

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

**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 2017**

Members	M Blackwell (resigned 31 August 2017) I Gough A Hazelton (resigned 31 August 2017) A Horn (resigned 31 August 2017) L Scragg
Trustees	M Blackwell, Chair (resigned 31 August 2017) ² W Conaghan, Headteacher and Accounting Officer (resigned 31 August 2017) ² B Baker ¹ A Bradbury (resigned 13 March 2017) ² M Bradley ² I Gough ^{1,2} A Hazelton (resigned 31 August 2017) ² A Horn (resigned 31 August 2017) ¹ S Page (resigned 31 August 2017) ¹ L Scragg, Chair ^{1,2} B Stockford, Staff Trustee (resigned 31 August 2017) ¹ D Williams, Staff Trustee (resigned 7 April 2017) ² H Wright, Staff Trustee ¹ D Masters, Staff Trustee (appointed 22 May 2017) ¹ E Leigh-Bennett, Headteacher and Accounting Officer (appointed 1 September 2017)

¹ Impact Committee Member

² Resource 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
L Criddle, Assistant Head (appointed 31 January 2017)
M Amey, Assistant Head (resigned 31 December 2016)
R Green, Assistant Head
H Brown, Business Manager

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

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 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. 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 roll of 1,100 in the school census on 1 October 2017.

On 1 September 2017 Kingsdown School joined the River Learning Trust, a Multi Academy Trust. The content of the Trustees' Report is based on the single unit Academy Trust of Kingsdown School that was operational throughout the year.

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 had 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.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

There are 5 committees as follows;

- Resources Committee which covers Finance (incorporating Audit) and Premises – this meets once a term 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.
- Impact Committee which covers Curriculum and Welfare – 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.
- Pay Committee which meets twice a year to look at teaching staff and support staff.
- 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 was the Accounting Officer for the year.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 practice and training offered to other schools within the alliance), initial teacher training and research & development.

Kingsdown have been working in close partnership with the River Learning Trust, and joined the MAT on 1 September 2017.

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 2017 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 extra curricular 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 2017**

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 2017:

Outcomes

- Improve outcomes for all including the differentiation and challenge further for the more able;
- Close the gap further between boys and girls;
- Improve the value added across all subjects and all abilities in all year groups;
- Rigorously evaluate the impact of the comprehensive Pupil Premium interventions to identify which ones are having the greater impact. Reduce gap further in school and ensure in line with national averages for non Pupil Premium students;
- Develop the role of the Lead Practitioners and their impact on teaching and learning;
- New progress 8 and attainment 8 data to be used for measuring achievement in phase 2 of subjects
- 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 and professional development/training;
- Use the appointed Lead Practitioners for coaching and mentoring;
- Any member of staff graded as less than good to have an action plan personalised to their needs;
- Follow the 'Kingsdown Way';
- Utilise the programmes offered through the Teaching Alliance;
- Build upon the use of quality feedback by ensuring that all this (how to improve) identified during MER (monitor evaluation and review) 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; and
- Embed the marking policy and regularly review its application across the school.

Personal Development, Behaviour and Welfare (Behaviour and Safety)

- Review of the pastoral structure and propose changes;
- Increase the consistency with which staff use the Behaviour for Learning (BfL) system, review BfL thresholds. (Personal Development & Wellbeing Ladder);
- Implement rewards for learning;
- Embed a new internal exclusion before Fixed term exclusion (FTE) is put in place;
- Embed 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 2017**

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;
- Review the school structure;
- Identification of key areas where UPS staff can support school improvement;
- Development of parental engagement and the use of Trustees;
- Roll out the Life beyond levels and refine the new assessment policy ;
- Implementation of the new personalised professional development opportunities;
- Improve effectiveness of Line management through the new Director of Learning roles;
- Clear hypothesis/lead question for each of the MER events in the calendar;
- Implement performance management standards for support staff;
- Monthly extended leadership team meetings;
- Establish more regularity for stakeholder surveys;
- Evaluate the Pupil Premium action plan;
- Evaluate the Trustee action plan;
- Monitor the progress of the Post Ofsted Action plan;
- Presentation / 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 requirement in the Charities Act 2011 to have due regard to the Charity Commissioner'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

2017 results have raised issues and concerns about the current standards of attainment and progress across a number of subjects and in key performance measures. The school and its teams have completed a thorough analysis of these results and

- Whole School Improvement plan is written
- Improvement plans are in place to support key staff/teams
- Examination review meetings have taken place with identified training needs
- A new performance data management system has been embedded
- Governors have been informed and up-dated
- Planned involvement from the River Learning Trust for specific subject and curriculum support
- Monitoring, evaluation and review programme in place to monitor the progress after each assessment point

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, £282,032 was carried forward representing 5.0% of GAG.

Another key financial performance indicator is staffing costs as a percentage of total income (excluding restricted fixed asset fund income and capital grants). For 2017 this was 83.5%, compared to 79.1% in 2016.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Going Concern

On 1 September 2017 all of the assets and liabilities of the School were transferred to a Multi-Academy Trust, River Learning Trust and the Kingsdown academy trust ceased to operate. As such the accounts have not been prepared on a going concern basis.

FINANCIAL REVIEW

Financial Review

The majority of the School 's income is obtained from the Department for Education via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2017 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 2017, total expenditure (excluding restricted fixed assets) of £7,381,009 was covered by recurrent grant funding from the DfE, together with other incoming resources of £7,620,823. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £239,814.

At 31 August 2017 the net book value of fixed assets was £12,064,993 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 an Internal Assurance Auditor to undertake a programme of internal checks on the financial controls. During the year, the Trustees received three reports from the Internal Assurance Auditor which contained no matters of significance.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Reserves Policy

The Trustees review the reserve levels of the School 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 sickness absence;
- a fall in 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 £761,600 (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 opposition 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 ESFA. In the last year 96.2% of the School 's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 Internal Assurance Auditor to carry out checks on financial systems and records as required by the Academy 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 recognises 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 school has worked hard to make significant cost savings in year.

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 Resources 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 joined the River Learning Trust on the 1st September 2017.

As part of River Learning Trust 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 and the River Learning Trust to improve the educational opportunities for students in the wider community.

Phase 1 of a major mechanical and engineering capital project will commence in the latter first half of the year.

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

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.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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.

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

L Scragg
Chair of Trustees

E Leigh-Bennett
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 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	6	6
W Conaghan	6	6
B Baker	3	6
A Bradbury	1	3
M Bradley	3	6
I Gough	6	6
A Hazelton	6	6
A Horn	6	6
S Page	2	6
L Scragg, Chair	6	6
B Stockford	5	6
D Williams	4	4
H Wright	5	6
D Masters	2	2
E Leigh-Bennett, Headteacher and Accounting Officer	0	0

Trustees have worked closely with the River Learning Trust to review the structure and effectiveness of the Academy Governance. The structure was amended to have two key committees to align with the RLT's structure in readiness for transfer, that being a Resources Committee and an Impact Committee.

The Resources 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 financial, premises and HR related matters and policies. Additionally the committee reviews outcomes of external and internal audits and monitors remedial actions through to completion.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Blackwell	6	6
W Conaghan	6	6
A Bradbury	3	3
M Bradley	6	6
I Gough	3	6
A Hazelton	6	6
D Williams	3	4

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the School's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where 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
- Full staff review and reorganisation

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 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

GOVERNANCE STATEMENT (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

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

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

On a termly basis, the auditors report 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 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 Resources 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

and signed on their behalf, by:

**L Scragg
Chair of Trustees**

**E Leigh-Bennett
Accounting Officer**

**KINGSDOWN SCHOOL
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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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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 ESFA.

**E Leigh-Bennett
Accounting Officer**

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

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

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 and Skills 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 2016 to 2017;
- 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 ESFA/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:

L Scragg
Chair of Trustees

Date:

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

OPINION

We have audited the financial statements of Kingsdown School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 opinions we have formed.

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 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We draw attention to the Trustees report and the disclosures made in note 1.2 in the financial statements which explain that the Academy Trust ceased to operate on 1 September 2017 and transferred all of its assets and liabilities to the River Learning Trust on that date. As such, the accounts have not been prepared on a going concern basis. Since the Academy Trust has ceased to operate and all of the assets and liabilities of the Academy Trust have been transferred, we conclude that the accounts being prepared on this basis is appropriate.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

RESPONSIBILITIES OF TRUSTEES

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. and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust's or to cease operations, or have no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditors' report.

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:

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

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

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kingsdown School and the ESFA 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 the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO KINGSDOWN
SCHOOL AND THE EDUCATION AND SKILLS 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Joseph Scaife FCA (Reporting Accountant)

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

Date:

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	24	961,962	-	961,986	824,225
Charitable activities	5	91,467	6,382,414	-	6,473,881	6,527,635
Other trading activities	3	177,088	-	-	177,088	162,179
Investments	4	7,868	-	-	7,868	4,360
Other income	6	-	-	-	-	893,076
TOTAL INCOME		276,447	7,344,376	-	7,620,823	8,411,475
EXPENDITURE ON:						
Raising funds	7	105,013	-	-	105,013	109,976
Charitable activities		48,891	7,227,105	438,115	7,714,111	7,203,368
TOTAL EXPENDITURE	8	153,904	7,227,105	438,115	7,819,124	7,313,344
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	20	122,543	117,271	(438,115)	(198,301)	1,098,131
		-	(99,403)	99,403	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		122,543	17,868	(338,712)	(198,301)	1,098,131
Actuarial gains/(losses) on defined benefit pension schemes	28	-	1,616,000	-	1,616,000	(1,090,000)
NET MOVEMENT IN FUNDS		122,543	1,633,868	(338,712)	1,417,699	8,131
RECONCILIATION OF FUNDS:						
Total funds brought forward		639,057	(1,470,817)	13,138,735	12,306,975	12,298,844
TOTAL FUNDS CARRIED FORWARD		761,600	163,051	12,800,023	13,724,674	12,306,975

The notes on pages 25 to 47 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	15		12,064,993		12,351,835
CURRENT ASSETS					
Debtors	16	964,660		1,141,370	
Cash at bank and in hand		2,304,523		1,650,411	
			3,269,183		2,791,781
CREDITORS: amounts falling due within one year	17	(517,582)		(366,641)	
NET CURRENT ASSETS			2,751,601		2,425,140
TOTAL ASSETS LESS CURRENT LIABILITIES			14,816,594		14,776,975
CREDITORS: amounts falling due after more than one year	18		(31,920)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			14,784,674		14,776,975
Defined benefit pension scheme liability	28		(1,060,000)		(2,470,000)
NET ASSETS			13,724,674		12,306,975
FUNDS OF THE SCHOOL					
Restricted funds:					
General funds	20	1,223,051		999,183	
Fixed asset funds	20	12,800,023		13,138,735	
Restricted funds excluding pension liability		14,023,074		14,137,918	
Pension reserve		(1,060,000)		(2,470,000)	
Total restricted funds			12,963,074		11,667,918
Unrestricted funds	20		761,600		639,057
TOTAL FUNDS			13,724,674		12,306,975

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

L Scragg
Chair of Trustees

The notes on pages 25 to 47 form part of these financial statements.

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	22	<u>(367,416)</u>	<u>(88,867)</u>
Cash flows from investing activities:			
Interest received		7,868	4,360
Proceeds from the sale of tangible fixed assets		425,951	360,950
Purchase of tangible fixed assets		(91,904)	(79,659)
Capital grants from DfE/ESFA		679,613	332,936
Net cash provided by investing activities		<u>1,021,528</u>	<u>618,587</u>
Cash flows from financing activities:			
Finance lease repayments		-	(100,000)
Net cash used in financing activities		<u>-</u>	<u>(100,000)</u>
Change in cash and cash equivalents in the year		654,112	429,720
Cash and cash equivalents brought forward		<u>1,650,411</u>	<u>1,220,691</u>
Cash and cash equivalents carried forward	23	<u><u>2,304,523</u></u>	<u><u>1,650,411</u></u>

The notes on pages 25 to 47 form part of these financial statements.

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 GOING CONCERN

On 1 September 2017 all of the assets and liabilities of the School were transferred to a Multi-Academy Trust, River Learning Trust and the Kingsdown academy trust ceased to operate. As such, the accounts have been prepared on a basis other than going concern.

1.3 INCOME

All incoming resources are recognised when the School has entitlement to the funds, the receipt is probable and the amount 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it can be reliably measured.

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods and services

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 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 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.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 and all asset groups in excess of £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these 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.

1.6 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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 academy 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.

1.9 TAXATION

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

1.10 FINANCIAL INSTRUMENTS

The School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.11 PENSIONS

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 28, 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.

1.12 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.

Investment income, gains and losses are allocated to the appropriate fund.

1.13 OPERATING LEASES

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.14 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 28, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Critical areas of judgment:

The School obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the School to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	24	6,400	-	6,424	8,327
Capital grants	-	955,562	-	955,562	815,898
	<u>24</u>	<u>961,962</u>	<u>-</u>	<u>961,986</u>	<u>824,225</u>
<i>Total 2016</i>	<u>-</u>	<u>824,225</u>	<u>-</u>	<u>824,225</u>	

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	117,875	-	117,875	98,260
External catering	39,502	-	39,502	43,120
Consultancy	19,711	-	19,711	20,799
	<u>177,088</u>	<u>-</u>	<u>177,088</u>	<u>162,179</u>
<i>Total 2016</i>	<u>162,179</u>	<u>-</u>	<u>162,179</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	7,868	-	7,868	4,360
	<u>4,360</u>	<u>-</u>	<u>4,360</u>	
<i>Total 2016</i>	<u>4,360</u>	<u>-</u>	<u>4,360</u>	

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	5,694,191	5,694,191	5,793,059
Pupil Premium	-	345,212	345,212	278,771
Other DfE/ESFA grants	-	24,570	24,570	3,500
	<u>-</u>	<u>6,063,973</u>	<u>6,063,973</u>	<u>6,075,330</u>
Other Government grants				
Exceptional needs funding	-	77,865	77,865	92,485
High needs funding	-	213,959	213,959	221,304
Pupil Premium	-	18,747	18,747	28,650
	<u>-</u>	<u>310,571</u>	<u>310,571</u>	<u>342,439</u>
Other funding				
Educational visits	48,891	-	48,891	81,209
Other	42,576	7,870	50,446	28,657
	<u>91,467</u>	<u>7,870</u>	<u>99,337</u>	<u>109,866</u>
	<u>91,467</u>	<u>6,382,414</u>	<u>6,473,881</u>	<u>6,527,635</u>
<i>Total 2016</i>	<u>109,866</u>	<u>6,417,769</u>	<u>6,527,635</u>	

6. OTHER INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Gains on disposal of fixed assets	-	-	-	893,076
	<u>-</u>	<u>-</u>	<u>-</u>	<u>893,076</u>
<i>Total 2016</i>	<u>-</u>	<u>893,076</u>	<u>893,076</u>	

KINGSDOWN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. COSTS OF RAISING FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
External catering costs	39,502	-	39,502	43,120
Lettings non-staff costs	19,954	-	19,954	22,535
Lettings and consultancy staff costs	45,557	-	45,557	44,321
	<u>105,013</u>	<u>-</u>	<u>105,013</u>	<u>109,976</u>
<i>Total 2016</i>	<u>109,976</u>	<u>-</u>	<u>109,976</u>	

8. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	45,557	19,954	39,502	105,013	109,976
Education:					
Direct costs	4,479,755	245,811	694,852	5,420,418	5,170,610
Support costs	1,042,241	838,171	413,281	2,293,693	2,032,758
	<u>5,567,553</u>	<u>1,103,936</u>	<u>1,147,635</u>	<u>7,819,124</u>	<u>7,313,344</u>
<i>Total 2016</i>	<u>5,303,130</u>	<u>1,010,574</u>	<u>999,640</u>	<u>7,313,344</u>	

9. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	26,000	25,000
Educational supplies	397,921	305,698
Examination fees	82,495	75,962
Educational visits	78,682	96,951
Supply teachers	198,826	267,805
Wages and salaries	3,309,876	3,216,509
National insurance	326,031	273,468
Pension costs	645,022	568,098
Depreciation	355,565	341,119
	<u>5,420,418</u>	<u>5,170,610</u>
<i>Total 2016</i>	<u>5,170,610</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	27,000	25,000
Staff development	37,938	21,622
Other costs	1,436	1,215
Recruitment and support	32,587	23,966
Maintenance of premises and equipment	631,456	529,574
Cleaning	43,015	43,835
Rent and rates	39,349	30,378
Energy costs	89,403	84,023
Insurance	34,946	35,988
Security and transport	7,244	6,298
Catering	30,686	27,663
Technology costs	3,443	4,067
Office overheads	69,948	64,015
Legal and professional	98,863	104,715
Bank charges	937	1,064
Governance	20,651	17,192
Wages and salaries	746,957	726,813
National insurance	53,686	39,763
Pension cost	241,598	166,353
Depreciation	82,550	79,214
	2,293,693	2,032,758
<i>Total 2016</i>	<u>2,032,758</u>	

11. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the School	438,115	420,330
Auditors' remuneration - audit	7,955	8,000
Auditors' remuneration - other services	4,785	5,000
Operating lease rentals	21,345	22,454
	<u>472,200</u>	<u>455,784</u>

KINGSDOWN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,018,221	3,987,643
Social security costs	379,717	313,231
Operating costs of defined benefit pension schemes	886,620	734,451
	<u>5,284,558</u>	<u>5,035,325</u>
Apprenticeship levy	2,169	-
Supply teacher costs	198,826	267,805
Staff restructuring costs	82,000	-
	<u><u>5,567,553</u></u>	<u><u>5,303,130</u></u>

Staff restructuring costs comprise:

Redundancy payments	23,455	-
Severance payments	58,545	-
	<u>82,000</u>	<u>-</u>

Included in staff restructuring costs are non-contractual severance payments totalling £35,207. Individually the payments were £15,000, £9,500, £5,254, £4,023 and £1,430.

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

	2017 No.	2016 No.
Teachers	68	67
Administration and Educational Support	90	92
Leadership	6	7
	<u>164</u>	<u>166</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	66	63
Administration and Educational Support	66	66
Leadership	6	7
	<u>138</u>	<u>136</u>

KINGSDOWN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12. STAFF COSTS (continued)

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	0	1
In the band £130,001 - £140,000	1	0

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 £581,289 (2016: £557,478).

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.

13. TRUSTEES

During the year retirement benefits were accruing to 4 Trustees (2016: 4) 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 £130,000 - £135,000 (2016: £85,000 - £90,000)

Employer's pension contributions £15,000 - £20,000 (2016: £10,000 - £15,000)

H Wright

Remuneration £20,000 - £25,000 (2016: £20,000 - £25,000)

Employer's pension contributions £0 - £5,000 (2016: £0 - £5,000)

B Stockford

Remuneration £20,000 - £25,000 (2016: £15,000 - £20,000)

Employer's pension contributions £5,000 - £10,000 (2016: £0 - £5,000)

D Williams (resigned 7 April 2017)

Remuneration £25,000 - £30,000 (2016: £45,000 - £50,000)

Employer's pension contributions £0 - £5,000 (2016: £5,000 - £10,000)

D Masters (appointed 22 May 2017)

Remuneration £10,000 - £15,000

Employer's pension contributions £0 - £5,000

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £538 (2016: £329) were reimbursed to 3 Trustees (2016: 2).

KINGSDOWN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 2017 was £644 (2016: £644).

15. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Building improvement £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
COST					
At 1 September 2016	12,339,816	977,964	87,477	9,167	121,128
Additions	-	-	-	51,870	-
Disposals	-	-	-	-	-
At 31 August 2017	<u>12,339,816</u>	<u>977,964</u>	<u>87,477</u>	<u>61,037</u>	<u>121,128</u>
DEPRECIATION					
At 1 September 2016	995,621	355,379	37,943	9,167	58,900
Charge for the year	203,960	97,796	8,810	-	13,058
On disposals	-	-	-	-	-
At 31 August 2017	<u>1,199,581</u>	<u>453,175</u>	<u>46,753</u>	<u>9,167</u>	<u>71,958</u>
NET BOOK VALUE					
At 31 August 2017	<u>11,140,235</u>	<u>524,789</u>	<u>40,724</u>	<u>51,870</u>	<u>49,170</u>
At 31 August 2016	<u>11,344,195</u>	<u>622,585</u>	<u>49,534</u>	<u>-</u>	<u>62,228</u>
				Computer equipment £	Total £
COST					
At 1 September 2016				713,693	14,249,245
Additions				99,403	151,273
Disposals				(195,746)	(195,746)
At 31 August 2017				<u>617,350</u>	<u>14,204,772</u>
DEPRECIATION					
At 1 September 2016				440,400	1,897,410
Charge for the year				114,491	438,115
On disposals				(195,746)	(195,746)
At 31 August 2017				<u>359,145</u>	<u>2,139,779</u>
NET BOOK VALUE					
At 31 August 2017				<u>258,205</u>	<u>12,064,993</u>
At 31 August 2016				<u>273,293</u>	<u>12,351,835</u>

KINGSDOWN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. TANGIBLE FIXED ASSETS (continued)

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

16. DEBTORS

	2017 £	2016 £
Trade debtors	3,885	2,176
VAT repayable	49,334	83,236
Prepayments and accrued income	911,441	1,055,958
	<u>964,660</u>	<u>1,141,370</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	117,625	80,329
Other taxation and social security	93,112	96,324
Other creditors	86,435	85,537
Accruals and deferred income	220,410	104,451
	<u>517,582</u>	<u>366,641</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September	37,093	45,237
Resources deferred during the year	36,857	37,093
Amounts released from previous years	(37,093)	(45,237)
	<u>36,857</u>	<u>37,093</u>

Deferred income refers to amounts received in respect of lettings income and educational visits which relate to the 2017/18 academic year.

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

	2017 £	2016 £
ESFA loans	<u>31,920</u>	<u>-</u>

Included within ESFA loans is a Salix loan of £31,920 repayable in six-monthly instalments over 8 years with an applicable annual interest rate of 0%.

KINGSDOWN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Financial assets measured at amortised cost	3,126,070	2,575,291
Financial liabilities measured at amortised cost	(297,515)	(147,687)

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

KINGSDOWN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

20. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	639,057	276,447	(153,904)	-	-	761,600
RESTRICTED FUNDS						
General Annual Grant (GAG)	437,792	5,694,191	(5,750,548)	(99,403)	-	282,032
Pupil Premium	-	363,959	(363,959)	-	-	-
High needs funding	-	213,959	(213,959)	-	-	-
Exceptional needs funding	-	77,865	(77,865)	-	-	-
Other DfE/ESFA grants	-	24,570	(24,570)	-	-	-
Devolved Formula Capital Condition Improvement Fund	561,391	931,751	(552,123)	-	-	941,019
Educational visits	-	6,400	(6,400)	-	-	-
Other restricted funds	-	7,870	(7,870)	-	-	-
Pension reserve	(2,470,000)	-	(206,000)	-	1,616,000	(1,060,000)
	<u>(1,470,817)</u>	<u>7,344,376</u>	<u>(7,227,105)</u>	<u>(99,403)</u>	<u>1,616,000</u>	<u>163,051</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets purchased from GAG	534,093	-	(121,324)	99,403	-	512,172
Fixed assets transferred from Kingsdown School on conversion	11,774,732	-	(253,808)	-	-	11,520,924
Sports Centre grant	66,683	-	(12,956)	-	-	53,727
Catering grants	25,151	-	(5,027)	-	-	20,124
Fixed asset donation	315,000	-	(45,000)	-	-	270,000
Gain on disposal of land	423,076	-	-	-	-	423,076
	<u>13,138,735</u>	<u>-</u>	<u>(438,115)</u>	<u>99,403</u>	<u>-</u>	<u>12,800,023</u>
Total restricted funds	<u>11,667,918</u>	<u>7,344,376</u>	<u>(7,665,220)</u>	<u>-</u>	<u>1,616,000</u>	<u>12,963,074</u>
Total of funds	<u><u>12,306,975</u></u>	<u><u>7,620,823</u></u>	<u><u>(7,819,124)</u></u>	<u><u>-</u></u>	<u><u>1,616,000</u></u>	<u><u>13,724,674</u></u>

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

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General funds	564,304	276,405	(201,652)	-	-	639,057
	<u>564,304</u>	<u>276,405</u>	<u>(201,652)</u>	<u>-</u>	<u>-</u>	<u>639,057</u>
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 Condition Improvement Fund	25,439 192,240	24,064 791,834	(49,503) (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 from Kingsdown School 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	<u>11,734,540</u>	<u>8,135,070</u>	<u>(7,111,692)</u>	<u>-</u>	<u>(1,090,000)</u>	<u>11,667,918</u>
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 2017

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 ESFA during the period in order to fund the continuing activities of the School. During the year £151,274 (2016: £179,661) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

Pupil Premium funding represents amounts received from the ESFA 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.

Other DfE/ESFA grants represent rates relief funding received.

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

Condition Improvement Fund represents amounts received by the School for boiler and heating system repairs and replacements and 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 ESFA 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 ESFA.

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.

The gain on disposal of land has arisen on the sale of freehold land in 2016. The proceeds are to be restricted for capital projects to improve sport as agreed with the ESFA 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 2017.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	12,064,993	12,064,993
Current assets	823,954	1,710,197	735,030	3,269,181
Creditors due within one year	(62,354)	(455,226)	-	(517,580)
Creditors due in more than one year	-	(31,920)	-	(31,920)
Pension scheme liability	-	(1,060,000)	-	(1,060,000)
	<u>761,600</u>	<u>163,051</u>	<u>12,800,023</u>	<u>13,724,674</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	12,351,835	12,351,835
Current assets	639,057	1,365,824	786,900	2,791,781
Creditors due within one year	-	(366,641)	-	(366,641)
Provisions for liabilities and charges	-	(2,470,000)	-	(2,470,000)
	<u>639,057</u>	<u>(1,470,817)</u>	<u>13,138,735</u>	<u>12,306,975</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(198,301)	1,098,131
Adjustment for:		
Depreciation charges	438,115	420,330
Interest received	(7,868)	(4,360)
Profit on the sale of fixed assets	-	(893,076)
Decrease/(increase) in debtors	58,628	(26,861)
Increase in creditors	91,572	49,867
Capital grants from DfE and other capital income	(955,562)	(815,898)
Defined benefit pension scheme cost less contributions payable	153,000	33,000
Defined benefit pension scheme finance cost	53,000	50,000
Net cash used in operating activities	<u>(367,416)</u>	<u>(88,867)</u>

KINGSDOWN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash at bank and in hand	<u>2,304,523</u>	<u>1,650,411</u>
	<u><u>2,304,523</u></u>	<u><u>1,650,411</u></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.

25. CONTINGENT ASSETS

In the prior year the School sold freehold land for development into residential housing. In addition to the consideration received at that time the School is entitled, under the sale agreement, to further consideration contingent on the sale price of the properties which have been built on this land. At the year end the value and timing of this consideration is sufficiently uncertain that it has not been recognised as an asset in the financial statements.

The School will also be entitled to additional assets as part of the land sale agreement. Works have been carried out by the purchaser to construct a new sports pavilion and to develop scrub land in to playing fields under a section 106 arrangement as set out in their planning application. The assets will pass to the school once construction is completed. As at the year end the construction was not complete and so the assets have not been recognised in these financial statements.

26. 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.

27. FINANCIAL COMMITMENTS

At 31 August 2017 the School had financial commitments as follows:

	2017	2016
	£	£
Contracted for but not provided in these financial statements	<u>-</u>	<u>285,609</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 related to the value of work which was incomplete but contractually committed at the year end.

28. PENSION COMMITMENTS

The Academy Trust'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.

28. PENSION COMMITMENTS (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £85,676 were payable to the schemes at 31 August 2017 (2016: £85,082) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £414,755 (2016: £430,451).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

28. PENSION COMMITMENTS (continued)

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 2017 was £397,000 (2016: £378,000), of which employer's contributions totalled £319,000 (2016: £304,000) and employees' contributions totalled £78,000 (2016: £74,000). The agreed contribution rates for future years are 24.2% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5 years	22.3 years
Females	24.9 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.9 years

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equities	2,961,000	2,366,000
Bonds	584,000	493,000
Property	542,000	394,000
Cash and other liquid assets	83,000	33,000
	<hr/>	<hr/>
Total market value of assets	4,170,000	3,286,000
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The actual return on scheme assets was £671,000 (2016: £532,000)

KINGSDOWN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

The amounts recognised in the Statement of Financial Activities are as follows:

	2017 £	2016 £
Current service cost	(472,000)	(337,000)
Interest income	73,000	106,000
Interest cost	(126,000)	(156,000)
	<u> </u>	<u> </u>
Total	<u><u>(525,000)</u></u>	<u><u>(387,000)</u></u>

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

	2017 £	2016 £
Opening defined benefit obligation	5,756,000	3,945,000
Current service cost	472,000	337,000
Interest cost	126,000	156,000
Employee contributions	78,000	74,000
Actuarial (gains)/losses	(1,170,000)	1,318,000
Benefits paid	(32,000)	(74,000)
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u><u>5,230,000</u></u>	<u><u>5,756,000</u></u>

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

	2017 £	2016 £
Opening fair value of scheme assets	3,286,000	2,648,000
Interest income	73,000	106,000
Actuarial gains	446,000	228,000
Employer contributions	319,000	304,000
Employee contributions	78,000	74,000
Benefits paid	(32,000)	(74,000)
	<u> </u>	<u> </u>
Closing fair value of scheme assets	<u><u>4,170,000</u></u>	<u><u>3,286,000</u></u>

29. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the School's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	15,433	20,658
Between 1 and 5 years	19,291	35,410
	<u> </u>	<u> </u>
Total	<u><u>34,724</u></u>	<u><u>56,068</u></u>

30. 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.

31. POST BALANCE SHEET EVENTS

As disclosed in the Trustees' report and in note 1.2, on 1 September 2017 all of the assets and liabilities of the School were transferred to the River Learning Trust.