 12 October 2015) ¹ L Scragg ^{3,4} B Stockford, Staff Trustee ^{1,2,4} D Williams, Staff Trustee ^{1,2} H Wright, Staff Trustee ^{1,4} ¹ Curriculum Committee member ² Finance (incorporating Audit) and Premises Committee member ³ Staff Committee member ⁴ Welfare Committee member
Company registered number	07697067
Company name	Kingsdown School
Principal and registered office	Kingsdown School Hyde Road Stratton St Margaret Swindon SN2 7SH
Company secretary	J Carter
Accounting Officer	W Conaghan
Senior Leadership Team	W Conaghan, Headteacher S Lowe, Deputy Head M Drayton, Deputy Head A Evans, Assistant Head M Amey, Assistant Head R Green, Assistant Head H Brown, Business Manager

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

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank Plc 84-86 Gorse Hill Swindon Wiltshire SN2 6AE
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 16 in Swindon, Wiltshire. It has a pupil capacity of 1,260 and had a roll of 1,177 in the school census on 1 October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Kingsdown School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Kingsdown School.

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

Members' Liability

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

Trustees' Indemnities

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

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

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

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

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

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

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

There are 6 committees as follows;

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

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

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

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

The Headteacher is the Accounting Officer.

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Board of Trustees reviews and agrees a Pay Policy for all staff annually. All teachers employed at Kingsdown School are paid in accordance with the statutory provisions of the School Teachers' Pay and Conditions Document as updated from time to time. Support staff will be paid in accordance with the terms and conditions set out in the National Joint Council for Local Government scheme of service, except where provincial or local agreements supersede the national provisions.

Performance reviews for the SLT are carried out by the Headteacher. Pay decisions on performance payments for the SLT will be made by the Staffing Committee. Decisions will be communicated to each member of staff by the Headteacher in writing. Decisions on the pay of the Headteacher will be communicated by the Chair of Trustees, in writing.

Connected Organisations, including Related Party Relationships

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

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

Kingsdown have started discussions and due diligence with the River Learning Trust, based in Oxford. The intention is to join the Multi-Academy Trust in 2016/17.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

The aims of the School during the year ended 31 August 2016 are summarised below:

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

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

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

Objectives, Strategies and Activities

Through an analysis and evaluation of feedback from staff training days, department and pastoral reviews, Leadership and Trustee meetings and the most recent OFSTED inspection the following were identified as the key areas for development during the year ended 31 August 2016:

Outcomes

- Continue to improve the differentiation and challenge further for the more able;
- Improve the value added across all subjects and all abilities in all year groups;
- Evaluate the impact of the comprehensive Pupil Premium (PP) interventions to identify which ones are having the greater impact. Reduce the gap further in school and ensure it is in line with national average for non-PP;
- Close the gap further between boys and girls;
- Numeracy and Literacy Co-ordinators in place for September 2015. Keys and locks to be shared across the School to aid improvement in Literacy and Numeracy;
- Lead Practitioners in place for September 2015 for Maths & Computing, Communications, Science and Technology. Other faculties to follow in January 2016, when vacancy available in line with shadow structure;
- New progress 8 and attainment 8 data to be used for measuring achievement;
- Implementation of the Accelerated programme to improve reading for all; and
- Consider closely the Government reforms with regards to curriculum offer to ensure the best possible outcomes for each individual student.

Quality of Teaching and Learning and Assessment (Teaching and Learning)

- Ensure all Teaching is at least good or better through Performance Management Review (PMR) and training;
- Deploy the use of Lead Practitioners for coaching and mentoring;
- Any member of staff graded as less than good to have an action plan personalised to their needs;
- Utilise the Outstanding Teacher and Improving Teacher programmes offered through the Teaching Alliance;
- Build upon the use of quality feedback by ensuring that all How to Improve's identified during Monitoring, Evaluation and Review (MER) scrutinies are acted upon and their impact evaluated;
- Ensure accuracy of assessment by teachers is within a 10% tolerance of actuals. Further training on the use of fine gradings;
- Quality of marking has improved; we now need to look more closely at the student response to the feedback; and
- Ensure a common approach to differentiation - Core, Challenge and Super Challenge. Consistency required.

Personal Development, Behaviour and Welfare (Behaviour and Safety)

- Review of the pastoral structure;
- Increase the consistency with which staff use the Behaviour for Learning (BfL) system, review BfL thresholds. (Personal Development & Wellbeing Ladder);
- Implement rewards for learning;
- Introduce a new internal exclusion before Fixed Term Exclusion is put in place;
- Introduce different sanctions for lack of prep work rather than poor behaviour; and
- Use of structured conversations to improve parental engagement.

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

Effectiveness of Leadership and Management

- Secure good progress across all subjects and all year groups for all students;
- Create a succession plan that highlights the staff to develop and promote, as well as those with further need of support;
- Recruitment and retention of quality teachers;
- Complete the new pastoral restructure consultation and implement by September 2016;
- Identification of key areas where upper pay scale staff can support school improvement;
- Development of parental engagement and the use of Trustees;
- Life beyond levels. New assessment policy required;
- Implementation of the new personalised CPD opportunities;
- Improve effectiveness of line management through the new DoL;
- Clear hypothesis/lead question for each of the MER events in the calendar;
- Implement PMR standards for support staff;
- Monthly extended leadership team meetings;
- Establish more regularity for stakeholder surveys;
- Evaluate the PP action plan;
- Evaluate the Trustee action plan;
- Monitor the progress of the Post Ofsted Action plan;
- Presentation of the learning environment; and
- Transition – to include the content and dissemination of the curriculum and impact of interventions.

Public Benefit

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

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

STRATEGIC REPORT

Achievements and Performance

2015/16 results have realised raised standards of attainment and progress across a number of subjects and in key performance measures. English attainment and progress is a significant strength and Maths has improved attainment and progress from 2014/15. English Language is above national at A*-A and A*-C and Maths is below national at A*-A and above for A*-C. National progress measures are not currently available for comparisons to be made.

Our Progress 8 (P8) score is positive based on 2014/15 methodologies. Males P8 is positive and stronger than the females P8. The progress gap between males and females in English and Maths has closed from 2014/15, 5% in Maths and 8% in English in 2015/16, both in favour of females who have performed marginally better than their male counterparts.

The gaps in achievement (attainment and progress) of disadvantaged students have grown and remains a key area of focus for us as a school.

2015/2016 Impact

Following the mock exams in February, targeted interventions and support was set in place to improve standards in Maths in particular and for PP and Able, Gifted and Talented (AGaT) students. The School has adopted many of the Partners in Excellence (PIXL) principles including walking talking mocks, Diagnosis Therapy Testing (DTT) and Personalised Learning Checklists (PLC's). Easter and half term revision sessions were set in place with revision sessions ahead of every examination.

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

A focussed 3 wave intervention programme was set in place in Maths and the link Deputy Head and Subject Leader met weekly to monitor progress. Student feedback was really positive and the profile of Maths was raised further across the School.

A*-C grades rose from 29% to 79%. 3+ Levels of Progress (LOP) rose from 29% to 79% and 4+LOP from 0 to 14%. The impact of this very structured intervention based on entries was an increase in A*-C from 44% to 65%. 3+LOP increased from 36% to 61%, 4+LOP from 7% to 23% and 5+LOP from 0.5% to 3%. PP students' attainment and progress rose from 24% A*-C to 42%, 3+LOP from 14% to 40%, 4+LOP from 4% to 10%. Upper ability students in Maths A*-A grades rose from 15% to 27%.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £437,792 was carried forward.

Another key financial performance indicator is staffing costs as a percentage of total income (excluding restricted fixed asset fund income and capital grants). For 2016 this was 79.1%, compared to 78.0% in 2015.

Going Concern

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

FINANCIAL REVIEW

Financial Review

The majority of the School's income is obtained from the Department for Education via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2016, total expenditure (excluding restricted fixed assets) of £6,893,011 was covered by recurrent grant funding (excluding restricted fixed assets) from the DfE, together with other incoming resources of £627,171. The excess of income over expenditure for the year was £445,727.

At 31 August 2016 the net book value of fixed assets was £12,351,835 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the School.

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

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

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

Reserves Policy

Trustees review the level of reserves on an annual basis. When determining an appropriate level Trustees consider the following points, alongside risk analysis of impact and likelihood on a percentage basis determined by a risk score:

- the risk of unforeseen emergency or other unexpected need for funds;
- covering unforeseen day-to-day operational costs, for example, employing temporary staff to cover a long-term sick absence;
- a fall in a source of income, such as lettings;
- planned commitments, or designations, that cannot be met by future income alone, for example, plans for a major capital project;
- the need to fund potential deficits in a cash budget, for example, money may need to be spent before a funding grant is received; and
- the financial risks identified determine the amount of reserves the Academy targets to hold.

After careful risk analysis, the Trustees have decided that a prudent reserve level that should be held at the end of a 3 year forecast will be £80,000.

The School's current level of reserves is £639,057 (total funds less the amount held in fixed assets and restricted funds). With the current well documented local and national financial pressures and uncertainties to the School's budget combined with a notable fall in pupil numbers, the Trustees have made a conscious decision to make purposeful use of these reserves for the coming years to review, develop and deploy resources as effectively as possible ensuring that the School aligns itself to a sustainable structure.

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

Investment Policy

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

Principal Risks And Uncertainties

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

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

Financial - the School has considerable reliance on continued Government funding through the EFA. In the last year 86% of the School's incoming resources (excluding the gain on disposal of land) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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

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

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

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

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

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

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

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

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

PLANS FOR FUTURE PERIODS

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

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

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

Kingsdown have started discussions and due diligence with the River Learning Trust, based in Oxford. The intention is to join the Multi-Academy Trust in 2016/17.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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

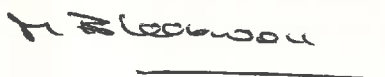
AUDITORS

In so far as the Trustees are aware:

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

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

Trustees' Report, incorporating a Strategic Report, approved by order of the Board of Trustees, as company directors, on 12 December 2016 and signed on the Board's behalf by:



M Blackwell
Chair of Trustees



W Conaghan
Accounting Officer

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kingsdown School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Blackwell, Chair	6	6
W Conaghan, Headteacher	6	6
D Bahia (resigned 24 April 2016)	0	3
B Baker (appointed 19 October 2015)	4	5
A Bradbury (appointed 12 October 2015)	5	5
M Bradley	5	6
S Castle (resigned 8 December 2015)	2	2
I Gough	6	6
S Harvey (resigned 22 July 2016)	4	6
A Hazelton	4	6
A Horn	3	6
J Knight (resigned 22 July 2016)	5	6
S Page (appointed 12 October 2015)	3	5
L Scragg	5	6
B Stockford	6	6
D Williams	5	6
H Wright	5	6

Governance Review

A Formal Governance review was undertaken in late December 2013 and concluded that Governance was good. An action plan was developed with the aim to aspire to Outstanding Governance. This action plan is regularly reviewed and is supported by an appointed school improvement partner. A further formal full Governance Review is planned for 2016/17.

The Finance (incorporating Audit) and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to exercise the powers and duties of the Board of Trustees in respect of the financial administration of the School, except for those items specifically reserved for the Board of Trustees and those delegated to the Headteacher, Business Manager, or other staff. In particular the Committee shall review the management of the financial operation of the School through Committee meetings and recommend an annual budget to the Board of Trustees, including any revisions to the budget plan during the financial year, set charges for lettings and catering, review outcomes of external audits and monitor remedial actions through to completion and consider and make recommendations to the Board of Trustees on all finance and premises related policies.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Bahia (resigned 24 April 2016)	0	4
M Blackwell	5	5
A Bradbury (appointed 12 October 2015)	3	4
M Bradley	3	5
I Gough	5	5
S Harvey (resigned 22 July 2016)	1	1
A Hazelton, Chair	5	5
B Stockford (resigned 12 October 2015)	1	1
D Williams	3	5

During the year 1 Trustee joined the committee and 3 Trustees resigned from the Committee.

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management
- Regular challenge at Trustee and Senior level
- Best value procurement
- Arranging benchmarking, peer review and external scrutiny opportunities
- Contract review and negotiation
- Effective deployment of all resources
- Challenging staff performance and student outcomes
- Proactive capital grant applications
- Recruitment and staffing structure rationalisation
- Effective and improved use of technology.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of School policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kingsdown School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

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

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

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

The Internal Assurance auditor reports to the Board of Trustees, through the Finance (incorporating Audit) and Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance (incorporating Audit) and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2016 and signed on their behalf, by:



M Blackwell
Chair of Trustees



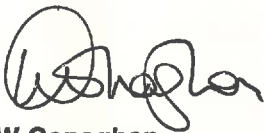
W Conaghan
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and EFA.



W Conaghan
Accounting Officer

Date: 12 December 2016

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



M Blackwell
Chair of Trustees

Date: 12 December 2016

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSDOWN SCHOOL**

We have audited the financial statements of Kingsdown School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSDOWN SCHOOL**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Bishop Fleming LLP

Joseph Scaife FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date: *22/12/16*

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

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingsdown School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kingsdown School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kingsdown School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kingsdown School and EFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Kingsdown School's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Joseph Scaife FCA (Reporting Accountant)

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

Date: *22/12/16*

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	824,225	-	824,225	223,399
Charitable activities	5	109,866	6,417,769	-	6,527,635	6,352,379
Other trading activities	3	162,179	-	-	162,179	190,556
Investments	4	4,360	-	-	4,360	3,200
Other income	6	-	-	893,076	893,076	-
TOTAL INCOME		276,405	7,241,994	893,076	8,411,475	6,769,534
EXPENDITURE ON:						
Raising funds	7	109,976	-	-	109,976	127,551
Charitable activities		91,676	6,691,359	420,333	7,203,368	6,762,906
TOTAL EXPENDITURE	8	201,652	6,691,359	420,333	7,313,344	6,890,457
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	20	74,753	550,635	472,743	1,098,131	(120,923)
		-	(179,661)	179,661	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		74,753	370,974	652,404	1,098,131	(120,923)
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(1,090,000)	-	(1,090,000)	29,000
NET MOVEMENT IN FUNDS		74,753	(719,026)	652,404	8,131	(91,923)
RECONCILIATION OF FUNDS:						
Total funds brought forward		564,304	(751,791)	12,486,331	12,298,844	12,390,767
TOTAL FUNDS CARRIED FORWARD		639,057	(1,470,817)	13,138,735	12,306,975	12,298,844

The notes on pages 24 to 45 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		12,351,835		13,056,331
CURRENT ASSETS					
Debtors	16	1,141,370		205,596	
Cash at bank and in hand		1,650,411		1,220,691	
		<u>2,791,781</u>		<u>1,426,287</u>	
CREDITORS: amounts falling due within one year	17	(366,641)		(416,774)	
NET CURRENT ASSETS			2,425,140		1,009,513
TOTAL ASSETS LESS CURRENT LIABILITIES			14,776,975		14,065,844
CREDITORS: amounts falling due after more than one year	18		-		(470,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			14,776,975		13,595,844
Defined benefit pension scheme liability	27		(2,470,000)		(1,297,000)
TOTAL NET ASSETS			<u>12,306,975</u>		<u>12,298,844</u>
FUNDS OF THE SCHOOL					
Restricted funds:					
General funds	20	999,183		545,209	
Fixed asset funds	20	13,138,735		12,486,331	
Restricted funds excluding pension liability		14,137,918		13,031,540	
Pension reserve		<u>(2,470,000)</u>		<u>(1,297,000)</u>	
Total restricted funds			11,667,918		11,734,540
Unrestricted funds	20		639,057		564,304
TOTAL FUNDS			<u>12,306,975</u>		<u>12,298,844</u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:



M Blackwell
Chair of Trustees

The notes on pages 24 to 45 form part of these financial statements.

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(88,867)	411,031
Cash flows from investing activities:			
Interest received		4,360	3,200
Proceeds from the sale of tangible fixed assets		360,950	-
Purchase of tangible fixed assets		(79,659)	(140,349)
Capital grants from DfE/EFA		332,936	-
Net cash provided by/(used in) investing activities		618,587	(137,149)
Cash flows from financing activities:			
Finance lease repayments		(100,000)	(70,000)
Net cash used in financing activities		(100,000)	(70,000)
Change in cash and cash equivalents in the year		429,720	203,882
Cash and cash equivalents brought forward		1,220,691	1,016,809
Cash and cash equivalents carried forward	23	1,650,411	1,220,691

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the School, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

Kingsdown School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 30.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the School has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the School's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

1. ACCOUNTING POLICIES (continued)

1.3 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.4 INCOME

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Expenditure on raising funds includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets individually costing more than £1,000 are capitalised, and all asset groups in excess of £5,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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.

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES AND PROVISIONS

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

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

1. ACCOUNTING POLICIES (continued)

1.10 LEASING AND HIRE PURCHASE

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

1.11 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure

1.12 OPERATING LEASES

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

1.13 TAXATION

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

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

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

Retirement benefits to employees of the School 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 School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the School in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	8,327	-	8,327	6,892
Capital Grants	-	815,898	-	815,898	216,507
	<u>-</u>	<u>824,225</u>	<u>-</u>	<u>824,225</u>	<u>223,399</u>

In 2015, of the total income from donations and capital grants, £200 was unrestricted funds and £223,199 was restricted funds.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	98,260	-	98,260	119,172
External Catering	43,120	-	43,120	49,020
Consultancy	20,799	-	20,799	22,364
	<u>162,179</u>	<u>-</u>	<u>162,179</u>	<u>190,556</u>

In 2015 all income from other trading activities was unrestricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	4,360	-	4,360	3,200
	<u>4,360</u>	<u>-</u>	<u>4,360</u>	<u>3,200</u>

In 2015 all investment income was unrestricted funds.

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	5,793,059	5,793,059	5,645,808
Pupil Premium	-	278,771	278,771	255,264
Other DfE/EFA grants	-	3,500	3,500	-
	-	6,075,330	6,075,330	5,901,072
Other Government grants				
Exceptional needs funding	-	92,485	92,485	70,386
High needs funding	-	221,304	221,304	223,376
Pupil Premium	-	28,650	28,650	15,249
	-	342,439	342,439	309,011
Other funding				
Educational visits	81,209	-	81,209	99,047
Other	28,657	-	28,657	43,249
	109,866	-	109,866	142,296
	109,866	6,417,769	6,527,635	6,352,379

In 2015, of the total income from charitable activities, £142,296 was unrestricted funds and £6,210,083 was restricted funds.

6. OTHER INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Gains on disposal of fixed assets	-	893,076	893,076	-

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7. COSTS OF RAISING FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
External catering costs	43,120	-	43,120	49,020
Lettings non-staff costs	22,535	-	22,535	27,482
Lettings and consultancy staff costs	44,321	-	44,321	51,049
	<u>109,976</u>	<u>-</u>	<u>109,976</u>	<u>127,551</u>

In 2015, of the total costs of raising funds, £127,551 was to unrestricted funds and £NIL was to restricted funds.

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising funds	44,321	21,009	44,646	109,976	127,551
Education:					
Direct costs	4,325,880	245,811	598,919	5,170,610	4,955,360
Support costs	932,929	743,754	356,075	2,032,758	1,761,546
	<u>5,303,130</u>	<u>1,010,574</u>	<u>999,640</u>	<u>7,313,344</u>	<u>6,844,457</u>

In 2015, of the total expenditure £226,598 was unrestricted and £6,617,859 was restricted.

9. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	25,000	23,000
Educational supplies	305,698	306,102
Examination fees	75,962	86,885
Educational visits	96,951	113,989
Supply teachers	267,805	148,728
Wages and salaries	3,216,509	3,211,054
National insurance	273,468	241,679
Pension costs	568,098	511,297
Depreciation	341,119	335,146
	<u>5,170,610</u>	<u>4,977,880</u>

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

10. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	25,000	24,000
Staff development	21,622	24,304
Other costs	1,215	939
Recruitment and support	23,966	27,863
Maintenance of premises and equipment	529,574	170,358
Cleaning	43,835	46,273
Rent and rates	30,378	27,277
Energy costs	84,023	96,769
Insurance	35,988	57,191
Security and transport	6,298	9,533
Catering	27,663	35,344
Technology costs	4,067	38,536
Office overheads	64,015	84,687
Legal and professional	104,715	99,777
Bank charges	1,064	2,191
Governance	17,192	11,950
Wages and salaries	726,813	734,613
National insurance	39,763	35,833
Pension cost	166,353	178,567
Depreciation	79,214	79,021
	2,032,758	1,785,026

11. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	420,330	394,167
- held under finance leases	-	20,000
Auditors' remuneration - audit	8,000	7,670
Auditors' remuneration - other services	5,000	2,885
Operating lease rentals	22,454	22,816

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

12. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,987,643	3,994,621
Social security costs	313,231	277,380
Operating costs of defined benefit pension schemes	734,451	689,351
	<u>5,035,325</u>	<u>4,961,352</u>
Supply teacher costs	267,805	148,728
	<u>5,303,130</u>	<u>5,110,080</u>

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

	2016 No.	2015 No.
Teachers	67	67
Administration and Educational Support	92	98
Leadership	7	7
	<u>166</u>	<u>172</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	63	63
Administration and Educational Support	66	71
Leadership	7	7
	<u>136</u>	<u>141</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	1	1

The key management personnel of the School comprises the Trustees and other Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the School was £504,822 (2015: £520,368).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 13 has not been included in the total benefits received by key management personnel above.

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

13. TRUSTEES

During the year retirement benefits were accruing to 4 Trustees (2015: 5) in respect of defined benefit pension schemes.

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

W Conaghan

Remuneration £85,000 - £90,000 (2015: £85,000 - £90,000)

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

M Blackwell (*employment ceased during 2014/15*)

Remuneration £NIL (2015: £35,000 - £40,000)

Employer's pension contributions £NIL (2015: £5,000 - £10,000)

H Wright

Remuneration £20,000 - £25,000 (2015: £30,000 - £35,000)

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

B Stockford

Remuneration £15,000 - £20,000 (2015: £15,000 - £20,000)

Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000)

D Williams

Remuneration £45,000 - £50,000 (2015: £45,000 - £50,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year ended 31 August 2016, expenses totalling £329 (2015: £262) were reimbursed to 2 Trustees (2015: 2).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £644 (2015: £718).

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

15. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Building improvement £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
COST					
At 1 September 2015	12,744,816	977,964	84,899	9,167	121,128
Additions	-	-	2,578	-	-
Disposals	(405,000)	-	-	-	-
At 31 August 2016	12,339,816	977,964	87,477	9,167	121,128
DEPRECIATION					
At 1 September 2015	832,837	257,583	28,635	9,167	44,576
Charge for the year	203,959	97,796	9,308	-	14,324
On disposals	(41,175)	-	-	-	-
At 31 August 2016	995,621	355,379	37,943	9,167	58,900
NET BOOK VALUE					
At 31 August 2016	11,344,195	622,585	49,534	-	62,228
At 31 August 2015	11,911,979	720,381	56,264	-	76,552

	Computer equipment £	Total £
COST		
At 1 September 2015	680,939	14,618,913
Additions	77,081	79,659
Disposals	(44,327)	(449,327)
At 31 August 2016	713,693	14,249,245
DEPRECIATION		
At 1 September 2015	389,784	1,562,582
Charge for the year	94,943	420,330
On disposals	(44,327)	(85,502)
At 31 August 2016	440,400	1,897,410
NET BOOK VALUE		
At 31 August 2016	273,293	12,351,835
At 31 August 2015	291,155	13,056,331

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

	2016 £	2015 £
Freehold land and buildings	-	918,333

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

15. TANGIBLE FIXED ASSETS (continued)

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

During the year the School disposed of freehold land at cost of £405,000 for consideration of £1,256,901. Of the proceeds, £470,000 were applied to the full settlement of the remaining finance lease liability. Therefore, at 31 August 2016, no assets were held under finance lease.

16. DEBTORS

	2016 £	2015 £
Trade debtors	2,176	9,914
VAT repayable	83,236	33,110
Prepayments and accrued income	1,055,958	162,572
	<u>1,141,370</u>	<u>205,596</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Net obligations under finance leases	-	100,000
Trade creditors	80,329	85,952
Other taxation and social security	96,324	87,494
Other creditors	85,537	32,984
Accruals and deferred income	104,451	110,344
	<u>366,641</u>	<u>416,774</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September	45,237	37,097
Resources deferred during the year	37,093	45,327
Amounts released from previous years	(45,237)	(37,097)
Deferred income at 31 August	<u>37,093</u>	<u>45,327</u>

Deferred income refers to amounts received in respect of lettings income and educational visits which relate to the 2016/17 academic year.

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

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

	2016 £	2015 £
Net obligations under finance leases	-	470,000

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	-	70,000

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

	2016 £	2015 £
Between one and five years	-	400,000
After five years	-	70,000
	-	470,000

The finance lease liability related to the acquisition of the freehold of the sports centre and was repayable in annual instalments. During the year, part of the freehold land was sold and the remaining finance lease liability was settled. Further details are given in note 15.

19. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	1,650,411	1,220,691
Financial assets measured at amortised cost	924,880	28,263
	2,575,291	1,248,954
Financial liabilities measured at amortised cost	(148,142)	(720,969)

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, obligations under finance lease and other creditors.

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

20. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	564,304	276,405	(201,652)	-	-	639,057
RESTRICTED FUNDS						
General Annual Grant (GAG)	327,530	5,793,059	(5,503,136)	(179,661)	-	437,792
Pupil Premium	-	307,421	(307,421)	-	-	-
High needs funding	-	221,304	(221,304)	-	-	-
Exceptional needs funding	-	92,485	(92,485)	-	-	-
Devolved Formula Capital	25,439	24,064	(49,503)	-	-	-
Condition Improvement Fund	192,240	791,834	(422,683)	-	-	561,391
Educational visits	-	8,327	(8,327)	-	-	-
Other restricted funds	-	3,500	(3,500)	-	-	-
Pension reserve	(1,297,000)	-	(83,000)	-	(1,090,000)	(2,470,000)
	<u>(751,791)</u>	<u>7,241,994</u>	<u>(6,691,359)</u>	<u>(179,661)</u>	<u>(1,090,000)</u>	<u>(1,470,817)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets purchased from GAG	595,333	-	(140,901)	79,661	-	534,093
Fixed assets transferred on conversion	11,991,264	-	(216,532)	-	-	11,774,732
Sports Centre grant	79,552	-	(12,869)	-	-	66,683
Catering grants	30,182	-	(5,031)	-	-	25,151
Fixed asset donation	360,000	-	(45,000)	-	-	315,000
Deferred consideration	(570,000)	-	-	570,000	-	-
Gain on disposal of land	-	893,076	-	(470,000)	-	423,076
	<u>12,486,331</u>	<u>893,076</u>	<u>(420,333)</u>	<u>179,661</u>	<u>-</u>	<u>13,138,735</u>
Total restricted funds	11,734,540	8,135,070	(7,111,692)	-	(1,090,000)	11,667,918
Total of funds	<u>12,298,844</u>	<u>8,411,475</u>	<u>(7,313,344)</u>	<u>-</u>	<u>(1,090,000)</u>	<u>12,306,975</u>

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

20. STATEMENT OF FUNDS (continued)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the School. During the year £179,661 (2015: £210,349) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

Pupil Premium funding represents amounts received from the EFA and Local Authority to cater for disadvantaged students.

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

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

Condition Improvement Fund represents amounts received by the School for roofing improvement projects.

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

Other restricted funds represent income received from the EFA for Summer School to help disadvantaged children transition from primary to secondary school.

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

FIXED ASSET FUNDS

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

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

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

Catering grants represents amounts received from Schools to develop the catering facilities of the School.

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

See note 18 for details of the deferred consideration.

The gain on disposal of land has arisen on the sale of freehold land as described in note 15. The proceeds are to be restricted for capital projects to improve sport as agreed with the EFA and in discussion with Sport England.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	12,351,835	12,351,835	13,056,331
Current assets	639,057	1,365,824	786,900	2,791,781	1,426,287
Creditors due within one year	-	(366,641)	-	(366,641)	(416,774)
Creditors due in more than one year	-	-	-	-	(470,000)
Pension scheme liability	-	(2,470,000)	-	(2,470,000)	(1,297,000)
	<u>639,057</u>	<u>(1,470,817)</u>	<u>13,138,735</u>	<u>12,306,975</u>	<u>12,298,844</u>

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

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	1,098,131	(120,923)
Adjustment for:		
Depreciation charges	420,330	414,167
Interest receivable	(4,360)	(3,200)
Gain on sale of fixed assets	(893,076)	-
(Increase)/decrease in debtors	(26,861)	64,919
Increase/(decrease) in creditors	49,867	(33,932)
Capital grants from DfE and other capital income	(815,898)	-
Defined benefit pension scheme cost less contributions payable	33,000	43,000
Defined benefit pension scheme finance cost	50,000	47,000
Net cash (used in)/provided by operating activities	<u>(88,867)</u>	<u>411,031</u>

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	1,650,411	1,220,691
Total	<u>1,650,411</u>	<u>1,220,691</u>

24. MEMBERS' LIABILITY

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

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

25. GENERAL INFORMATION

Kingsdown School is a company limited by guarantee, incorporated in England and Wales. The registered office is Hyde Road, Stratton St Margaret, Swindon, SN2 7SH.

26. FINANCIAL COMMITMENTS

At 31 August 2016 the School had financial commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>285,609</u>	<u>191,574</u>

The financial commitment in 2016 relates to works being carried out on the School's roofing. The works were ongoing at the year end and the commitment relates to the value of work which was incomplete but contractually committed at the year end.

The financial commitment in 2015 related to works carried out on the sports centre roof. Works on this project began in September 2015 and were fully completed during the year.

27. PENSION COMMITMENTS

The School's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £85,082 were payable to the schemes at 31 August 2016 (2015: £32,984) 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.

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27. PENSION COMMITMENTS (continued)

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
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £430,451 (2015: £385,864).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £378,000, of which employer's contributions totalled £304,000 (2015: £304,000) and employees' contributions totalled £74,000 (2015: £75,000). The agreed contribution rates for future years are 24.5% for employers and 5.5 - 10.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.10 %

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27. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	22.3 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.9 years	26.9 years

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	2,365,920	1,880,080
Bonds	492,900	397,200
Property	394,320	318,000
Cash	32,860	53,000
Total market value of assets	3,286,000	2,648,280

The actual return on scheme assets was £532,332 (2015: £108,568).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(337,000)	(347,000)
Net interest cost	(50,000)	(47,000)
Total	(387,000)	(394,000)

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

	2016 £	2015 £
Opening defined benefit obligation	3,945,000	3,485,000
Current service cost	337,000	347,000
Interest cost	156,000	136,000
Contributions by employees	74,000	75,000
Actuarial losses/(gains)	1,318,000	(59,000)
Benefits paid	(74,000)	(39,000)
Closing defined benefit obligation	5,756,000	3,945,000

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27. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	2,648,000	2,249,000
Interest income	106,000	89,000
Actuarial gains and (losses)	228,000	(30,000)
Contributions by employer	304,000	304,000
Contributions by employees	74,000	75,000
Benefits paid	(74,000)	(39,000)
	<u>3,286,000</u>	<u>2,648,000</u>
Closing fair value of scheme assets	<u>3,286,000</u>	<u>2,648,000</u>

28. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the School's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	20,658	22,454
Between 1 and 5 years	35,410	54,782
	<u>56,068</u>	<u>77,236</u>
Total	<u>56,068</u>	<u>77,236</u>

29. RELATED PARTY TRANSACTIONS

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

No significant transactions have occurred during the period.

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30. FIRST TIME ADOPTION OF FRS 102

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		12,390,767	12,298,844
Total funds reported under FRS 102		<u>12,390,767</u>	<u>12,298,844</u>

Reconciliation of net (expenditure)	Notes	31 August 2015
		£
Net (expenditure) previously reported under UK GAAP		(74,923)
Pension interest cost		(46,000)
Net movement in funds reported under FRS 102		<u>(120,923)</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Academy Trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expenditure by £46,000 and decrease the other recognised gains and losses in the SoFA by an equivalent amount.

