

Kirkbie Kendal School Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2013

Company Registration Number 07543834 (England & Wales)



**KIRKBY KENDAL SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

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KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

REFERENCE AND ADMINISTRATIVE DETAILS

The trustees who are also directors for the purpose of company law, have pleasure in presenting their report and financial statements of the charity for the year ended 31st August 2013

Governors who are directors and members	Mrs N Crierie (Chair) Mr W R Abram Mr S Ratcliffe (Responsible Officer) Mr M Warwick
Governors who are directors	Mr D Andrews Mr P Braithwaite Dr N Brown Mrs J Buckland Mr D Durnford Mr J S Gee (Staff Governor) Mr P Hyman (Principal) Mr M Leadbeatter (Staff Governor) Mr A Monk Mr T Swane Mr S Wright (Staff Governor) (Appointed 05 th Nov 2012) Mrs W Thompson (Retired 31 st Dec 2012) Mr D Armstrong (Appointed 16 th Sep 2013)
Company Secretary and clerk to the Governors	Mrs L Smyth
Senior Management Team: <ul style="list-style-type: none">• Headteacher / principal• Deputy Headteacher• Deputy Headteacher• Assistant Headteacher• Assistant Headteacher• Business Manager / Governor / Director	Mr P Hyman Mr M Harris Mrs G McMullen Mr G Barton Mr M Bousfield Mr J Gee
Principle and Registered Office	Kirkbie Kendal School Lound Road Kendal Cumbria LA9 7EQ
Company Registration Number	07543834 (England & Wales)
Registered Charity Name	Kirkbie Kendal School Academy Trust
Independent Auditor	Saint & Co Chartered Accountants Old Police Station Ambleside Cumbria LA22 0BT
Bankers	Barclays Bank PLC Highgate Kendal Cumbria

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

REFERENCE AND ADMINISTRATIVE DETAILS (*continued*)

Solicitors	Thompson Hayton Winkley 25 Crescent Road Windermere Cumbria LA23 1BJ
Insurances	Royal and Sun Alliance PLC Marsh Ltd Education Practice Capital House 1-5 Perrymount Road Hayworth Heath West Sussex RH16 3SY
Architects	Mellor Architects 125 Highgate Kendal Cumbria LA9 4EN
Surveyors	Bushell Raven Ltd Chartered Quantity Surveyors Ground Floor River Mill River Mill Yard Staveley Mill Yard Cumbria LA8 9LR

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2013

The trustees who are also directors for the purpose of company law, have pleasure in presenting their report and financial statements of the charity for the year ended 31st August 2013

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 governors act as the trustees for the charitable activities of Kirkbie Kendal School Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Kirkbie Kendal School.

The governors / directors of the academy are made up of volunteers who meet regularly through three committees, finance and property, curriculum, pay and performance. These committees report to the full governing body each term. The management and running of the school is delegated to the headteacher and the senior leadership team.

Details of the governors who served throughout the year are included in the Reference and Administrative details.

No governors received any remuneration in respect of their duties as governors, other than Mr P Hyman who is remunerated in his position as headteacher / principal, Mr J Gee who is remunerated in his position as business manager, Mr M Leadbeater and Mr S Wright who are remunerated as employees of the academy trust.

Members' Liability

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

Governors' Indemnities

The governors / directors of the academy trust are covered by indemnity insurance paid for by the trust.

Principal Activities

The academy trust commenced its activities on 1st April 2011.

The principle activity of the academy trust is to advance, for public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The academies' ethos has traditional values of hard work, care, courtesy and consideration at its heart, coupled with high expectations, a desire to learn and the knowledge that however good we are, we can and we want to improve. With this in mind the academies' aim is to encourage our students to achieve the best they possibly can and to develop into young men and women who are ready to meet the challenges of the 21st century with confidence and who are pleasant and well-rounded and friendly individuals.

KIRKIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Method of Recruitment and Appointment or Election of Governors

One staff governor left during the year. The governors carried out the following procedure:

- Identify if there was a particular specialist need or skill required (financial, building, curriculum, safeguarding, legal)
- If so suitable candidates would be approached by the clerk to the governors

For parent / staff recruitment

- Inform all parents and /or staff of the vacancy
- Request nominations are put forward
- Establish the candidate's suitability
- Hold a ballot of parents / staff

Policies and Procedures Adopted for Induction and Training of Governors

New governors are assigned a mentor who is an experienced member of the governors, supplied with an induction pack of relevant information, and encouraged to attend the Local Authority governor training courses. They are then attached to the relevant committee that provides the best use of their individual skills and knowledge, which is identified through a skills audit.

Organisational Structure

The management structure consists of three levels, the governors, the school's leadership team and middle managers. The aim of the management structure is to develop responsibility and encourage the involvement of decision making at all levels.

The headteacher is the accounting officer of the academy trust, the day to day management of the school is delegated by the governors to the headteacher and the leadership team, all financial decisions are delegated in line with the scheme of delegation.

The governors are responsible for setting the strategic direction of the school, adopting the school development, general policies and the financial budget. The governors also monitor the school's performance, and appoint senior staff.

The current leadership team comprises

- | | |
|--|----------------|
| • Headteacher / principal | Mr P Hyman |
| • Deputy Headteacher | Mr M Harris |
| • Deputy Headteacher | Mrs G McMullen |
| • Assistant Headteacher | Mr G Barton |
| • Assistant Headteacher | Mr M Bousfield |
| • Business Manager / Governor / Director | Mr J Gee |

These manage the school at an executive level, implementing the policies laid down by the governors and reporting back to them.

Management of the school is delegated to the Headteacher. The Headteacher and leadership team meet twice a week as a group. Individual line management meetings between the leadership team and headteacher happen weekly.

The headteacher will also meet with the representatives of the professional associations and trade union representatives when necessary.

The headteacher and leadership team are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The middle management team includes, heads of curriculum departments, pastoral year heads and administrative and support departments, some spending is devolved to them within set budgets. These managers are responsible for the general day to day operation, organising staff, facilities and students.

KIRKBYE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Connected organisations, including related party relationships

Kirkbye Kendal School is a member of South Lakes Federation of schools. The federation is made up of eight secondary schools, one special school, one college of further education and a university. The federation is described as a loose federation, and all members work in collaboration with each other.

The Kendal Community Partnership was formed by primary schools of Kendal, which both Kendal secondary schools are members, and works towards improving collaboration at primary level, developing and supporting the transfer of students to the secondary school environment.

Kirkbye Kendal School Association is the school's parent teacher association, and governors work closely with members with their regular activities.

Objectives and Activities

Objects

The academy trust's object is specifically restricted to the provision to advance for the public benefit education in the United Kingdom, by establishing and managing the school and promoting a broad and balanced curriculum.

The principle objective and activity of the academy trust is the education of students from a wide range of abilities between the ages of 11 to 19.

In accordance with the company's articles of association the academy trust has adopted a funding agreement approved by the secretary of state for education. The funding agreement specifies, amongst other things, the basis for admitting students, the catchment area, and that the curriculum should comply with the substance of the national curriculum.

Objectives, Strategies and Activities

The main objectives during the year ending 31st August 2013 were

- That all the school's business was conducted to the highest possible standards, integrity, probity and openness
- To comply with all statutory legislation and curriculum requirements
- To promote the school's values of Care, Courtesy and Consideration
- Every student achieves the best that they possibly can
- To ensure every student enjoys the same high quality of education
- Raise the standards of achievement for all students
- To continue to improve the school's effectiveness by continued self-assessment
- Provide value for money
- Maintain and build on the close links with local business

The academies' ethos is to continue to develop our students into young men and women who are ready to meet the challenges of the world today with confidence and who are pleasant and well-rounded and friendly individuals.

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Activities provided include

- Training opportunities for all staff
- Learning opportunities for all students to attain the appropriate academic qualifications
- Tailored academic pathways to suit student requirements
- Extensive programmes of sporting activities for all students
- Lunch time and after school activities and clubs to enrich the school curriculum
- Activities to all students to enhance and improve their support of others
- Community programmes and activities to enrich all students' education

The academy trust aims to establish equal opportunity in all the areas of its activities, to develop and enhance the working environment where everyone's contribution is valued. The academy trust supports the recruitment and retention of both students and staff with disabilities.

Public Benefit

The academy trust aims and objectives have been set with due regard to the Charity Commissions guidance on public benefit.

The academy's objective is to advance for the public benefit education in this area, in particular, developing a school offering a broad and balanced curriculum which helps all students to fulfil their potential.

Achievements and performance

2012-13 has been a prolific year of success for our students throughout the School.

Students have played pivotal roles in helping the School to continuously improve and to run smoothly and I would particularly like to thank the Year Councils, School Councils, Sports Committee, Charity Team and the School's 6th form Senior Students for all their work.

At GCSE our best ever examination success at A*/A for students saw nearly a third of all grades at these top 2 levels. Over 85% of students achieved 5 or more A*-C. Every student achieved GCSE passes and the 5 A*-G pass rate rise was 98%. Twenty students successfully combined their GCSEs with completing a course at Kendal College. Mathew Margison and Thomas Marshall won prizes for Construction Engineering.

Year 13 achieved excellent GCE A level results. Just under half of all grades were awarded A*-B and 75% of all grades were awarded at A*-C. Our results were in the newspapers' top state schools lists.

Lauren Hine won the National 'We Made it' Technology Competition. For their project with Croppers plc. on paper cup recycling Will Holmes, Connor McGurk, Matthew Robinson and Dan Barrow all received prestigious Gold Crest Awards. Connor and Dan also received the Physics Ogden Fellowship Award for Physics.

Our two Year 12 teams received commendations in the 'Youth Speaks' Rotary Club event.

The School library continues to be a central hub of the school and we had many visitors including authors Joseph Delaney (Spooks), Chris Higgins and Alan Gibbons.

The "Top of the Form" Science, Technology and Maths inter school competition was a new venture this year. Our team won through to the final. They then achieved a very creditable runner-up position. Well done Josh Granger, Lauren Scott, Vicki Black and Elias Cunningham.

Niamh Coward was declared overall winner of the Kendal Community Theatre Logo Competition and Henri Ratcliffe's design for recycling aluminium reached the national finals.

Thirty six students completed the Lawyers in School course and received certificates at a celebration event hosted at KKS. Thank you to South Lakeland District Council lawyers for their work with us.

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Two KKS teams won in their age group at the Rotary Technology competition. Josh Robb and John Duff have been awarded prestigious Arkwright Scholarships in Technology.

The school musical production of "Little Shop of Horrors", performed over 4 days and evenings in the Brewery Theatre, was breath-taking both in terms of the high quality of the overall production and in the individual performances. Congratulations to director Mr Mark Leadbeater and all the performers, particularly Angus Pinkney, Imogen Hartley, Hayden Whitehead, Oliver White, and the staff who made this possible.

Both team and individual sporting achievements have maintained our outstanding tradition of success with students winning National, and Regional selection in a wide range of sports (e.g. Lauren Munro-Bennett and Chris Richards both have the honour of representing England this year with Lauren also picking up the under 18 and under 20 English Championship County). Please see the separate report for PE.

In Chess Adam Clark, Laura Feasey, Holly Gill, Cameron Hill and Connor McGurk all qualified for the British Chess Challenge area finals in Lancaster. Holly and Connor progressed to the North West Giga finals of the British Chess Challenge competition in Manchester.

Creative and Performing Arts continue to grow with the second annual evening of Music and Art. There were many excellent drama events too, including the memorable performance of the supernatural comedy 'Blithe Spirit', 'Murder in the Manor' and an enjoyable adaptation of Cinderella by Year 9s that toured local primary schools. Examination productions of a contemporary take on Dracula (Stoked), 'Harvey' and 'Blood Brothers' were particularly inspired.

As well as 'Little Shop of Horrors' we also enjoyed a Christmas Festive Concert and a Spring celebration, both with high standards of performance and over 100 students taking part.

The new Dance teaching facilities have inspired the growth of the subject. There were more dance opportunities available to students and the dance performance by Year 10 students at the Brewery Dance Platform was superb.

The Charity Team has been pivotal in organising many fund-raising events and has raised over £4000 for 'World Vision - sponsor a child' and 'The Rainbow Trust'. School is very proud of those students that give time to help others, for example, Matthew Wightman, who raised £2000 for Help for Heroes in his daring parachute jump. The students have chosen 'North West Air Ambulance' and the 'Teenage Cancer Trust' as our School charities for next year. Our student community service has been rewarded this year with a record number of Princess Diana Champion Volunteer Awards presented to Liam Tate, John Duff, Josh Granger, Declan Knowles, and Liam Nicholson.

Students have benefited from the many clubs, activity days, trips and visits that are organised by staff, for example the Year 7 residential to Kingswood, the ski trip to Austria, Art trips to Rome and Edinburgh, a German study visit to Hamelin, and a History visit to Munich. Year 9 students in History and Geography went to London, and there was a Cambridge University visit to our link college, Fitzwilliam, and a fantastic Day of Activities at the end of the year to mention just a few.

Congratulations to our 45 Year 10 students who achieved the Bronze Duke of Edinburgh Award.

Nine students fund-raised for 18 months to go to Borneo for 4 weeks. As well as organising sports days for local children and building a compost toilet for the community there was time for some trekking, snorkelling and relaxation. Mrs Nicholl and another group of students are currently fund-raising for a 4 week project in Malaysia for 2014.

The KKS has been active in providing social events and raising additional funds for items to benefit students via car boot sales (now in all weathers) and quizzes. They are saving funds towards a school minibus and we are about a half of the way there.

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GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Thank you to the School's Trustees for all their hard work, which has enabled them to provide support that last year included the extra Dance facilities for students

Specialist Achievements

We completed our 10th year maintaining our specialist status for Business and Enterprise. Our Young Enterprise team 'VISION' produced and marketed innovative bracelets, rings and cufflinks.

In the National Maths Challenge we had 5 Bronze and 4 Silver certificate winners and in the senior event 4 Bronze and 7 Silver plus Gold achieved by Connor McGurk.

We lead enterprise learning across the South Lakes Schools. Many primary age students have had a wonderful enterprise experience at KKS taking part in Business, Maths, English, Technology and sporting events.

Recognition last year as a national centre of excellence in Geography has kept us busy with talks by former student Peter Gibbs and training in GIS systems for local schools. The Woodland Trust also awarded KKS GOLD status for our tree planting, recycling and reducing carbon emissions.

The School continues to thrive. On behalf of the School I would like to say thank you to the Staff, Governors, Parents and Students for an excellent year.

Citizenship in school is run throughout Life Skills lessons in Years 7 – 10 where we teach topics about democracy, politics, financial capability and the laws that govern the UK. A big part of what we try to do at KKS is to make Citizenship Education as active as possible.

For two years we have been raising money for The Rainbow Trust and two Sponsored Children. Over the two years, we have raised nearly £5000. We have organised whole school and year events. Cake sales are forever popular and our movie magic lunchtime sessions were very successful for the younger year groups. We also have mufti days that are themed and students are encouraged to raise their own sponsorship.

Fund raising is a huge part of what we do. All of Year 10 raised money for their own chosen charity. A week of fund raising events, through wind, hail and snow, resulted in our fabulous Year 10 students showing their dedication to their charity. The most raised by one group was £156 for Water Aid.

Year 10 ran a diversity fair where students taught Year 7 about an area of diversity. They created their own stall with activities. We also had back our lawyers who came into school to deliver sessions about various areas of the law. 39 students chose to take part this year over 7 sessions over the course of the year.

It should be noted that some individual students have raised an awful lot of money. Matthew Wightman did a parachute jump that raised just over £2000 for a charity of his choice.

Year 8 took part in our enterprise project, learning about and advertising Fair Trade products. Their ideas were excellent and they demonstrated many skills whilst learning about the Developing World.

Year 8 and 9 students also took part in the mock trial competition at the local magistrate's court where they entered into a competition against other local secondary schools.

The Rising Sun Trust has been in again to speak to Year 9 about drugs awareness and the impact this has on Family, Society and an individual. A very moving and rewarding day.

The Christmas Shoe Box appeal was also led by Miss Dangerfield where over 70 boxes were sent off to Children in Romania.

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

This list just touches the surface of all that took place last year. We have voted on two new charities to support for the years 2013 – 2015. These are the Teenage Cancer Trust and The North West Air Ambulance. We hope that this year will bring even more Citizenship and PSHE events.

2012-13 was a good year for the Drama Department with successes in curricular and extracurricular activities. KS3 Drama Club continued to thrive with sixth form students taking directing roles, whilst KS4 and KS5 met some additional challenges. We delivered AS Drama and Theatre Studies with 83% A*-C passes and GCSE Drama with 79% A*-C.

Several performances took place over the course of the year, including scripted and devised pieces from Year 11, Year 12 and Year 13. *Stoked*, *Blood Brothers*, *Harvey* and *Blithe Spirit*. In the summer term Y9 G & T Drama Club toured their version of *Cinderella* to our local primaries and KS3 Drama Club performed *Murder in the Manor*. In September Drama Club gave a promenade performance of *The Lion, the Witch and the Wardrobe* as part of Year 6 Open Evening, which was very well received.

We continued with the policy of public dress rehearsals for exam performances and this reaped benefits. In keeping with the ethos of the school and the department audiences were asked for feedback which undoubtedly contributed to the good number of A*-C passes.

We had several successful theatre trips and an inspirational workshop day with award winning Paper Birds Theatre Company.

The music department enjoyed another successful academic year and this is evidenced in our curricular results and our extra-curricular programme. Our annual prize giving ceremony featured a duet from Georgie Buckland and Josie Murray and an ensemble item from the saxophone group. Georgie and Josie performed 'Landslide' by Fleetwood Mac and the saxophone group performed 'wishing upon a star' by Billie Rae Calvin.

Our autumn term was a busy period with students preparing musical items for the festive period. Two students represented the school at the Gala showcase concert at Casterton School and both were a tribute to the school. One performed 'Lieder ohne Worte' by Mendelssohn on the cello and the second performed 'Sunstreams' by Ian Clarke on the flute. The standard of musicianship at these concerts is always very high and even though both students were nervous, they performed accurately and with expression and flair.

The Carol Service featured another opportunity for the department to showcase our musical talent and Georgia Hyland sang in front of the whole school and our gifted and talented chamber group performed 'Palladio' by Carl Jenkins. Edward Cooke also made his debut by performing Bach interludes on the Church organ. We are proud of the diversity and the standard of musicianship within the school and the amount of students keen to perform to an audience.

Our Year 12 students prepared and presented the festive concert that included solo and ensemble items from all year groups. Over 100 students were involved and the feedback that we received suggested that it was the best concert in recent years. Highlights of the concert included the orchestra, ska group, choir and the array of soloists. Tickets for the concert were sold out and all profits supported the school's charity group.

In the final week of term we organised music for the Festive lunch and the flute group performed a collection of Christmas Carols as the school enjoyed their dinner. After the success of the festive concert, ska group performed to the whole school and Declan Farrell played the Jazz piano as a soloist at the end of year assemblies.

KIRKBY KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Throughout the academic year we provide as many opportunities as possible for the students to perform. Our Year 11 students organised a series of lunchtime concerts in which new and familiar acts are provided with a stage and a large audience to perform to. These concerts give the students with the chance to perform in front of their peers. The year 7 students had their own concert in E5 in which soloists and groups performed to their friends and a selected audience. This process has supported their development and given them the confidence to perform to a more diverse audience.

We are lucky to have a talented and experienced team of instrumental and vocal teachers at Kirkby Kendal and their support and commitment to our curricular and extra-curricular programme is central to our success. They contribute to all of our events and concerts and organise a concert in the spring term so that our orchestral instruments are given their own concert to perform in. This was very successful last year and we look forward to the concert again in the spring term.

The department organised trips to the Beatles museum in Liverpool, 'More Music' recording studios and the Bay radio station. These trips are integral to the development of coursework at GCSE and A level but are also provide great opportunities for students to develop confidence and friendship groups that are really important in the performing arts.

Our Easter concert was organised by Miss Donald and was another opportunity to showcase our current and emerging musical talent. Once again, we had over 100 students performing in the programme and included students from all year groups. In the summer term we collaborated with the Art department to produce a showcase of Key Stage 4 and 5 Art and Music. This event was very well attended and the featured musical items from the BTEC bands that were lucky enough to perform outside on a glorious summer's evening.

Our summer term was concluded with a whole school musical of 'Little Shop of Horrors'. The preparation for this production begins in the autumn term and the qualities of the performances were supported by the hard work, talent and commitment of the students over a long sustained period of time. The students were committed to regular Sunday rehearsals, lunchtimes and after school session for two terms. Following the success of 'We Will Rock You' the department decided to move the production from the Leisure Centre to the Brewery Arts Centre and to include two matinee and four evening performances. This placed a huge demand on the small cast but they rose to the challenge and the feedback that we received was that it eclipsed the previous production in terms of professionalism and quality. We are very proud of our achievements and this concluding event of the year supported our view that the department continues to move from strength to strength.

2013 PE A2 results were above the 'national expected grade' based on prior attainment. We have completed an 'A' level Action Plan to ensure students are fully prepared for the changes to 'A' level examination arrangements.

GCSE

This was an excellent set of results. Well done to Mrs Jackson and the students. KKS students scored more highly than their peers nationally and all but 1 achieved their target grade. Mrs Jackson did a great job preparing the group for their exam but she is keen to build on the success of this year and work hard to help the students to gain higher grades in the theory aspect of the course.

National Diploma Level 2

The whole group achieved either in line with or above their target grade. Well done to them and to Mrs Taylor for her efforts. Special mention should be made for Mr Adam Highley (PGCE student) who worked 1:1 with a student to ensure they achieved their 2Cs. I know that the student is really grateful for the support they received.

National Diploma level 3

The group did well in the end. They were perhaps the least able Level 3 group that we have had since we began the course. All passed the course and have gone on to a variety of other things, including University, college and employment.

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GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

PGCE PE

The first cohort of PGCE students successfully completed their course. All the females have started teaching positions and most of the males. The student feedback from the course received through the University and informal conversations with Ofsted and the students themselves suggested that the KKS aspect of the course was very well received. We are looking forward to an even stronger cohort this coming year.

G+T

The department continues to support our Talented performers by entering District, County and National Competitions. We also offer advice and guidance where appropriate and trips and visits are arranged when appropriate (e.g. Careers in Sport trip to UCLAN November 2013). We also arrange for coaching course to be delivered in school for our staff and students to up skill them.

Judo

For the first time, we introduced judo into our PE curriculum. Working with Kendal Judo Club and Mike Liptrot, the Year 7 boys each did an 8 week course of judo as a trial. The boys thoroughly enjoyed the new challenge and for 2013/14, all year 7 boys and girls will do a 6 week module of judo. This is a fantastic opportunity for our pupils to access an Olympic training venue, work on the Olympic mat from London 2012 and be coached by National coaches and Olympians.

The focus of our gifted and talented work must always be the work taking place both in and out of classrooms, day in, day out, to extend our most able learners. Alongside this we run many enrichment activities for our most able learners, some of which are highlighted below.

Mrs Derbyshire and Mr Leadbeatter have re-vamped our G&T provision using an audit to inform on a G&T Action Plan. As well as sharing practical methods of stretching the most able, a G&T calendar and handbook for staff are being used.

Our Key Stage 3 gifted and talented students have been working with students from other schools at a series of conferences in Heversham. These conferences have been well received and have included contributions from speakers with a wide range of backgrounds including law and science as well as our MP Tim Farron. Our own Mr Brennan contributed one workshop on the subject of 'Free Will', others included 'What is poetry?', 'The future of the school curriculum', and 'Quantum Physics'. These conferences will continue throughout this year.

Our Technology department have been busy picking up awards. The Year 10 class designed a logo for the Kendal Community Theatre Group. Their designs were displayed in the Mayor's office where students also picked up the award. Technology also won the Rotary Technology Foundation and Intermediate competitions. Teams of 4 had a day to design and build a weight powered vehicle which had to ascend tracks of increasing gradient.

Our team of scientists competed over a number of rounds to get to the final of the Top of the Form Science and Technology Competition. They competed against reigning champions Furness Academy at Ulverston Coronation Hall. The final was a tense and nail biting affair with the lead exchanged through rounds such as university challenge, fastest finger, blockbusters and the practical round. The final score was 580 – 545, just one key question separated the teams with Kirkbie Kendal runners up.

The Centre for Elite Sports Talent Development is run in collaboration with Kendal Judo Club at the Dojo. This is a pre-school training programme where athletes work with strength and conditioning coaches to improve their performance in their chosen sports. More information about this and our many other talented Sports performers can be found in the Physical Education report.

KIRKBY KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Our Elite Pathways group have taken part in a number of varied activities over the year. These have included a series of seminars at lunchtime run designed to challenge and extend our students. Seminars have included 'Conditional Probability in Popular Culture', 'Card Trickery' and 'Division and Debate'. The aim of all the seminars, alongside the challenge, is to prepare students for potential university interviews in the future by putting them on the spot with material they are unfamiliar with and asking them to come to and justify conclusions.

We maintain our links with Cambridge University and have benefitted from a visiting speaker who talked to students about applying to Oxbridge and delivered a workshop on interview techniques. A group of Year 11 students also visited Cambridge after the GCSE exams in June. The visit included a look around Jesus College and a stay in Fitzwilliam as well as a tour of the library and some of the academic museums.

A large proportion of SEN resources were directed towards supporting pupils with SEN statements in class and offering interventions to pupils throughout the school identified as needing extra support by subject Heads of Department and Heads of Year.

Employment of three Learning Mentors has enabled more interventions to be developed and delivered by experienced Teaching Assistants. This has increased the number of pupils that have benefitted from support.

The following interventions have been delivered:

- Reading Club. Aimed at pupils with standardised reading scores of below 86 in year 7. This intervention involves Year 7 being supported by a Year 12 mentor, for two registrations a week. Part way through the year the pupils were introduced to Accelerated Reader which is now incorporated in to the sessions.
- Year 8 Reading Club. For the first time a Year 8 Reading Club was introduced. Pupils were identified from the previous year's Reading Club as pupils who could benefit from more intervention. Initially this was supported by year 13 students, but due to their commitments this was not effective. Part way through the year the pupils were introduced to Accelerated Reader which is now incorporated in to the sessions.
- Handwriting Support. For pupils in Years 7, 8 and 9 with handwriting difficulties.
- Social Use of Language. For pupils in Year 7 who may have difficulty in social situations which this year incorporated 'Learning Challenge' a short course aimed at Year 7 where skills of learning how to learn are taught.
- Reading 1:1. Delivered by an experienced TA aimed at pupils in Year 7 with reading difficulties, generally with reading ages less than 8 years old.
- Reading Group. Aimed at pupils with reading ages above 8 years old. For the first time this intervention was run. The intervention lasts for approximately 30 lessons where reading, spelling and writing skills are developed.
- Literacy Plus. Aimed at pupils who would benefit from extra input to ensure they reach or exceed their targets in English, in Year 7.
- Target Level 4. A Year 8 intervention aimed at helping pupils reach level 4 in English.
- Target Level 4, Year 9. Aimed at helping pupils reach level 4 and consolidate level 4 skills in English.

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

- Lap tops, 8 lap tops have been resourced to provide support for pupils with handwriting difficulties. Lap tops can be used in external exams if they are a pupils 'normal way of working'. This resource has been successful to date and in July 2013, 56 pupils were regularly using the lap tops
- Maths. A group in both years 7 and 8 were also delivered by the department for those less able in maths

The Department and Teaching Assistants have spent a considerable amount of time supporting students in public exams, providing readers, and scribes

Head of Learning Support continues to assess for JCQ Exam Access arrangements, for GCSE exams

To increase sporting and social opportunities the department has been involved in a range of sporting events aimed at disadvantaged pupils. Activities have included lessons at the Squash Club in Kendal and competitions with other schools in the SLF

Primary Transition takes place throughout the school year. This includes visits to Year 5 and 6 Annual Reviews by the Head of Learning Support. Pupils with Statements and needs are invited to visit the school during the school day individually or as part of a group. Some pupils are invited to a lunch at the school. The final transition activity is a morning in school for identified groups of pupils, where team building activities and activities designed to reduce anxieties about the move to Kirkbie Kendal take place

The Department has continued to work closely with a range of professionals including Inspira, Educational Psychologists, Specialist Advisory Teachers and other SENCOs from within the South Lakes Federation

Staffing news

We said farewell to Mr Geoff Barton who has retired after joining KKS in 1980. He was a truly inspirational teacher specialising in Physical Education and his talents were recognised in his status as an Advanced Skills Teacher. Another excellent teacher who has retired after 24 years at KKS is Mrs Kath Crompton. She specialised in Mathematics inspiring many students to take Maths through to 'A' level and beyond. We wish both members of staff a long and happy retirement. Our thanks and best wishes also go to Mr Ian Wilson, Mr Andrew Clement, Mr Nick Crosby, Ms Charline Boyd, Miss Gemma Crowther and Mr Luke Jacobs who left us for new posts or new courses. We wish them all the very best and thank them for their many contributions to the school.

We extend a very warm welcome to

- Mrs J Brain - Mathematics
- Mrs C Douglas- Progress Mentor
- Ms C Guns – Modern Languages
- Ms N Knowles– Progress Mentor
- Ms N Kuliszewski - Psychology
- Miss N Lintern - History
- Mr J Maddock– Mathematics

The appraisal system in school was closely aligned to the teachers' standards as set out last year. Appraisal targets were set based on the School's improvement plan. As always appraisal targets were based around results and teaching and learning. A teaching skills audit was completed to identify the areas of strength and areas for future development. This highlighted 'differentiation' which will be appraisal objectives for all staff in 2013-14.

Development Opportunities

A number of development opportunities were provided within the school in order to develop colleagues professionally.

Mr Mark Leadbeater and Mrs Fiona Derbyshire were attached to the leadership team from November and completed excellent work on gifted and talented students and our provision. This included creating a calendar of events which we now display on our website.

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Mr Dave Barton, Miss Jen Donald, Mr Paul Caulfield, Miss Sally Dangerfield and Mr Duncan Green have also been working as Assistant Heads of Year picking up individual projects associated with their designated year groups

Thank you to all colleagues who have put a great deal of work in to professional development or themselves and others

Leadership Pathways

Mr Mark Leadbeatter and Mrs Natalie Myler completed their Leadership Pathways programme

Middle Leaders Development Programme

Mr Steve Wright, Mr Andy Hebson and Mr Kevin Moore completed their Middle Leaders Development Programme

NQTs and PGCE Students PE PGCE

Miss Charlene Baude completed her NQT year

PGCE students

The school based PE PGCE in partnership with the University of Cumbria was a great success with all of the students successfully completing the course

IMMEDIATE DESTINATIONS OF FORMER STUDENTS 12-13

There were 187 students aged 17 or over at the start of the school year Details of their progression are

72 students in Year 13 at the start of the school year progress as follows

Higher Education	77%
Higher Education Deferred Entry	13%
Employment and training	10%

80 Students continued into Year 13 from Year 12

There were 165 students in Year 11 at the start of the school year

Details of their progression are

6 th Form	60%
College, employment and training	38%

EXAMINATION STATISTICS 12-13

GCSE

% 5+ A*-C including English & Maths = 62%

Average Point Score (top 8) = 361*

Average Grade (GCSE only) = C+*

% pupils achieve 5+ A*-A = 26%*

% 3 Levels Progress – English = 80%*

% 3 Levels Progress – Maths = 68%

*significantly high

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

A Level

'A' Level +0 11 grades

'AS' level +0 18 grades (significantly positive)

Student performance at post-16 was marked in top 25% nationally for value-added

ATTENDANCE STATISTICS 12-13

The School sessions are 8 45 – 13 10 and 14 05 – 15 25 Monday to Friday in the term time for this academic year

The school week contains lesson time (excluding Registration, Assemblies, and Breaks) of 25 hours

Percentage of half days missed through

Authorised Absence 4 76%

Unauthorised absence 0 20%

Total Absence 4 96% (National 5 9%)

The School Attendance Policy is available on the website and outlines how the school achieves maximum possible attendance through appropriate actions, such as first day contact when an unexpected absence occurs

SCHOOL RESULTS

These tables show the percentage of students at the end of Key Stage 3 achieving each level in 2013 Figures may not total 100 per cent because of rounding

Teacher Assessment									
Percentage at each level									
	1	2	3	4	5	6	7	8	Pupils absent
English	0	0	0	4	35	37	22	2	0
Maths	0	1	3	9	12	27	37	10	0
Science	0	0	1	7	43	25	24	0	0
Modern Foreign Languages	0	0	0	5	41	45	8	0	0
Design and Technology	0	0	1	9	49	30	12	0	0
Geography	0	0	0	8	27	37	25	3	0
History	0	0	0	3	22	40	31	3	0
ICT+	0	0	0	1	12	50	36	1	0
Art & Design	0	0	0	4	23	40	31	2	0
Music	0	0	0	5	48	36	11	1	0
Physical Education	0	0	0	11	40	34	11	3	0
Religious Education	0	0	0	7	23	49	20	1	0

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

GCSE RESULTS 2013

Subject	No. entries	A*-C %	A*-G %	National 2011 A*-C
Aida	162	79	100	Not available
Art & Design	34	62	100	77
Biology	50	92	100	90
Business Studies	45	73	100	67
Cida (Multi Media)	47	89	98	Not available
Chemistry	50	86	100	90
Dance	4	25	100	Not available
Design & Technology	115	88	100	62
Dida (Enterprise)	10	100	100	Not available
Dida (Graphics)	10	100	100	Not available
Drama	11	100	100	73
English	165	79	99	64
English Literature	162	85	100	77
French	17	88	100	70
Geography	76	80	100	69
German	27	63	100	75
Health & Social Care	10	100	100	53
History	58	62	98	69
Mathematics	165	68	10	58
Music	17	100	100	77
Sport (National Diploma)	7	100	100	Not available
PE	26	96	100	71
Personal Social Development	142	100	100	Not available
Physics	50	92	100	91
Religious Studies - Full GCSE	28	85	100	72
Science & Additional Science	100	56	100	53
Science (BTec)	11	100	100	Not available
Summary of GCSE Results				
Number of students aged 15 on roll = 165				
Students (percentage)	Achieving 5+ GCSEs A*-C	Achieving 5+ A* - G	Entered 1+ GCSEs	Achieving 1+ A*-G
Boys	79	97	100	100
Girls	88	99	100	100
All Students	83	98	100	100

KIRKIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

RESULTS – Summer 2013 GCE 'A' Level Summary

The number of students in the cohort was 72

The % of grades at A* – C was 73%

The % of the year group achieving A* to E grades was 99%

The School was in the top 400 State Schools

Subject	Entries	A*/A	B	C	D	E
Art	2	-3	-	1	1	-
Biology	8	3	2	2	1	-
Business Studies	17	-	4	6	3	4
Chemistry	5	2	1	-	1	1
Computing	7	1	1	1	3	1
English Language	7	-	3	4	-	-
English Literature	7	3	2	1	1	-
French	3	-	-	3	-	-
Further Maths	2	1	1	-	-	-
General Studies	11	4	5	1	1	-
Geography	6	2	3	1	-	-
Graphics	6	-	3	-	3	-
History	5	-	1	2	2	-
ICT	5	2	-	2	-	1
Law	4	1	1	2	-	-
Mathematics	16	5	5	1	5	-
PE	4	-	1	2	1	-
Physics	15	2	1	5	1	6
Product Design	2	1	-	-	-	1
Psychology	9	1	3	4	1	-
RE/Philosophy	15	2	1	5	1	6
Sociology	7	2	1	4	-	-
National Diploma in Sport	13	4	-	4	-	5
National Diploma in Health	8	1	-	5	-	2

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Going Concern

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

Retention of students to the 6th form is excellent, and student choice for the new intake for year 7 in September 2013 means that the school will be oversubscribed.

Key Financial Performance Indicators

The governors will continue to monitor the academy's performance through regular reviews and monthly, quarterly and annual reports. To assist with this monitoring a number of key performance indicators will be identified, these may be indicators may be reviewed and revised so as to ensure that relevant information is provided.

Further performance reviews will be undertaken with benchmarking with other South Lakes Federation schools.

	2013	2012
% Teaching & educational Support staff costs to Incoming resources	67.76%	65.11%
Ratio of FTE staff to students	9.45	9.99
Teaching staff FTE ratio to students	16.58	17.17

Financial Review

The academy trust is funded by the general academy grant which is paid directly by the Education Funding Agency (EFA). Grants are also received from Cumbria County Council relating to students special educational needs.

Income is also raised from community associations and local business for the hire of the school premises and sports facilities.

Total funds received at 31 st August 2013	£5,434,049
Total funds expended at 31 st August 2013	£5,699,083

Details of incoming resources and resources expended are shown in the notes to the accounts.

The value of the tangible fixed assets was £11,924,863, these assets were used exclusively for providing education and the associated support services to the students.

At 31st August 2013 the academy trust held fund balances of

Restricted funds	£315,094
Unrestricted funds	£131,567
Restricted fixed asset funds	£11,924,863
Pension deficit	(£845,000)
Cash balances held	£723,325

The level of funding agreed by the education funding agency for next year will result in a shortfall which will be met from the academy trust reserves.

KIRKIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Financial and Risk Management Objectives and Policies

The academy's exposure to credit, cash flow and liquidity risks are minimised by the very nature of the trust activities. Grant funding is received at the beginning of each month, which ensures a positive cash flow throughout the financial year. Income from other sources, are not a large part of the trusts income and therefore do not form a significant credit risk. Bank balances are positive and the academy holds cash reserves.

It is the Governors objective to maintain suitable cash reserves whilst expending the grant funding received in that year on the education of the students. The level of reserves is discussed annually.

Principal Risks and Uncertainties

The academy main funding comes from the EFA and this funding is based on students. Measures are in place to market the school to ensure that student numbers are maintained. Staffing is a major cost to the academy and the curriculum is closely monitored to ensure that staffing resources are maximised. Student numbers have been consistent and future primary school numbers indicate that this will continue to be the case. The Finance and Property Committee continue to monitor both student numbers and staffing levels on a regular basis.

Reserves Policy

The governors will continue to review and agree the levels of reserves the academy trust holds in line with government guidelines.

The local government pension liability will have an impact on the level of these reserves.

Defined benefit pension scheme deficit fund was in deficit as this represents the deficit on the Local Government Pension Scheme (LGPS) at the year end.

The governors have designated certain funds which include the following:

Cinderovens sports facility fund has been designated for the maintenance and future replacement of the all-weather pitch.

Building projects fund has been designated for future building projects at the governor's discretion.

Investment Policy

The available funds for the academy trust dictate the investment policy. Cash balances are held within main stream banks and building societies with a strong ethical and environmental profile.

KIRKBY KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Future plans

The academy trust will continue to improve the levels of performance of all its students so that they can achieve the best they possibly can

The academy trust will continue to market the school to maintain its share of the available student intake, by developing and collaborating within the South Lakes Federation and the Kendal Community Partnership

Work to encourage our more able students to follow the elite pathways programme and therefore maintain its recruitment to the sixth form

The schools development and action plans set out targets for student achievement, teaching standards and the utilisation of resources

Kirkbie Kendal School Academy Trust makes contributions to the teachers' pension, and Cumbria local government pension schemes both of which continue to undergo considerable changes

The academy will monitor all these changes and the changes to government legislation and follow the schemes administrator's advice on contributions

Auditor

Insofar as the governors are aware

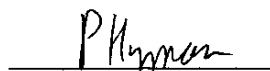
- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Saint and Co have been appointed as auditors and they are willing to continue in office and a resolution to appoint them will be proposed at the next meeting

Approved by order of the members of the governing body on 19th Nov 2013 and signed on its behalf by



Mrs Nicola Criere
Chair of Governors and Academy Trustee



Mr Phil Hyman
Headteacher & Accounting Officer

KIRKBY KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2013

Scope of Responsibility

The governors acknowledge the overall responsibility for ensuring that the academy trust has an effective and appropriate system of control, financial and otherwise. A number of systems, especially in the areas relating to teaching, health and safety, school trips and financial control have been implemented. Vetting of new staff is carried out along with systems to identify and supervise visitors to the school.

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 governors have delegated the day-to-day responsibility to the headteacher, as accounting officer and the schools business manager 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 Kirkby Kendal School Academy Trust and the Secretary of State for Education.

They are also responsible for reporting to the governing body through the Finance and Property Committee any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities.

The **governing body** has formally met six times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mrs N Crierie (Chair)	6	6
Mr W R Abram (Chair of Finance & Property Committee)	4	6
Mr S Ratcliffe (Chair of Curriculum Committee)	5	6
Mr M Warwick (Chair Pay & Performance)	4	6
Mr D Andrews	1	6
Mr P Braithwaite	5	6
Dr N Brown	4	6
Mrs J Buckland	5	6
Mr S Wright (staff trustee)	5	6
Mr D Durnford	5	6
Mr J S Gee (staff trustee)	5	6
Mr P Hyman (principal and accounting officer)	6	6
Mr M Leadbeatter (staff trustee)	5	6
Mr A Monk	3	6
Mr T Swane	4	6
Mrs W Thompson	2	6
Mrs L Smyth (clerk)	5	6

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

The **finance and property committee** is a sub-committee of the main board of governors. Its purpose is to

Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To achieve this, it makes appropriate comments and recommendations on such matters to the governing body on a regular basis.

Attendance at the meetings in the year was as follows

Governor	Meetings attended	Out of a possible
Mrs N Crierie (Chair)	3	3
Mr W R Abram (Chair of Finance & Property Committee)	2	3
Mr D Andrews	3	3
Mr D Durnford	3	3
Mr J S Gee (staff trustee)	3	3
Mr P Hyman (principal and accounting officer)	2	3
Mr T Swane	3	3
Mrs L Smyth (clerk)	3	3

The **curriculum committee** is a sub-committee of the main board of governors. Its purpose is to

The committee is responsible for advising the full board on details relating to curriculum performance, delivery and design. It also reviews the exam results and discusses the individual subject performance and monitors the progress with individual action plans. The committee will also identify areas of improvement and report to the main board on a regular basis.

Attendance at the meetings in the year was as follows

Governor	Meetings attended	Out of a possible
Mrs N Crierie (Chair)	6	6
Mr S Ratcliffe (Chair of Curriculum Committee)	5	6
Dr N Brown	5	6
Mrs J Buckland	4	6
Mr S Wright (staff trustee)	4	6
Mr P Hyman (principal and accounting officer)	6	6
Mr M Leadbeatter (staff trustee)	5	6
Mr A Monk	2	6
Mrs W Thompson	2	6
Mrs L Smyth (clerk)	6	6

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

The **pay & performance committee** is a sub-committee of the main board of governors. Its purpose is to

The purpose of this committee is to monitor staff performance, and report to the main board on a regular basis

Attendance at the meetings in the year was as follows

Governor	Meetings attended	Out of a possible
Mrs N Crierie (Chair)	3	3
Mr W R Abram (Chair of Finance & Property Committee)	2	3
Mr M Warwick (Chair Pay & Performance)	3	3
Mr P Braithwaite	1	3
Dr N Brown	1	3
Mr J S Gee (staff trustee)	3	3
Mr P Hyman (principal and accounting officer)	3	3
Mrs W Thompson	1	3
Mrs L Smyth (clerk)	1	3

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kirkbie Kendal School Academy Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governors review the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governors are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governors, revised in accordance with audit and other recommendations.

KIRKIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures, detailed within the finance management and procedures handbook, 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 governors,
- Regular reviews by the finance and property committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- Setting targets to measure financial and other performance,
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties,
- Identification and management of risks

The board of governors has considered the need for a specific internal audit function and has decided

- not to appoint an internal auditor. However, the governors have appointed a Governor, as Responsible Officer (RO), and
- the governors have appointed Saint & Co, the external auditor, to perform additional checks

The external auditors have been appointed to carry out the monitoring of the financial matters and performing a range of checks on the academy trust's financial systems. Each term a representative will carry out monitoring processes of the school's systems and provide a report along with recommendations to the governors of the school. Any recommendations will be discussed and implemented as required with a further review at the next terms report.

We confirm the external auditor has delivered their schedule of works as planned.

Review of Effectiveness

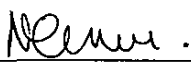
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

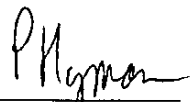
- The work of the external auditor,
- The financial management and governance self-assessment process,
- Monthly and quarterly financial reports
- Weekly meetings with the school's business manager
- Termly meetings with the school's finance manager
- The financial management manual
- The work of budget holders and members of the senior leadership team

The governors will review any recommendations made by the school's auditors and implement them as required.

The accounting officer and business manager will be advised of any implications resulting from the review of the internal control systems by the finance and property committee and a plan for improvement.

Approved by order of the members of the governing body on 19th Nov 2013 and signed on its behalf by


Mrs Nicola Criere
Chair of Governors


Mr Phil Hyman
Headteacher & Accounting Officer

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

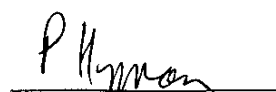
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

YEAR ENDED 31 AUGUST 2013

As accounting officer of Kirkbie Kendal School Academy Trust, I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust board of governors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Mr Phil Hyman
Headteacher & Accounting Officer

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2013

The governors (who act as trustees of Kirkbie Kendal School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to

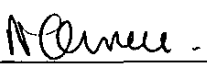
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

The governors 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 the financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the governing body on 19th Nov 2013 and signed on its behalf by


Mrs Nicola Criere
Chair of Governors

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF KIRKBIE KENDAL SCHOOL ACADEMY TRUST

YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of Kirkbie Kendal School Academy Trust for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

As explained more fully in the Governors' Responsibilities Statement, the governors (who are also the directors of Kirkbie Kendal School Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 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
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA

**KIRKBIE KENDAL SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF KIRKBIE
KENDAL SCHOOL ACADEMY TRUST *(continued)***

YEAR ENDED 31 AUGUST 2013

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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


Mr Ian Thompson (Senior Statutory Auditor)

For and on behalf of
Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

Date 17/12/13

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO KIRKBIE KENDAL SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

YEAR ENDED 31 AUGUST 2013

In accordance with the terms of our engagement letter dated 14 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy Trust during the period 01 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

RESPECTIVE RESPONSIBILITIES OF KIRKBIE KENDAL SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR

The accounting officer is responsible, under the requirements of Kirkbie Kendal School Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY KIRKBIE KENDAL SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY *(continued)*

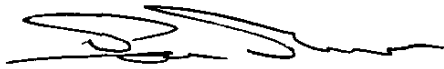
YEAR ENDED 31 AUGUST 2013

The work undertaken to draw our conclusion includes

- the Financial Management & Governance Evaluation (FMGE) was obtained,
- having a general awareness of regularity and propriety whilst conducting the statutory audit function,
- reviewing if extra-contractual payments for staff have been made in accordance with the Handbook,
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook,
- reviewing the minutes of the meeting of the main committees during the year,
- reviewing expenditure to check that it was not ultra vires to the charitable objectives,
- obtaining trustee / governor's declaration of interests

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Mr Ian Thompson (Senior Statutory Auditor)

For and on behalf of
Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

Date 17/12/13

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT AND THE STATEMENT OF RECOGNISED GAINS AND LOSSES)

YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 2012 £
Incoming resources						
Incoming resources from generating funds						
Voluntary income	3	–	8,879	–	8,879	22,727
Activities for generating funds	4	139,296	–	–	139,296	31,982
Investment income	5	1,419	–	–	1,419	1,069
Incoming resources from charitable activities - Funding for the Academy's educational operations						
	6	12,106	5,151,915	121,226	5,285,247	5,440,992
Other incoming resources	7	–	–	(792)	(792)	(1,098)
Total incoming resources		152,821	5,160,794	120,434	5,434,049	5,495,672
Resources expended						
Charitable activities - Academy's educational operations						
	8	(137,014)	(5,022,674)	(489,809)	(5,649,497)	(5,639,663)
Governance costs	9	–	(49,586)	–	(49,586)	(52,102)
Total resources expended		(137,014)	(5,072,260)	(489,809)	(5,699,083)	(5,691,765)
Net outgoing resources before transfers						
	10	15,807	88,534	(369,375)	(265,034)	(196,093)
Transfer between funds	11	(17,397)	(90,868)	108,265	–	–
Net outgoing resources for the year		(1,590)	(2,334)	(261,110)	(265,034)	(196,093)
Actuarial gains on defined benefit pension scheme		–	39,000	–	39,000	(109,000)
Net movement in funds		(1,590)	36,666	(261,110)	(226,034)	(305,093)
Reconciliation of funds						
Total funds brought forward at 01 September 2012		133,157	(566,572)	12,185,973	11,752,558	12,057,651
Total funds carried forward at 31 August 2013		131,567	(529,906)	11,924,863	11,526,524	11,752,558

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

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

The notes on pages 34 to 52 form part of these financial statements.


KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 AUGUST 2013

	Note	2013 £	2012 £
Fixed Assets			
Tangible assets	13	11,924,863	12,161,546
Current Assets			
Stocks	14	3,884	1,370
Debtors	15	163,119	277,354
Cash at bank and in hand		723,325	692,633
		<u>890,328</u>	<u>971,357</u>
Creditors: Amounts falling due within one year	16	<u>(443,667)</u>	<u>(534,345)</u>
Net Current Assets		446,661	437,012
Total Assets less Current Liabilities		12,371,524	12,598,558
Provisions for Liabilities			
Pensions scheme liability	17	<u>(845,000)</u>	<u>(846,000)</u>
Net Assets		11,526,524	11,752,558
Funds of the Academy Trust:			
Restricted Fixed Asset Funds	19	11,924,863	12,185,973
Restricted Income Funds:			
General funds	20	315,094	279,428
Pension reserve	20	<u>(845,000)</u>	<u>(846,000)</u>
Total Restricted Income Funds		(529,906)	(566,572)
Unrestricted Income Funds	21	<u>131,567</u>	<u>133,157</u>
TOTAL FUNDS		11,526,524	11,752,558

Approved by order of the members of the governing body on 19th Nov 2013 and signed on its behalf by


Mrs Nicola Criere
Chair of Governors


Mr John Gee
Governor

Company Registration Number 07543834

The notes on pages 34 to 52 form part of these financial statements.

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2013

	2013		2012
	£	£	£
Reconciliation of Net Incoming Resources before Transfers to Net Cash Inflow from Operating Activities			
Net outgoing resources before transfers	(265,034)		(196,093)
Interest receivable	(1,419)		(1,069)
Loss on disposal of fixed assets	792		1,098
Depreciation	476,201		463,015
Capital grants from DfE	(121,226)		(46,722)
Increase in stocks	(2,514)		(1,370)
Decrease in debtors	114,235		39,213
(Decrease)/Increase in creditors	(90,678)		76,475
FRS 17 pension cost less contributions payable	4,000		(19,000)
FRS 17 net pension finance cost	34,000		37,000
Net cash inflow / (outflow) from operating activities	148,357		352,547
Returns on Investments and Servicing of Finance			
Interest received	1,419		1,069
Net cash inflow from returns on investments and servicing of finance		1,419	1,069
Capital Expenditure and Financial Investment			
Payments to acquire tangible fixed assets	(240,310)		(111,685)
Capital grants from DfE	121,226		46,722
Net cash inflow/(outflow) from capital expenditure and financial investment		(119,084)	(64,963)
Increase in cash in the year		<u>30,692</u>	<u>288,653</u>
Reconciliation of Net Cash Flow to Movement in Net Funds			
		2013	2012
		£	£
Increase in cash in the period		30,692	288,653
Change in net funds		30,692	288,653
Net funds at 1 September 2012		692,633	403,980
Net funds at 31 August 2013		<u>723,325</u>	<u>692,633</u>
Analysis of Changes in Net Funds			
	1 Sep 12	Cash flows	31 Aug 13
	£	£	£
Cash in hand and at bank	<u>692,633</u>	<u>30,692</u>	<u>723,325</u>

The notes on pages 34 to 52 form part of these financial statements.

KIRKBY KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), the Academies Accounts Direction issued by the EFA and the Companies Act 2006

Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

General Annual Grant (GAG) is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable except in so far as they are not capable of financial measurement.

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

Deferred income

Grants and other funding received for the academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES *(continued)*

Fund accounting

Unrestricted funds reflect those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors

Restricted fixed asset funds reflect the fixed assets and capital grants for the purchase of fixed assets to be used for charitable purposes

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with EFA guidance

Details of restricted and unrestricted funds are shown in the notes to the financial statements

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Costs have been allocated in accordance with the Charities SORP 2005

Items of expenditure which involve more than one cost category have been apportioned on a reasonable and justifiable basis for the cost category concerned. Direct costs are those incurred in the provision of education in accordance with the objects. Support costs are those related to the organisational infrastructure that allows the charitable company to provide education

- **Costs of Generating Funds** These are costs incurred in attracting voluntary income, and those incurred in activities that raise funds
- **Charitable Activities** These are costs incurred on the academy trust's educational operations
- **Governance Costs** These include those costs attributable to compliance with statutory requirements

All resources expended are inclusive of irrecoverable VAT

Fixed assets

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation

Land and buildings are classed as long leasehold if there is over 50 years unexpired lease term at the balance sheet date

Tangible fixed assets since the Academy was established are included in the accounts at cost

Single assets costing less than £1,000 or similar groups of assets purchased or ordered together of less than £1,000 are written off in the year of purchase

All single assets or groups of assets ordered or purchased at the same time above £1,000 are to be capitalised

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant and machinery - straight line over 15 years
Furniture, equipment and computers - straight line over 5 years
Long leasehold property - straight line over the estimated economic life (10 to 50 years)

The depreciation charge for additions in the year is time apportioned based on the month of purchase

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

The total depreciation charge is allocated to teaching costs and administration and support costs pro-rata to the number of employees

Stocks

Unsold catering stocks are valued at the lower of cost or net realisable value

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

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

Teachers' pension scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charitable Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi employer scheme and the Charitable Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES *(continued)*

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the Charitable Company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of the staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits are vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net amount of other finance costs or credits. Actuarial gains and losses are recognised immediately in other gains and losses.

Taxation

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

KIRKBY KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2013, as shown below:

a. Results and Carry Forward for the Year

GAG brought forward from previous year	273,943	122,702
GAG allocation for current year	<u>4,689,918</u>	<u>4,933,001</u>
Total GAG available to spend	4,963,861	5,055,703
Recurrent expenditure from GAG	(4,559,372)	(4,673,924)
Fixed assets purchased from GAG	(101,944)	(107,836)
Catering fund contribution towards overhead costs	9,746	-
Music tuition fees transferred to cover costs	<u>1,336</u>	<u>-</u>
GAG carried forward to next year	313,627	273,943
Maximum permitted GAG carried forward at end of current year		
(12% of allocation for current year)	<u>(562,790)</u>	<u>(591,960)</u>
GAG to surrender to DfE		
(12% rule breached if result is positive)	<u>(249,163)</u>	<u>(318,017)</u>
	No breach	No breach

b. Use of GAG Brought Forward from Previous Year for Recurrent Purposes

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes.)

Recurrent expenditure from GAG in current year	4,559,372	4,673,924
GAG allocation for current year	<u>(4,689,918)</u>	<u>(4,933,001)</u>
GAG allocation for previous year x 2%	<u>(98,660)</u>	<u>(40,588)</u>
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	<u>(229,206)</u>	<u>(299,665)</u>
(2% rule breached if result is positive)	No breach	No breach

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

3. VOLUNTARY INCOME

	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Donations			
Miscellaneous donations	<u>8,879</u>	<u>8,879</u>	<u>22,727</u>

4. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Hire of facilities	7,767	7,767	6,944
Hire of pitches	22,628	22,628	23,944
School uniforms commission	693	693	1,094
Catering income	<u>108,208</u>	<u>108,208</u>	<u>-</u>
	<u>139,296</u>	<u>139,296</u>	<u>31,982</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Bank and Building Society interest receivable	<u>1,419</u>	<u>1,419</u>	<u>1,069</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 2012 £
DfE / EFA grants					
General Annual Grant (GAG)	-	4,682,318	-	4,682,318	4,933,001
Capital grants	-	-	121,226	121,226	46,722
Pupil Premium	-	110,008	-	110,008	16,300
Other EFA grants	-	14,966	-	14,966	8,578
Other Government grants					
Local Authority Funded Statements	-	154,369	-	154,369	145,523
Diploma funding	-	-	-	-	24,013
Alternative Curriculum	-	-	-	-	8,319
Other Government Grants	-	10,345	-	10,345	-
Trip income	-	143,028	-	143,028	217,377
Other income	2,244	13,466	-	15,710	20,865
Other educational income	<u>9,862</u>	<u>23,415</u>	<u>-</u>	<u>33,277</u>	<u>20,294</u>
	<u>12,106</u>	<u>5,151,915</u>	<u>121,226</u>	<u>5,285,247</u>	<u>5,440,992</u>

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

7. OTHER INCOMING RESOURCES

	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 2012 £
Gains / Losses on disposal of tangible fixed assets for charity's own use	(792)	(792)	(1,098)

8. COSTS OF CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 2012 £
Direct costs	-	3,835,874	380,961	4,216,835	4,270,557
Trips and productions	-	143,028	-	143,028	217,377
Allocated support costs	137,014	1,043,772	108,848	1,289,634	1,151,729
	<u>137,014</u>	<u>5,022,674</u>	<u>489,809</u>	<u>5,649,497</u>	<u>5,639,663</u>

For details of costs of charitable activities see the detailed statement of financial activities

9. GOVERNANCE COSTS

	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Accountancy fees	4,370	4,370	2,000
Audit fees	4,000	4,000	4,000
Legal and professional fees	7,216	7,216	9,102
Net finance costs in respect of defined benefit pension schemes	34,000	34,000	37,000
	<u>49,586</u>	<u>49,586</u>	<u>52,102</u>

10. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging

	2013 £	2012 £
Depreciation	476,201	463,015
Auditors' remuneration		
- audit of the financial statements	4,000	4,000
- accountancy	3,870	2,000
- assurance services	500	-

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

11. FUND TRANSFERS

	2013 £
Unrestricted funds	
Music tuition fees income has been treated as unrestricted income this year in line with the guidance within the Accounts Direction 2013. This has been transferred to the restricted GAG fund to cover costs incurred in providing this service	(9,746)
Transfer to the restricted fixed asset fund for the purchase of catering equipment by the unrestricted catering fund	(6,321)
Transfer to the restricted GAG fund from the unrestricted catering fund to contribute towards the overhead costs	(1,336)
Transfer to unrestricted funds from restricted general funds	6
	<u>(17,397)</u>
Restricted general funds	
Transfer to the restricted fixed asset fund for assets purchased by the restricted GAG fund	(101,944)
Music tuition fees income has been treated as unrestricted income this year in line with the guidance within the Accounts Direction 2013. This has been transferred to the restricted GAG fund to cover costs incurred in providing this service	9,746
Transfer to the restricted GAG fund from the unrestricted catering fund to contribute towards the overhead costs	1,336
Transfer to unrestricted funds from restricted general funds	(6)
	<u>(90,868)</u>
Restricted fixed asset funds	
Transfer to the restricted fixed asset fund for assets purchased by the restricted GAG fund	101,944
Transfer to the restricted fixed asset fund for the purchase of catering equipment by the unrestricted catering fund	6,321
Transfer from EFA capital funds to the restricted fixed assets used for charitable purposes in relation to the capitalised element of the expenditure	(132,045)
Transfer to restricted fixed assets used for charitable purposes from the EFA capital funds in relation to the capitalised element of the expenditure	132,045
	<u>108,265</u>

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

12. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2013 £	2012 £
Wages and salaries	3,318,482	3,295,399
Social security costs	229,169	225,975
Other pension costs	474,611	449,958
	<u>4,022,262</u>	<u>3,971,332</u>
Supply teacher costs	41,586	45,949
Compensation payments	9,501	–
	<u>4,073,349</u>	<u>4,017,281</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	2013 No	2012 No
Teaching	84	84
Administration and support	17	16
Management	1	1
Generating funds	3	1
	<u>105</u>	<u>102</u>

The number of employees whose remuneration for the year fell within the following bands, were

	2013 No	2012 No
£80,000 to £89,999 (annual equivalent)	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, the employer's pension contributions in respect of this employee amounted to £12,177 (2012 £12,177)

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

13. TANGIBLE FIXED ASSETS

	Plant and machinery £	Furniture, equipment and computers £	Leasehold Property £	Total £
COST				
At 1 September 2012	2,525,097	123,571	10,166,894	12,815,562
Additions	-	23,152	217,158	240,310
Disposals	-	(1,532)	-	(1,532)
At 31 August 2013	2,525,097	145,191	10,384,052	13,054,340
DEPRECIATION				
At 1 September 2012	238,480	22,809	392,727	654,016
Charge for the year	168,339	25,670	282,192	476,201
On disposals	-	(740)	-	(740)
At 31 August 2013	406,819	47,739	674,919	1,129,477
NET BOOK VALUE				
At 31 August 2013	2,118,278	97,452	9,709,133	11,924,863
At 31 August 2012	2,286,617	100,762	9,774,167	12,161,546

The leasehold buildings and the plant and machinery integral to the buildings include valuations of £10,110,891 and £2,525,097 respectively which were valued as at 1 April 2011 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The valuation is based on the estimated 'rebuild costs'.

The governors have departed from the applicable accounting standard FRS 15 Tangible Fixed Assets, which values specialised properties at Existing Use Value using a Depreciated Replacement Cost approach, as they believe that the 'rebuild cost' was a more accurate reflection of the value of the property at conversion.

In accordance with Gary A Bushell's instructions the land has been valued at £1. This valuation reflects the fact that the land is tied specifically to educational use. No account has been taken of any potential development value.

Capital commitments

	2013 £	2012 £
Contracted for, but not provided for in the financial statements	-	43,151

14. STOCKS

	2013 £	2012 £
Catering stock	3,884	1,370

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

15. DEBTORS

	2013	2012
	£	£
Trade debtors	3,238	1,063
Other debtors	108,369	239,433
Prepayments	51,512	36,858
	<u>163,119</u>	<u>277,354</u>

16. CREDITORS: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	65,973	89,137
Taxation and social security	72,025	76,284
Deferred income	108,299	139,387
Other creditors	85,652	69,254
Accruals	111,718	160,283
	<u>443,667</u>	<u>534,345</u>

Deferred income

Deferred income at 1 September 2012	139,387	135,384
Resources deferred in the period	108,299	139,387
Amounts released from previous years	(139,387)	(135,384)
Deferred income at 31 August 2013	<u>108,299</u>	<u>139,387</u>

Deferred income at 31 August 2013 comprises

Local authority funded statements grant (section 215) for the period September 2013 to March 2014	71,743
Deposits in advance for Trips in the following academic year	36,456
Prize money for the 2013/14 academic year	100
	<u>108,299</u>

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

17. PENSIONS

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £62,955 (2012 £59,837) were payable to the schemes as at 31 August and are included within creditors, comprising TPS £46,464 (2012 £45,006) and LGPS £16,491 (2012 £14,831)

The total pension costs to the Charitable Company during the year ended 31 August 2013 and included in staff costs were £474,496 (2012 £449,958) comprising TPS £337,366 (2012 £344,181), LGPS £137,130 (2012 £105,777) In addition, the academy incurred finance costs amounting to £34,000, being interest on LGPS liabilities £60,000 less expected returns on LGPS assets £26,000, included in governance costs (2012 finance costs £37,000, interest on LGPS pension liabilities £54,000 less expected returns on LGPS assets £17,000)

Teachers' Pension Scheme (TPS)

The TPS is a statutory contributory defined benefit scheme The regulations under which the TPS operates are the Teachers' Pension Regulations 2010 These regulations apply to teachers in schools that are maintained local authorities and other educational establishments, including academies, in England & Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full time teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament 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 under arrangements governed by the above Act

The Teachers' Pension Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of the price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce a real rate of return

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by the standard contributions to be paid in the future by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

KIRKIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

The last valuation of the TPS related to the period 01 April 2001 - 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Services pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is unlikely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £176,000 (2012 £165,000), of which employers' contributions totalled £132,000 (2012 £124,000) and employees' contributions totalled £44,000 (2012 £41,000). Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

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

The principal actuarial assumptions are

	2013	2012
Rate of CPI inflation	2.40%	2.30%
Rate of increase in salaries	4.15%	4.05%
Rate of increase in pensions	2.40%	2.30%
Discount rate	4.60%	4.50%

Post retirement mortality assumptions are

	2013	2012
Longevity at age 65 for current pensioners		
Male	22.2 Yrs	22.2 Yrs
Female	24.9 Yrs	24.8 Yrs
Longevity at age 65 for future pensioners		
Male	24.1 Yrs	24.0 Yrs
Female	26.9 Yrs	26.8 Yrs

The fair value of the major categories of scheme assets and the expected rate of return at the balance sheet date are as follows:

	2013 (2012) Expected return	2013 Fair value of assets £	2012 Fair value of assets £
Equities	7.0% (7.0%)	381,000	209,000
Government bonds	3.4% (2.5%)	98,000	69,000
Other bonds	4.4% (3.4%)	101,000	71,000
Property	5.7% (6.0%)	40,000	27,000
Cash / liquidity	0.5% (0.5%)	5,000	7,000
Other	7.0% (7.0%)	34,000	37,000
Fair value of scheme assets		659,000	420,000
Present value of scheme liabilities			
Funded		(1,504,000)	(1,266,000)
Unfunded		-	-
Deficit in the scheme		(845,000)	(846,000)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

KIRKIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on the scheme assets in the year was £65,000 (2012 £30,000)

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

	2013 £	2012 £
Current service cost	136,000	105,000
Expected return on scheme assets	(26,000)	(17,000)
Interest cost	60,000	54,000
Total cost recognised in SOFA	<u>170,000</u>	<u>142,000</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £58,000 loss (2012 £97,000 loss).

Contributions

The total contributions made by the employer in the year were £132,000 (2012 £124,000)

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 August 2013 is £132,000

Movement in deficit in the year

	2013 £	2012 £
Deficit in scheme at 1 September	(846,000)	(719,000)
Current service cost	(136,000)	(105,000)
Employer contributions	132,000	124,000
Expected return on assets	26,000	17,000
Interest on pension liabilities	(60,000)	(54,000)
Actuarial gain or (loss)	39,000	(109,000)
Deficit at 31 August	<u>(845,000)</u>	<u>(846,000)</u>

Change in the present value of the defined pension benefit obligations are as follows:

	2013 £	2012 £
Benefit obligation at 1 September	(1,266,000)	(939,000)
Current service cost	(136,000)	(105,000)
Interest on pension liabilities	(60,000)	(54,000)
Actuarial gain or (loss)	-	(123,000)
Contributions by scheme participants	(44,000)	(41,000)
Benefits / transfers paid	(2,000)	(4,000)
Benefit obligation at 31 August	<u>(1,508,000)</u>	<u>(1,266,000)</u>

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

Change in the fair value of scheme assets are as follows

	2013 £	2012 £
Opening fair value of scheme assets at 1 September	420,000	220,000
Expected return on scheme assets	26,000	17,000
Contributions by employer	132,000	124,000
Contributions by scheme participants	44,000	41,000
Actuarial gains or (loss)	39,000	14,000
Benefits paid	(2,000)	4,000
Closing fair value of scheme assets at 31 August	<u>659,000</u>	<u>420,000</u>
Experience adjustment on scheme assets	39,000	14,000
Percentage of scheme assets	5.9%	3.3%
Experience adjustment on scheme liabilities	-	-
Percentage of scheme liabilities	0.0%	0.0%

18. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2013 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2013	2012
	£	£
Operating leases which expire:		
Within 2 to 5 years	6,628	6,628

Land and property leases

The leasehold land and buildings are subject to lease with The Trustees of Kirkbie Kendal School. The lease term expires on 07 December 2103. Although a peppercorn rent may be demanded, no such rent has been demanded to date.

19. RESTRICTED FIXED ASSET FUNDS

	Balance at 1 Sep 2012 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Aug 2013 £
EFA formula capital	-	20,740	-	(20,740)	-
EFA capital maintenance	24,427	100,486	(13,608)	(111,305)	-
Fixed assets used for charitable purposes	<u>12,161,546</u>	<u>(792)</u>	<u>(476,201)</u>	<u>240,310</u>	<u>11,924,863</u>
	<u>12,185,973</u>	<u>120,434</u>	<u>(489,809)</u>	<u>108,265</u>	<u>11,924,863</u>

Details of transfers are shown in Note 11

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

20. RESTRICTED INCOME FUNDS

	Balance at 1 Sep 2012 £	Incoming resources £	Outgoing resources £	Gains & Transfers £	Balance at 31 Aug 2013 £
DfE / EFA grants					
General Annual Grant (GAG)	273,943	4,689,918	(4,559,372)	(90,862)	313,627
Pupil premium	-	110,008	(110,008)	-	-
Other EFA grants	-	7,366	(7,348)	-	18
Defined benefit pension scheme deficit	(846,000)	-	(38,000)	39,000	(845,000)
Other Government grants					
Local authority funded statements	-	154,369	(154,369)	-	-
Other government grants	-	10,345	(10,345)	-	-
Trips and productions	-	143,028	(143,028)	-	-
Other educational income	6	45,760	(45,760)	(6)	-
Other restricted general funds	5,479	-	(4,030)	-	1,449
	<u>(566,572)</u>	<u>5,160,794</u>	<u>(5,072,260)</u>	<u>(51,868)</u>	<u>(529,906)</u>

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

Details of transfers are shown in Note 11.

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

Defined benefit pension scheme deficit fund this represents the deficit on the Local Government Pension Scheme (LGPS) at the year end.

General Annual Grant (GAG) fund this represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency (EFA).

Pupil premium fund this represents funding paid by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

Local authority funded statements this represents funding from the Local Authority to pay for Learning Support Assistants who support the "statemented" special needs students.

Other restricted general funds this includes voluntary income and educational income to be expended on specific projects, activities and materials for the benefit of the pupils.

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

21. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2012 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Aug 2013 £
Cinderovens sports facility	58,451	22,628	(25,949)	-	55,130
School fund	10,623	2,937	(4,528)	-	9,032
Building projects	42,000	-	-	-	42,000
Catering fund	-	108,208	(106,450)	(7,657)	(5,899)
Other designated funds	20,352	17,629	(87)	(9,740)	28,154
General Funds	1,731	1,419	-	-	3,150
	<u>133,157</u>	<u>152,821</u>	<u>(137,014)</u>	<u>(17,397)</u>	<u>131,567</u>

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

Cinderovens sports facility this fund has been designated for the maintenance and future replacement of the all-weather pitch

Building projects this fund has been designated for future building projects at the governor's discretion

Catering fund this fund was in deficit at the year end This is due the catering fund purchasing an electronic till system This will be recouped from income in future periods

Details of transfers are shown in Note 11

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Defined benefit pension liability £	Total £
Restricted Income Funds:				
General Annual Grant (GAG)	-	313,627	-	313,627
Other EFA grants	-	18	-	18
Defined benefit pension scheme deficit	-	-	(845,000)	(845,000)
Other restricted general funds	-	1,449	-	1,449
	-	<u>315,094</u>	<u>(845,000)</u>	<u>(529,906)</u>
Restricted Fixed Asset Funds:				
Fixed assets used for charitable purposes	11,924,863	-	-	11,924,863
Unrestricted Income Funds:				
Designated Funds	-	128,416	-	128,416
General Funds	-	3,151	-	3,151
	-	<u>131,567</u>	-	<u>131,567</u>
Total Funds	<u>11,924,863</u>	<u>446,661</u>	<u>(845,000)</u>	<u>11,526,524</u>

KIRKBY KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

23. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account other than transactions with staff governors as detailed in the note below.

24. GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration whilst in office for the year was in the following bands:

P Hyman (principal and governor)	£85,000 to £89,999 (2012 - £85,000 to £89,999)
J Gee (staff governor)	£55,000 to £59,999 (2012 - £55,000 to £59,999)
M Leadbeater (staff governor)	£35,000 to £39,999 (2012 - £30,000 to £34,999)
S Wright (staff governor)	£25,000 to £29,999

During the year ended 31 August 2013 £Nil (2012 - £Nil) expenses were reimbursed to governors.

GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims for negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 (2012 - £2,000,000) on any one claim and the cost for the period ended 31 August 2013 was £1,431 (2012 - £1,602).

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

25. COMPANY LIMITED BY GUARANTEE

Kirkby Kendal School Academy Trust is a company limited by guarantee. 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.

**KIRKBIE KENDAL SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

MANAGEMENT INFORMATION

YEAR ENDED 31 AUGUST 2013

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 27 to 28**

KIRKBIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
INCOMING RESOURCES		
VOLUNTARY INCOME		
Miscellaneous donations	<u>8,879</u>	<u>22,727</u>
ACTIVITIES FOR GENERATING FUNDS		
Hire of facilities	7,767	6,944
Hire of pitches	22,628	23,944
School uniforms commission	693	1,094
Catering income	<u>108,208</u>	<u>-</u>
	<u>139,296</u>	<u>31,982</u>
INVESTMENT INCOME		
Bank and Building Society interest receivable	<u>1,419</u>	<u>1,069</u>
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS		
General Annual Grant (GAG)	4,682,318	4,933,001
Capital grants	121,226	46,722
Pupil Premium	110,008	16,300
Other EFA grants	14,966	8,578
Local Authority Funded Statements	154,369	145,523
Diploma funding	-	24,013
Alternative Curriculum	-	8,319
Other Government Grants	10,345	-
Trip Income	143,028	217,377
Other income	15,710	20,865
Other educational income	<u>33,277</u>	<u>20,294</u>
	<u>5,285,247</u>	<u>5,440,992</u>
OTHER INCOMING RESOURCES		
Gains / Losses on disposal of tangible fixed assets for charity's own use	<u>(792)</u>	<u>(1,098)</u>
TOTAL INCOMING RESOURCES	<u>5,434,049</u>	<u>5,495,672</u>

**KIRKBIE KENDAL SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2013

RESOURCES EXPENDED

	2013 £	2012 £
CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS		
Depreciation	476,201	463,015
Teaching and educational support staff costs	3,499,104	3,517,365
Books, apparatus and stationery	98,265	100,643
Examination fees	93,870	132,454
Staff development	17,043	10,708
Educational consultancy	9,210	21,614
Alternative Curriculum	73,671	82,020
Other direct costs	44,711	35,341
Support staff costs	571,712	494,666
Maintenance of premises and equipment	224,369	193,999
Cleaning	5,913	6,076
Rates and water	43,783	43,897
Heat and light	68,552	66,146
Insurance	27,446	27,961
Security	10,058	8,910
Transport	29,480	34,486
Catering	79,183	27,933
Computer costs	28,116	33,221
Telephone	12,333	14,070
Admin photocopying and stationery	14,424	19,043
Advertising	9,379	11,487
Other support costs	69,648	77,231
Transport and accommodation costs	90,873	150,155
Trip supply costs	2,775	5,250
Admission costs	18,402	16,129
Costumes and props	1,066	610
Lighting and sound	2,098	7,614
Marketing and advertising	507	1,096
Other costs	27,305	36,523
	<u>5,649,497</u>	<u>5,639,663</u>
GOVERNANCE COSTS		
Accountancy fees	4,370	2,000
Audit fees	4,000	4,000
Legal and professional fees	7,216	9,102
Net finance costs in respect of defined benefit pension schemes	34,000	37,000
	<u>49,586</u>	<u>52,102</u>
TOTAL RESOURCES EXPENDED	<u>5,699,083</u>	<u>5,691,765</u>
NET OUTGOING RESOURCES FOR THE YEAR	<u>(265,034)</u>	<u>(196,093)</u>

KIRKIE KENDAL SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS		
Direct costs		
<i>Academy's educational operations</i>		
Depreciation	380,961	370,412
Teaching and educational support staff costs	3,499,104	3,517,365
Books, apparatus and stationery	98,265	100,643
Examination fees	93,870	132,454
Staff development	17,043	10,708
Educational consultancy	9,210	21,614
Alternative Curriculum	73,671	82,020
Other direct costs	44,711	35,341
	<u>4,216,835</u>	<u>4,270,557</u>
Allocated support costs		
Depreciation	95,240	92,603
Support staff costs	571,712	494,666
Maintenance of premises and equipment	224,369	193,999
Cleaning	5,913	6,076
Rates and water	43,783	43,897
Heat and light	68,552	66,146
Insurance	27,446	27,961
Security	10,058	8,910
Transport	29,480	34,486
Catering	79,183	27,933
Computer costs	28,116	33,221
Telephone	12,333	14,070
Admin photocopying and stationery	14,424	19,043
Advertising	9,379	11,487
Other support costs	69,646	77,231
	<u>1,289,634</u>	<u>1,151,729</u>
	<u>5,506,469</u>	<u>5,422,286</u>
Trips and productions		
<i>Academy's educational operations</i>		
Transport and accommodation costs	90,873	150,155
Trip supply costs	2,775	5,250
Admission costs	18,402	16,129
Costumes and props	1,066	610
Lighting and sound	2,098	7,614
Marketing and advertising	507	1,096
Other costs	27,307	36,523
	<u>143,028</u>	<u>217,377</u>
	<u>5,649,497</u>	<u>5,639,663</u>