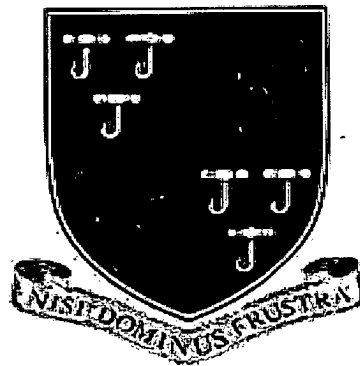


**Kirkbie Kendal School Academy Trust
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
Year ended 31 August 2017**

Company Registration Number:
07543834 (England and Wales)



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Kirkbie Kendal School Academy Trust

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Kirkbie Kendal School Academy Trust Reference and Administrative Details

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Governors who are directors and members

Mrs N Crierie (Chair) (Resigned 24th May 2017)
Mr M Duff (Chair) (Appointed 24th May 2017)
Mr W R Abram
Mrs J Buckland (resigned 31st August 2017)
Mr P Braithwaite

Governors who are directors

Mr D Armstrong (Resigned 15th September 2017)
Dr N Brown
Mr D Durnford
Mr J S Gee (Staff Governor)
Mrs H Herbert (Staff Governor)
Mr P Hyman (Headteacher)
Mr G Duckworth (Appointed 28th February 2017)
Mrs J Summerfield
Mr T Swane (Resigned 31st December 2016)
Mrs S Tully (Appointed 28th February 2017)

Company Secretary

Mrs L J Rudelhoff Scott

Senior Management Team:

- Headteacher / principal
- Deputy Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Business Manager / Governor / Director

Mr P Hyman
Mr M Harris
Mrs G McMullen
Mrs C Barker
Mr M Bousfield
Mr J Gee

Company Name

Principal and Registered Office

Kirkbie Kendal School Academy Trust
Lound Road
Kendal
Cumbria
LA9 7EQ

Company Registration Number

07543834

Independent Auditor

Saint & Co
Chartered Accountants
Old Police Station
Ambleside
Cumbria
LA22 0BT

Bankers

Barclays Bank PLC
Highgate
Kendal
Cumbria

Solicitors

Thompson Hayton Winkley
25 Crescent Road
Windermere
Cumbria
LA23 1BJ

Kirkbie Kendal School Academy Trust Reference and Administrative Details (continued)

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Insurances

The Department for Education Risk Protection Arrangement
Bluefin
Rural Auction Centre
Crooklands
Kendal
LA7 7FP

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

GOVERNORS' ANNUAL REPORT

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees report and a directors' report under company law.

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 during the year are included in the reference and Administrative details on pages 1 and 2.

No governors received any remuneration in respect of their duties as governors. Mr P Hyman who is remunerated in his position as headteacher / principal, Mr J Gee who is remunerated in his position as business manager, and Mrs H Herbert 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.

Method of Recruitment and Appointment or Election of Governors

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.

GOVERNORS' ANNUAL REPORT (continued)

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	Mrs C Barker
• 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.

Arrangements for setting key personnel pay

The members of the senior leadership team undergo an annual performance management process. Where objectives are set at the start of each academic year and monitored throughout the year. An end of year review is undertaken by the Headteacher and then shared with the Pay and Performance committee.

The Headteacher has a similar process with an independent performance management review. This review is then shared with the governors Headteacher review panel.

Following the successful reviews it is the Governors Pay and Performance committee who recommend any pay progression.

All other staff pay is reviewed using the schools pay and performance policy and determined by the Governing body.

GOVERNORS' ANNUAL REPORT (continued)

Connected organisations, including related party relationships

Kirkbie 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 the 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.

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

A School direct partnership developed with the University of Cumbria allows 13 PE PGCE students to be trained at Kirkbie Kendal School, which makes the school a centre of excellence for PE new teachers.

Please see notes 12 and 23 to the financial statements regarding governor related parties and transactions.

Objectives and Activities

Objects and Aims

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 academy trust's 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 31 August 2017 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, Consideration and hard work.
- 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.

GOVERNORS' ANNUAL REPORT (continued)

Strategies

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.

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 trustees of Kirkbie Kendal School confirm that they have complied with their duty, following the guidance on public benefit in the Charities Act 2011 in exercising their powers or duties

Our successes are built upon the efforts of highly qualified, hardworking and enthusiastic staff, well-motivated students and very supportive parents and a committed Governing body with a strong connection with the local community.

The school has a very high quality pastoral care system and is a focus for wider community educational activities. We continue to generate better educational programmes for all our students as well as improving our transitional activities for students joining Kirkbie Kendal school.

We value highly all our contact with parents, as a successful education is a partnership between parents, students and school. By working together we meet our aim of ensuring that all students who attend Kirkbie Kendal School will find it challenging, caring and will enjoy their time here and achieve the very best that they can.

GOVERNORS' ANNUAL REPORT (continued)

Strategic Report

Kirkbie Kendal School continues to be an exciting, busy and productive environment. There are an amazing variety of events and activities which take place throughout the School year and which add zest to the School curriculum. This is part of a whole School ethos which imbues our children with a great education, as well as helping them become well rounded young people, capable of fulfilling their potential in the world.

Since taking over from the wonderful Nicola Crierie earlier this year, I have been privileged to become even more involved in the life of the School. I know that I am almost expected to say this, but it is true that this is a school where staff and students work hard and remain focussed and this is reflected in the quality of the results.

It is also a delight to be back in the building where I attended (as Kendal Grammar School) all too many years ago and to see the fantastic array of resources and facilities now available to the modern student.

We are very fortunate, as parents, that our children benefit from the teaching of an excellent array of teaching staff, as well as a top class team of support staff. The Leadership Team is also in the premier league which, in these times of restricted budgets, is a real help to the maintaining of an environment where the first priority is giving every child the best possible education.

It is, after all, the duty of the Governors to see that the children at this School grow and develop to be the best that they can be. Too often, this seems to be forgotten in the welter of statistics that are bandied about. I am delighted that I am part of a team of Governors who give their time and expertise freely and who are well prepared to scrutinise the performance of the School closely, supporting and challenging where necessary and always encouraging progress. We also benefit from the support of a dedicated group of Trustees.

Thank you to all parents for entrusting this School with the education of your children and for your continued support in so many ways. I look forward to meeting you at one of the many events that take place during the School year. Particular thanks to the students of Kirkbie Kendal, after all, it is your hard work and success which makes this School.

This is a Good School, with an excellent Sixth Form. It is becoming increasingly popular and I am looking forward to working with all concerned to see that it continues to flourish.

Michael Duff
Chairs of Governors (from 1st April 2017)

Yet another productive and successful year at Kirkbie Kendal. Having left my position of Chair of Governors', I would just like to thank the new Chair, Mike Duff, and the Governor body team for all their support and hard work.

Many thanks to all the school staff for their continued dedication. I wish the school all the best as it goes from strength to strength.

Nicola Crierie
Chair of Governors (until 31 March 2017)

Achievements and performance

Thank you to the team of committed Governors, teaching and support staff, who make the provision of the excellent educational opportunities that we provide possible. After 10 years as Chair of Governors, Mrs Crierie, has stepped down as a Governor. We all owe her a great debt of gratitude. She has led the Board, providing strategic direction to the school with a grounded, common-sense approach that has made KKS a lovely and successful School for the community. Mr Duff was elected as her successor and we wish him every success.

We are proud of the examination successes of our students and the amount of academic progress that they have made. Equally important is the celebration of our students being well-rounded, caring, courteous and considerate young people.

Students raised over £2500 during the year for their chosen charities: Children in Need, The Solidarity Fund (Manchester and London terror attacks), Teenage Cancer Trust and the North West Air Ambulance. They organised various stalls, sporting events, mufti days, and cake sales. They made a significant contribution to developing School recycling. Students contributed to local community through events, including community tea parties for the older generation. Nearly every Year 10 student organised an event in the final weeks of term for their chosen charities, including The Alzheimer's Society and St John's Hospice. They organised a summer fair, raffles, quizzes and games and raised nearly £600 in one week.

GOVERNORS' ANNUAL REPORT (continued)

Examination Results

The June 2017 examination results were very pleasing. At A-Level, students maintained and slightly improved on the excellent outcomes from the year before. In total, 52% of all grades were awarded at A*-B, 85% percent of all grades were awarded at A*-C and we had a 100% A*-E pass rate. The average grade per entry was a B- grade. Our results were in the newspapers' Top State Schools' lists – 237th in England.

At GCSE, we achieved very good results. The national concerns over volatility due to the change from grades in letters to numbers turned out to be less problematic than anticipated as, nationally, results at new Grades 4 and 7 were stable compared to the Grade C and Grade A percentages from previous years. A pleasing 48% of students achieved a new 5+ 'strong' Grade in both English and Mathematics, placing us in the top 20% nationally on our benchmark for that measure. We were particularly delighted that, for the third year in a row, every student achieved 5 GCSE passes, which extends this current School record.

Staffing News

This year, three colleagues retired. Together they provided over 40 years of service to students at KKS. We will miss them, but we were fortunate to have them work with our students. Thank you to Mrs Maberly, 18 years as a Science Technician, Mr Bramall, Head of Computing at KKS for 13 years, and Mr Finn, who taught Business Studies and planned Enterprise events for 9 years. We wish them a long and happy retirement.

Also leaving us has been Mrs Travis, a Learning Manager for 9 years, Headteacher's PA for 6 years, Susan Cockburn, Jenny Kirk, English teacher, Mrs Barr, Mr Wilson and Mr Jacobs who were Progress Mentors, IT Technician, Mr Towers and Assistant Site Manager, Mr Armstrong. 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 Mullett, Headteacher's PA
- Mr Haigh, Technology and Performing Arts Technician
- Mrs Crawford, Mrs Jackson, Mrs Wilson, Progress mentors
- Mr Smith, Learning Manager
- Mrs Smith, Science Technician
- Mrs Booth to teach Business Studies
- Mrs Cruickshank to teach Science
- Mrs Herd to teach Technology
- Mrs King as Head of Computing
- Mrs Proctor to teach English
- Mrs Rosa to teach Mathematics
- Mr Andrews, Learning Manager
- Mrs Winstanley to teach Dance (temporary)
- Mrs Richards to teach Art (maternity cover)
- Miss Wilson to teach History (temporary)

We wish them every success in their careers at Kirkbie Kendal School.

Events and Activities

Musically, the School production of 'Disco Inferno', performed in the Brewery Theatre, was fabulous in terms of the high quality of the overall production and for the individual performances. It was probably even more demanding than 'Rock of Ages' from 2016 and the students all rose to the occasion to produce six wonderful shows. Congratulations to Directors, Jen Donald, Sophie Matthews and Gemma Barton, Producer, Mark Leadbeatter and all the performers and the staff who made this possible.

It was a very active year, with concerts, 'Clash of the Acts', visits including the National Youth Jazz Orchestra, dance and drama performances. In Art, a particular highlight was seeing Year 10 GCSE students' work projected in a special project, with light and sound, onto the walls of Blackwell House. Please see the separate Creative and Performing Arts Report for more details.

Maths students achieved an amazing 9 Gold, 29 Silver and 20 Bronze awards in the UK Maths Challenge. Special mention goes to Isaac Burnett, Angus Kennedy and Charlie Nicholls, who qualified for the next round in their respective age categories. Congratulations to all who took part in the Challenges.

In the Rotary Technology Competition, the Year 9 Team of Xander Armstrong, Eve Curry, Lucy Greener and Daniel Stearne won their level and continued the School's period as holders of The Foundation Cup. The Year 10 Intermediate Team of Samuel Duff, Rebecca Tarney, Harry Towler and Josh Wearing, won their age group. The 'StarPack' Design Award went to Renee Aspin. Rjay Martinez and Jamie Banks-Wallhead all received Bronze Awards for their designs and creations and Alice Dyer was awarded a Future Potential Award for her design.

GOVERNORS' ANNUAL REPORT (continued)

Successful collaboration with Lancaster University included scientific research, analytical Chemistry and the Top of the Bench Competition. The Sixth Form flew to Geneva to visit the European Organization for Nuclear Research. Year 9 Science Club enjoyed rockets, fireworks, and dissections.

Two teams progressed in the Literacy Quiz, and Extended Project Qualifications were achieved this year, with research essays on topics such as 'Are we alone in the Universe?', 'Was the Cuban Missile Crisis the most significant event of the Cold War?' and 'To what extent did violence aid the advancement of the black civil rights group in America?'

In Chess, 14 players qualified for the British Chess Challenge Area Finals in Lancaster. Holly Gill progressed to the National Finals and finished in the top 16. For a second year, the School's Junior and Senior teams flew the flag for Cumbrian schools in the British Schools' Open Competition.

Team and individual sporting achievements have continued our outstanding tradition of success, with students winning National, County and Regional selection in a wide range of sports. For example, Year 7 were the County Cricket Champions, Imogen Burrow and Skye Hunter-Dale were chosen to represent the County at Cross Country and Imogen represented England in Italy. Mark Wilson, Head Boy in 2008, started his first full England Rugby game against Argentina. Current student, Will Montgomery, is now an England Academy Rugby player and heard recently that he has been selected for England U18. Nicola Capstick is Cumbria Champion at 50, 100 and 200 m backstroke in the Open Age group and ranked sixth nationally. Billy Blaydes was ranked number 15 nationally in his age category for Tennis. Caitlin Whitehead continued to excel in Golf, representing England and winning national events. Please see the separate PE Report for more details.

Congratulations to our 35 Year 10 students who achieved the Bronze Duke of Edinburgh Award and 5 students who have completed their Gold expedition are working towards their Gold Award.

Students have played pivotal roles in helping the School to continuously improve and run smoothly and I would particularly like to thank the Year Councils, School Councils, the School's Sixth Form Senior Students and the newly introduced Key Stage 4 Senior Students.

Students have benefited from the many clubs, events and visits that are organised by staff. Some have already been referred to but there are many more, including visits to school from BAE, Google, the British Cartographic Society, the Newcastle Falcons, study visits to Barcelona and Munich, a Year 7 residential trip to Kingswood and many theatre and musical visits, a whole-School mock election, a Buddhist temple trip, Business competitions, Geography field work, History visits to places such as Skipton Castle, Maths fire station visits, a Year 10 Diversity Fair, a Mock Trial, the whole School walk and a fantastic day of activities at the end of the year. World Challenge next year goes to Mongolia, where students will be undertaking an 11-day trek to the Sacred Blue Lake and climbing the highest peak in the Arkhangai region, at 3529m. They will be helping in a summer camp for deprived children and undertaking some building work. The challenge will finish in Beijing, climbing part of the Great Wall of China.

The KKSA has been active, providing social events and raising additional funds for items to benefit students, via car boots and quizzes. They have provided on-going support for the minibus and provided resources for Music, MFL, Geography, reading books, dictionaries and a printer and press for Technology. Thank you to the KKSA team; Chair, Frances Watkins, Secretary, Jo Pritchard (and to Kay Donaldson, who has recently taken over this role), and all the Committee and supporters.

Thank you to the School's Trustees for all their hard work which has enabled them to provide support, including extra drama and sports facilities. They work 'behind the scenes' for students and staff and I would particularly like to thank the Chair, John Oldroyd, for his help to the School.

The Future

In 2017–2018, we will be putting particular emphasis on preparing our students for the new GCSEs and A-Levels. Therefore, we will be:

- Developing new Schemes of Work and assessments, and teaching students to make the most effective use of feedback from teachers.
- Refining our 'flight paths' and the reporting of student progress on each flight path.
- Continuing to develop the 'can do' attitude which will help enable our young people to be happy and to succeed in the future.

Thank you for your support of the School. I wish you all a very successful year.

GOVERNORS' ANNUAL REPORT (continued)**CITIZENSHIP**

The purpose of citizenship education is to equip the next generation of voters with the knowledge and drive to create positive change in the world around them. They are taught the factual knowledge that will help them to understand the way that the world around them works, and also taught the skills they will need to effect change in the world, whether this be at a local, national or international level. Throughout the Schemes of Work, we have sought to incorporate the fundamental British values of democracy, the rule of law, individual liberty and mutual respect for and tolerance of those with different faiths and beliefs and for those without faith.

Citizenship is taught within Life Skills lessons in Year 7–10. Citizenship topics studied were varied and included politics, the judicial system, economic wellbeing, prejudice and discrimination, and careers, to name a few.

Voting was a key theme in 2016-17, with all KKS students voting in the School EU Referendum. Two students volunteered to front the 'In/Out' campaigns and there followed speeches and a debate. The vote itself resulted in a win for 'Remain' and it was pleasing to see the level of engagement and interest the vote generated. Linked to this, we ran our first visit to the Houses of Parliament; students from Year 8 had a tour and then took part in an election and voting workshop. We followed this up with a visit from Tim Farron, who spoke about the role of an MP and answered students' questions on a range of topics. Politics Club continued to be popular and gave students the opportunity to discuss political and philosophical issues. A mock trial competition took place at Kendal Magistrates Court, with our Year 8 and 9 students competing against other schools. They performed really well and learnt a lot about the UK judicial system.

In the autumn term, we organised a collection of essential items for those facing winter in the Calais refugee camps, and students made Christmas shoeboxes for the Boxes of Hope campaign. Students raised money for Children in Need and they took part in the Sport Relief sponsored mile. The Save the Children Emergency Refugee appeal was also a focus for fundraising activities. A lot of charity events brought the School together as a community, with a lot of good humour, but it also developed a much deeper understanding as to why we need to think about others.

Our annual Diversity Fair was led by Year 10 students. All of Year 7 visited the fair and the Leadership Team voted for the best stalls. There was an array of themes such as disability, ethnicity, religion and foods. Year 7 and Year 10 both very much enjoyed the event and learned more about the different groups and cultures within the UK.

CREATIVE AND PERFORMING ARTS (CAPA)

At the start of the academic year, the Year 10 GCSE groups did a performance for the Kendal Torchlight Festival. This was a fantastic day giving them an opportunity to perform a celebration of dance and music from the last academic year.

We took the Year 10 Drama students on a trip to see 'A Linha Curva', a production staged by Rambert Ballet. This was fantastic for the group to see, being a dance studied on the new GCSE specification. It was extremely useful as there were speeches from the Director of Rambert Ballet, the Rehearsal Director, Costume Director and the dancers themselves. They explained and demonstrated the difference between contemporary and ballet techniques and the different roles and careers within the dance industry.

The Music Department started the year off with musical performances at Prize Giving. This included Thomas Dyer playing piano, Finlay Dalziel performing a trumpet solo and the 'Pink Ladies' singing a Phil Collins song. All performed to a very high standard.

The School was lucky enough to enjoy performances from a visiting German Choir. The School is located just north of Kiel and featured a mixture of 13-17 year-old students. They played a variety of light choral and pop pieces in English, German and French.

Kirkbie Kendal School hosted the annual Gala Trust Music Concert, which included performances from Dallam School, Queen Elizabeth School, Queen Katherine School, Kirkby Stephen Grammar School and ourselves. The evening was thoroughly enjoyable and it was a delight to hear music performed from a range of schools. Sam Nicholls performed on multi percussion, Thomas Dyer performed a piano solo and the Sixth Form choir 'Chord of the Rings' performed 'Tears in Heaven' by Eric Clapton. The Department received very positive feedback about the concert.

The new year started off with the 'Clash of the Acts' concert on the 18th January. This included over 12 different acts performing group pieces and solos. There was a mixture of students from all Year groups, with a variety of different musical genres. The performers were battling to impress the judging panel which consisted of Miss Donald, Mr Leadbeater and Simon Yaxley or 'Yakkers', to win Amazon vouchers. First place went to singers, Hannah McKee and Izzy Akers, second place to the Year 11 band 'Hyphenated Face' and third place to Year 7 rapper, Adam Stansfield. The event had over 100 people in the audience and was organised by the Year 12 Music students as part of their coursework.

The School was fortunate enough to have a visit from five music ambassadors from the National Youth Jazz Orchestra on the 19th January. The musicians performed to over 200 Year 5 students from local feeder Primary schools, as well as all of our Year 7 students. The students heard a variety of different styles of jazz and learnt about the different instruments and origins of the music. We hope to receive a visit from the performers again in the future. Another highlight for the Department was receiving a very kind donation of a Bechstein mini grand piano, which has replaced the piano in the new hall.

GOVERNORS' ANNUAL REPORT (continued)

The Year 11 GCSE Drama class went to see 'The Underground Man' at The Brewery Arts Centre on Thursday 16th February, where they got lots of ideas for their written coursework and some tips for their performance exam.

In February, the Department took Year 10 Music students to the Albert Dock in Liverpool. Students spent the morning at the Beatles' museum learning about the culture and music. We then spent the afternoon at LIPA (Liverpool Institute of Performing Arts), where we were given a tour of the facilities and information on careers in the Performing Arts.

There were a number of other performances during the year, including the Sixth Form Choir performing at a formal dinner for the Chamber of Commerce at the Castle Green Hotel. The Year 11 band 'Hyphenated Face' also performed at 'Kendal Moonfest' in May. The Spring Concert was a huge success, with many students performing as soloists and as part of an ensemble. A particular highlight was our Sixth Form Choir and the up and coming Year 7 rock band. Rehearsals for the school show 'Disco Inferno' have been taking place throughout this term and will continue during the summer term up until the performances at The Brewery at the end of June.

The Year 11 GCSE class completed their GCSE with an excellent performance of 'Curses, Foiled Again', a spoof melodrama by Evelyn Hood. The Year 10 GCSE group worked hard to prepare their original devised performance exam, which was performed as part of a work in progress evening in June.

The Annual CAPA Concert took place on 14th June and was an enjoyable and relaxed event, with drama, dance and music performances taking place, as well as artwork being showcased. Several groups of students from Years 7 to Y10 performed short pieces. Highlights included a (comic) ghost tour as well as original pieces of drama themed on mazes and journeys. Our GCSE Dance classes performed some of their GCSE group work, based on different choreographers according to the specification, in the annual CAPA Concert. The Art Department proudly displayed the GCSE and Sixth Form coursework in our classrooms. It was another wonderful evening and we were, once again, very fortunate with the weather with our outdoor musical performances.

The cast of 'Disco Inferno' performed to residents at Kendal Care Home on the 14th June. Feedback from this event was really positive and, apparently, the residents were talking about it for the next week.

The end of the summer term saw the production of 'Disco Inferno', which was first performed by the School in 2006. The Art Department contributed many of the sets and props for the show. Our new Technician, Ben Haigh, did a fantastic job in his first production since taking over from Mr Donnelly, who retired the previous Christmas. The show was well received by the local community and we were proud of the students' performances. We look forward to next year's production of 'School of Rock'.

PHYSICAL EDUCATION AND SCHOOL SPORT REPORT 2015-16

Talented Performers

The department continues to support our talented performers by entering District, County and National competitions. Where appropriate, we offer advice and guidance, arrange trips and visits and organise for coaching courses to be delivered in school for our staff and students to 'up skill' them. All students continue to have access to Kendal Elite Sports Academy, where they can do their sports conditioning with professional support and guidance. This is still well attended and attracts pupils from other schools as well. PE and other staff continue to support our students by offering a wide range of clubs and inter school fixtures in their free time.

Rugby Union

Rugby Union remains highly popular at KKS. While some other schools struggle to get boys to play, we have, on average, 30 boys at practices in Years 7, 8, 9 and 10. We also continue to run senior rugby fixtures for Years 11-13. Will Montgomery continues as a Newcastle Falcons Academy player and has also attended England training camps. He is an England Academy Player. We also have numerous District players and James Seaton and Ben Montgomery were selected to attend the County Central Venue sessions for the best players in the County at their age groups.

Football

The school runs teams in Years 7-11 and also a 1st XI team. We competed well in the U18 County Cup, reaching the Q-Final, and reached the semi-final of the U16 County Cup. The school played 28 matches in the season, winning 20 of them.

Tennis

Billy Blaydes, Tom Casey, Alfie Richardson and James Seaton reached the Team County Final, losing out to a good Sedbergh side. All the boys played well and Billy Blaydes was undefeated throughout.

Hockey

Girls: Teams for all age groups are run and entered into tournaments, whilst the U12's became South Lakes Champions. We have a large number of Key Stage 3 students attending practices. We encourage the girls to join the local clubs of Ambleside and Kendal and the coaches of these speak very highly of their commitment and ability. We have a number of girls in a variety of age groups who are attending the Junior Development Centres.

GOVERNORS' ANNUAL REPORT (continued)

Boys: Boys hockey grows in strength and depth. The School now has many representatives across the age ranges attending the County Development Centres, which are stepping stones for selection to full County squad. The County organiser has praised the School coach for his pro-activity, and Jacob Ross, Fraser Donaldson, Josh Weeks and Liam Lofthouse continue to play at County level. In addition, both Alex Watkins and Jake Sorrenson played, not only outside of school for Kendal and Windermere respectively, but also for the North West U16 squad, with Jake on the cusp of the North XI. Hockey is proving very popular, with the new Year 7 boys and the coach is searching for U12 opposition for the first time ever. In November 2016, the U16 Boys' team became County Champions.

Kendal Men's Hockey Club continues to benefit from the uptake in boys' hockey at Kirkbie Kendal and it is not uncommon for a regular 2nd XI squad of 15 to feature up to 11 players who are still at, or who have passed through, the School, and for both 1st and 2nd team squads (around 30 players) to have 18 players who are Kirkbie Kendal past or present.

The players who have represented Cumbria are: Megan Carradus (U17), Skye Hunter-Dale (U13), Olivia Ormrod (U14), Ella Park (U13), Holly Strickland (U17), Raine Wickens (U13), Lucy Dixon (U15), Fraser Donaldson (U14), Jessyka Fox (U13), Luke Tamblin (U14) and Alex Watkins (U17).

Netball

Netball teams and practices are run for all age groups and entered into tournaments. We have a large number committed to attending the practices and playing fixtures. The U12 netball team went on to represent the South Lakes area, whilst the U15 netball team did particularly well and qualified for the County final. Girls are now encouraged to join either Kendal, Kirkby Lonsdale or Appleby netball clubs whilst Chloe Birtles and Rio Knowles are playing for the County. Chloe and Rio also played for the Regional team.

Cricket

Another busy year, which included our standard cricket fixtures and intra-school matches and coaches from Netherfield Cricket Club working with our pupils. Our U13 and U14 teams, again, entered the Lancashire Schools Cricket Cup. Ollie and Toby Tyson continued to represent the County.

Athletics

The School maintains its reputation as a top athletics school, with teams and individuals performing well in the summer programme of events. A number of athletes performed well at the District Championships and qualified for the County Finals in Carlisle. Jack Brench and Louis Ready both competed at County standard.

Cross Country

As with athletics, the School has a good reputation in cross country running. Our students are entered into local, County, Regional and National events. Jacob Smith had another impressive season.

Badminton and Table Tennis

Badminton club ran for the entire year. We were going to stop it in the summer term but the numbers just kept coming. We ran a round robin competition after Christmas with the top two playing just after the May half term. The winner and runner up of the tournament were presented with a trophy and runner up medal. We now also have four table tennis tables set up each week and this is proving very popular too!

Primary Liaison

We maintain our links and ongoing support with local primary schools in PE and sport. We offer in-school help in lessons and advice and guidance about PE and sport. We also continue to host various sports events including sports-hall athletics, tag rugby, netball and hockey. Three Primary netball taster sessions were organised, helped by our Year 12 and 13 sports students. Over 300 Primary School students attended overall.

We, again, hosted our major event, the Year 4 Olympic Day. This event was very well received and well attended by all schools in the KCP. Again, over 250 Year 6 pupils attended, with coaches here from Newcastle Falcons, Kendal RUFC and the RFU, as well as KKS school staff. We also ran a cycling event for Year 5 for the first time - this will become an annual event.

PGCE PE

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

Judo

Judo remains on our curriculum. Working with Kendal Judo Club and Mike Liptrot, the Year 7 and 8 boys and girls each took part in a 4-week course. The students thoroughly enjoyed the new challenge. This is a fantastic opportunity for our students to access an Olympic training venue, work on the Olympic mat from London 2012 and be coached by National coaches and Olympians.

GOVERNORS' ANNUAL REPORT (continued)

New Curriculum offers

We have introduced golf and cycling to our curriculum, with Sam Matthews (local golf professional) and Tom Leivers (GB Cycling) coming into school to lead sessions.

Academic PE

This year saw the introduction of the new GCSE and A-Level PE courses and we continue to work hard to ensure the students are given the best experience that we can offer. *Mrs Jackson's GCSE PE results were amongst the top 5% in the country: a fantastic achievement!*

HIGH ATTAINERS

Challenging our highest attaining students is the job of every subject teacher in every class room and this is the focus of much of our work, in particular, planning the curriculum changes, as we redesign our curriculum and assessments. Ensuring assessment opportunities in Years 7-9 enables students to demonstrate their knowledge, skill and understanding at an appropriate level and act on feedback, and supports students to achieve the highest grades in the future.

The Art Department provided a fantastic opportunity for enrichment with the project at Blackwell House, where our Year 10 students worked with a local artist. The resulting work was then projected on to the external walls of Blackwell House.

The Creative and Performing Arts Department held a fantastic summer evening of performances, where many of our students showcased their work in dance, drama, art and music.

Some of our highest attaining Key Stage 3 students took part in a conference at Heversham on Law. The sessions were run by barristers, solicitors and lawyers, as well as our very own Mr Brennand and included information on careers in Law and debates on 'the Law being an ass', culminating in a mock trial, with students taking on the appropriate roles.

The Maths Department had great success in UK Mathematics Trust Intermediate and Senior Maths Challenge. High attaining students achieved 5 Gold Certificates, 7 Silver Certificates and 7 Bronze Certificates in the Intermediate Challenge and 4 Silver and 4 Bronze in the Senior Challenge. The Department also came top in a South Lakes Schools' Maths competition, held in Barrow.

The Technology Department continued to enter students in competitions. The most recent was the Make It Manufacturing competition, where we came away with an award for the 'Outstanding Student'.

These were just a few of the enrichment activities available for our highest attaining students across the curriculum.

LEARNING SUPPORT

Kirkbie Kendal School seeks at all times to maximise the potential of all students, whatever their needs and abilities, so that all benefit from effective learning opportunities within the School and the wider community.

We are an inclusive school which endeavours to provide opportunities to enable all students to achieve their potential personally, socially, emotionally and academically in all areas of the curriculum.

Identification of Additional Need: Children are identified as having an additional need when their progress has slowed or stopped and the usual interventions, resources, etc, put in place do not enable improvement.

At Kirkbie Kendal School we record SEND in the following way:

SEND Monitor - students who are identified as having an additional need whose needs are met through 'quality first teaching' in the classroom by the class teacher. This includes differentiation, seating arrangements, accessible resources etc.

SEND Support - students as above, but may also be supported long term by a Teaching Assistant, Educational Psychologist, Special Advisory Teacher or other professional. These students are likely to have a Student Support Plan as their needs are defined as being additional or different from that generally made to others of the same age in Kirkbie Kendal School.

Educational Health Care Plan – EHCP - students, as above, but have a long term additional need and receive specialised advice and support. These students will have a Student Support Plan and their progress will be monitored through the usual School procedures and Annual Reviews.

GOVERNORS' ANNUAL REPORT (continued)

SEND resources were directed towards supporting students with SEND Statements/EHCPs in class and offering interventions to students throughout the School identified as needing extra support by subject Heads of Department and Heads of Year.

- Reading Club: aimed at students with standardised reading scores of below 85 in Year 7. This intervention involved Year 7 being supported by a Year 12 mentor for 2 tutor times a week.
- Year 7, 8 and 9 Indirect Dyslexia Learning (IDL): students were identified from the previous year's Reading Club by the English Department as students who could benefit from more intervention and support with reading. The sessions took place over 2 registrations a week and involved the use of IDL software. Lessons comprised: spellings, prose and comprehension, with a common story running through. This resource was also accessible by the enrolled student at home.
- Social Use of Language: for students in Year 7 who may have difficulty in social situations, a 1-hour session was delivered during the week.
- Reading 1:1: delivered by an experienced Teaching Assistant, aimed at students in Year 7 and 8 with reading difficulties, generally with reading ages less than 8 years old. Students usually received 1 hour input during the week.
- Reading Group Year 8: an intervention aimed at students who benefit from extra reading input, replacing MFL. The lessons develop skills in word recognition, spelling presentation and comprehension.
- Learning Through Experience including The John Muir Award: an intervention for students in Year 9, to benefit from a more practical approach to learning, developing life skills, social skills and literacy skills.
- Passport Maths: an intervention for Year 7 students. A software based intervention designed to 'fill in the gaps' from Primary school.
- Entry level maths: delivered to a group of Year 11 students.
- Laptops: students had access to a bank of laptops to support those with handwriting difficulties. Laptops could be used in external exams if they were a student's 'normal way of working.' Claro Read software was made available to those students with specific difficulties in reading and writing.

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

The Head of Learning Support continued to assess students for JCQ Exam Access arrangements for GCSE exams after successfully gaining the appropriate qualifications, including the Certificate of Psychometric Testing Assessment and Access Arrangements.

Primary transition took place throughout the School year. This included attendance at Year 5 and 6 annual review meetings by the Head of Learning Support. Students with EHCPs were invited to visit the School during the School day, individually or as part of a group. Some students were invited to lunch at the School. The final transition activity was a morning in School for identified groups of students, where team building activities and activities designed to reduce anxieties about the move to the School, took place. To aid in the transition process, Teaching Assistants also visited local Primary schools to meet the students and their Teaching Assistants.

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

All our students with SEND Statements or EHCPs had appropriate destinations, including Kendal College.

STAFF PROFESSIONAL DEVELOPMENT REPORT

Appraisal

All staff had objectives set at the beginning of the year, with each member of staff having an objective based upon accuracy of forecasting. All teachers had at least two lesson observations and new staff took part in various learning walks throughout the school. All line managers undertook one joint observation for moderation purposes. Lesson observations focused on progress over time and encompassed book/folder scrutiny. Three formal 'Teaching and Learning (T&L) Conversations' took place with each teacher, which focused not only on objectives but on teaching standards and post threshold standards. Targets were also set against these after each T&L conversation.

GOVERNORS' ANNUAL REPORT (continued)Whole School INSET

The plan of the sessions is included below:

Date	Focus
Sept	Safeguarding, target setting, Osiris Education on Outstanding teaching ideas & Prevent.
Oct	What does a grade 8/9 look like? Understanding the increase in expectations at GCSE. SLF Inset day – Moderation.
Nov	What does quality intervention look like?
Feb	Year 11 planning and boundary leapers. Work scrutiny.
April	KS2 to 3 transition, marking and acting on feedback & revision strategies that work.
May	5-year Key Stage developing and planning.
June	Whole school inset – Review of the year. KS3 assessment and feedback for 5-year Key Stage. Acting on feedback across departments – sharing best practice.

External CPD courses

The main focus of nearly all of our external CPD courses was the new GCSE and A-Level specifications assessment and planning. There were also a number of courses on safeguarding, First Aid and getting staff trained in driving the minibus, as well as others. Future external CPD will continue to focus on these areas, as necessary.

NQTs and PGCE Students PE PGCE

Alex Newcome, Science, completed his NQT year successfully and Gemma Barton, ICT, will complete her NQT year by December 2017. Sophie Matthews successfully completed her NQT year, after a longer than average induction due to part time working hours. We continued to support all our RQTs (Recently Qualified Teachers) through whole school inset and through personalised support, identifying their areas of development in the appraisal process and in Teaching and Learning Conversations.

School Direct

We had six School Direct trainees, all of whom successfully completed their PGCE with the University of Cumbria. All six students achieved 'Goods' and 'Highers' in their overall grades.

The 2017-18 cohort has 11 students, 6 males and 5 females. We had recruited 13 but we had two very late deferrals. We look forward to working with them this year.

South Lakes Federation (SLF)

The SLF continued to be a strong partnership in supporting staff development. The SLF Inset Day, where new specifications and moderation in the new specifications were central, was found to be highly useful by Kirkbie Kendal School staff. Network groups met termly for all EBacc subjects, with other networks also being set up for PSHE, Technology and Religious Studies.

IMMEDIATE DESTINATIONS OF FORMER STUDENTS

There were 117 students aged 17 or over at the start of the school year. Details of progression are:

71 students in Year 13 at the start of the school year progress as follows:	
Higher Education / Deferred Entry	80%
Employment and training	20%

71 Students continued into Year 13 from Year 12

There were 108 students in Year 11 at the start of the school year.

Details of progression are:

6th Form	46%
College, employment and training	53%
To be confirmed	1%

GOVERNORS' ANNUAL REPORT (continued)**EXAMINATION STATISTICS****GCSE**

The number of students was 108

5+ in both English & Maths = 48%.

4+ in both English & Maths = 64%.

Progress 8 score = 0.00.

A Level

The number of students was 71

% of grades at A* - E = 100%

% of grades at A* - B = 52%

% of grades at A* - C = 82%

The average grade for vocational courses = Distinction*

The average grade for 'A' level entry = C+

Student performance at post -16 was in the top 25% nationally and graded outstanding for student progress.

ATTENDANCE STATISTICS

The School sessions are 8.45 – 13.10 and 14.05 – 15.25 Monday to Friday in the term time.

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

Percentage of half days missed through:

Authorised absence	4.37%
Unauthorised absence	0.44%
Total absence	4.81% (National 5%)

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.

GCSE RESULTS

Subject	Entries	A*-C % or 4+%	A*-G % or 1+%	National 2017 A*-C
Art & Design	19	47	100	76
Biology	60	90	100	90
Business Studies	30	57	100	63
Catering	21	81	100	58
Chemistry	60	95	100	90
Computing	13	39	88	61
Design & Technology: Electronics	17	77	100	61
Design & Technology: Materials	32	78	100	61
Drama	7	29	100	74
English Language	108	66	98	62
English Literature	108	66	98	73
French	12	83	100	70
Geography	63	83	100	65
German	7	71	100	75
History	35	54	100	65
ICT	35	23	80	67
Mathematics	108	76	96	59
iMedia	21	76	100	Not available
Music	13	85	100	Not available
Sport (National Diploma)	14	57	100	Not available
PE	24	92	100	69
Physics	60	95	100	91
Religious Studies - Full GCSE	21	95	100	71
Science & Additional Science	47	34	100	48
Spanish	9	100	100	71

GOVERNORS' ANNUAL REPORT (continued)**Summary of GCSE Results**

Number of students aged 15 on roll - 108

Students (percentage)	Achieving 4+ in English & Maths	Entered 1+ GCSEs	Achieving 1+ A*-G
Boys	66	100	100
Girls	62	100	100
All Students	64	100	100

SUMMER 2017 GCE 'A' LEVEL SUMMARY

The number of students was 71

The School was in the top State Schools' list

Subject	Entries	A*/A	B	C	D	E
Art	2	1	0	1	0	0
Biology	23	2	4	9	5	3
Business Studies	6	3	3	0	0	0
Chemistry	12	6	4	1	1	0
English Language	8	2	4	2	0	0
English Literature	8	1	2	5	0	0
German	0	0	0	0	0	0
General Studies	21	3	4	9	1	4
Geography	24	5	6	7	3	3
Health & Social Care	5	5	0	0	0	0
History	5	2	0	3	0	0
Law	2	0	0	2	0	0
Mathematics	15	7	2	4	1	1
Media	15	3	5	2	3	2
Music	2	2	0	0	0	0
PE	4	0	0	1	1	2
Physics	6	2	3	1	0	0
Product Design	5	0	1	1	3	0
Psychology	13	2	8	2	1	0
RE/Philosophy	7	3	2	2	0	0
Science	3	0	0	1	2	0
Sociology	12	0	5	5	2	0

GOVERNORS' ANNUAL REPORT (continued)**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 indicators may be reviewed and revised so as to ensure that relevant information is provided.

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

	2017	2016	2015
%Teaching & educational Support staff costs to Incoming resources.	73.55	64.85	56.96
Ratio of FTE staff to students.	8.18	8.40	8.61
Teaching staff FTE ratio to students	14.41	10.64	10.91

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

Retention of students to the 6th form is excellent, and student choice for the new intake for year 7 in September 2017 is oversubscribed with the introduction of an extra class, means that the school continues to prosper.

For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The academy trust is funded by the general academy grant which is paid directly by the Education Funding Agency. 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 31st August 2017	£4,868,884
Total funds expended at 31st August 2017	£5,754,499

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

The value of the tangible fixed assets was £10,417,234, these assets were used exclusively for providing education and the associated support services to the students.

At 31st August 2017 the academy trust held fund balances of:

Restricted funds	(£112,103)
Unrestricted funds	£228,128
Restricted fixed asset funds	£10,417,234
Pension deficit	(£1,920,000)
Cash balances held	£374,187

The level of funding agreed by the Education and Skills Funding Agency for the year allows for a deficit budget, the shortfall will be met from the academy trust reserves. Restricted funds are in deficit because of the higher than usual intake into year 7 requiring an increase in teaching staff. These extra students are not funded until September 2018 and the restricted funds will then move back towards a small surplus.

GOVERNORS' ANNUAL REPORT (continued)

Reserves Policy

The governors will continue to review, monitor and agree the levels of reserves the academy trust holds in line with government guidelines. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves. It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

The Academy had total funds at 31 August 2017 of £8,613,259 which included £112,103 deficit on restricted funds not available for general purposes of the Academy Trust, £228,128 of free reserves defined as unrestricted funds available for general purposes and £10,417,234 which can only be realised by the disposal of tangible fixed assets. The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £116,025

In addition, the deficit on the restricted pension fund of £1,920,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary. This pension liability will have an impact on the level of these reserves.

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, in 2023.

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

Budgeted expenditure for 2017/18 is £5,299,298.

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.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 24.

Principal Risks and Uncertainties

The academy's main funding comes from the ESFA and this funding is based on students. Measures are in place to market the school to ensure that student numbers are maintained. The intake to year 7 in September 2017 has been excellent with the need for an extra class group to accommodate the numbers. 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 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.

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.

GOVERNORS' ANNUAL REPORT (continued)

Plans for Future Periods

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 available student intake, by developing and working collaboratively with the South lakes Federation and the Kendal Community Partnership.

Work to encourage our more able students to follow the extended programme qualification and the elite pathways programme to maintain recruitment to the sixth form.

The schools development and action plans set out targets for student achievement, teaching standards and 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.

The governors report, incorporating a strategic report was approved by order of the members of the governing body on 30/11/2017 and signed on its behalf by:


Mr Mike Duff
Chair of Governors and Academy Trustee


Mr Phil Hyman
Headteacher & Accounting Officer

GOVERNANCE STATEMENT

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 Kirkbie 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 five times, the pay & performance committee four times, the curriculum committee five times and the finance and property committee four times.

Attendance during the year at meetings was as follows:

	Full board		P&PM		Curriculum		F&P		Total
	possible	attended	possible	attended	possible	attended	possible	attended	
Mrs N Crierie (Chair) (Resigned 24/05/17)	4	4	3	3	4	4	3	3	14
Mr M Duff (Chair) (Appointed 24/05/17)	5	4	4	2	-	-	4	3	9
Mr W R Abram (Chair F&P)	5	5	4	4	-	-	4	4	13
Mrs J Buckland (Chair Curr) (Resigned 31/08/17)	5	4	-	-	5	5	-	-	9
Mr P Braithwaite (Chair p&pm)	5	4	4	4	-	-	-	-	8
Mr D Armstrong (Resigned 15/09/17)	5	4	-	-	5	5	-	-	9
Dr N Brown	5	4	-	-	5	4	-	-	8
Mr G Duckworth (Appointed 28/02/17)	3	2	-	-	-	-	2	2	4
Mr D Durnford	5	5	-	-	-	-	4	1	6
Mr J S Gee	5	5	4	4	-	-	4	4	13
Mrs H Herbert	5	4	-	-	5	5	-	-	9
Mr P Hyman	5	5	4	3	5	5	4	3	16
Mrs J Summerfield	5	4	4	3	-	-	-	-	7
Mr T Swane (Resigned 31/12/16)	2	2	-	-	-	-	1	1	3
Mrs S Tully (Appointed 28/02/17)	3	3	-	-	-	-	1	1	4
Mrs L Rudelhoff Scott (clerk)	5	5	4	3	5	5	4	4	17

GOVERNANCE STATEMENT (continued)

The Finance and property committee is a sub-committee of the main board of governors. 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. The committee will assist with the proper planning and monitoring of financial matters and makes appropriate comments and regular recommendations on such matters to the governing body.

Attendance at the meetings in the year is shown above.

The Curriculum committee is a sub-committee of the main board of governors. Its main purpose is to be responsible for advising the main board of governors on details relating to the design, delivery and performance of the curriculum. It also reviews the exam results and discusses the individual subject performance and monitors the progress with individual action plans. The committee will identify areas for improvement and report regularly to the main board of governors.

Attendance at the meetings in the year is shown above.

The pay and performance committee is a sub-committee of the main board of governors. Its main purpose is to be responsible for advising the main board of governors relating to staff employed by the academy trust. The committee monitors staff performance and identify areas of improvement reporting regularly to the main board of governors.

Attendance at the meetings in the year is shown above.

The Governors continue to review their own performance, this on-going review forms the Governing body's action plan which is updated in September each year.

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Value for money is about achieving the best educational outcomes through the, efficient and effective use of all the resources available to the school.

Resources are directed where they are most needed and most effective to meeting our educational requirements.

Targeted improvement

- Resources including staffing are targeted in key subject areas, such as English and Maths, with performance closely evaluated.
- Monitoring and supporting the performance of all staff and ensuring that the relevant action is taken to address any weakness.

Focus on individual students

- Monitoring the needs of individual and particular students and ensuring that the support they receive is relevant to them.
- Identifying particular student groups i.e. pupil premium, gifted and talented, SEND and providing tailored and relevant support.

Collaboration

- We work closely with other schools and in particular, the South Lakes Federation of school (secondary) and the Kendal Community Partnership of schools (primary).

Quantifying improvements

- Students are closely tracked throughout the year groups and across key stages.

GOVERNANCE STATEMENT (continued)

Our governance arrangements include regular monitoring by the full governing body and the finance and property committee at half termly meetings. Relevant financial management reports are provided for each meeting. These committees are also informed by termly reports completed by the schools accountants, who carry out checks on financial processes and tendering procedures in place.

Value for money is achieved in purchasing through.

- Fitness for purpose.
 - o Consideration of different suppliers both online and through catalogues to find best value.
- Benchmarking.
 - o Working and sharing with the other South Lakes Federation of schools, and other local schools, joint procurement and sharing best practice.
 - o Comparing costs and prices through the South Lakes Federation Business Manager's group.
- Options appraisal.
 - o Consideration of whether the purchase is really necessary, or if there is a more cost efficient alternative available.
 - o Tendering for major contracts and services and building works, alternative costs are obtained in accordance with the financial procedures and scheme of delegation.
- Economies of scale.
 - o Looking at alternative joint and group procurement to obtain group discounts.
 - o Sharing information and joint use of staff with local schools.

We recognise the need to closely monitor costs, monthly, quarterly financial reports are prepared and shared with the school's leadership team. The staffing structure and time table are carefully structured to ensure maximum use of available staff whilst meeting our operational needs.

The Purpose of the System of Internal Control

The system of internal control are 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 throughout the year to 31st August 2017 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 2017 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.

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 Saint & Co, the external auditor, to perform additional checks.

GOVERNANCE STATEMENT (continued)

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. In particular the checks carried out in the current year include:

- testing of payroll systems
- testing of purchase systems
- testing of control account / bank reconciliations

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 30/11/2017 and signed on its behalf by:



Mr Mike Duff
Chair of Governors and Academy Trustee



Mr Phil Hyman
Headteacher & Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Kirkbie Kendal School Academy Trust, I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I have delegated the day to day organisation, management and monitoring of the financial processes and procedures to the School's Business Manager. All financial transactions are carried out in accordance with the School's Financial Policies.

The School's Business Manager and I meet regularly every week. Monthly we discuss the school's payroll, and financial accounts. I am regularly kept up to date and informed on the financial position of the school.

Checks undertaken:

- Each month's payroll data is scrutinised, individual staff names, pay amounts and 'bacs' payments are reconciled.
- Monthly accounts breakdowns are checked for comparison with budgeted amounts to actual costs. Variations are questioned and discussed.
- All staff appointments are authorised by me.
- Staff progression through the pay scales is only authorised after completion of successful performance management reviews.
- Major contracts follow the schools scheme of delegation and authorised accordingly.
- Refurbishment contracts are awarded only after receiving a minimum of three tenders and approval from the Finance and Property Committee.

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 2016.

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



Mr Phil Hyman
Headteacher & Accounting Officer

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; 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 ESFA/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 30th Nov 2017 and signed on its behalf by:


Mr Mike Duff

Chair of Governors and Academy Trustee

Kirkbie Kendal School Academy Trust
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KIRKBBIE KENDAL SCHOOL ACADEMY TRUST

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OPINION

We have audited the financial statements of Kirkbie Kendal School Academy Trust for the year ended 31 August 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

BASIS FOR OPINION

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

CONCLUSION RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

Kirkbie Kendal School Academy Trust
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KIRKBBIE KENDAL SCHOOL ACADEMY TRUST (continued)

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OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees Responsibilities (set out on page 26), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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



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: 19/12/17

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO KIRKBBIE KENDAL SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 29 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kirkbie Kendal School Academy Trust during the period 01 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Kirkbie Kendal School Academy Trust and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kirkbie Kendal School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF KIRKBBIE KENDAL SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies: Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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 2016 to 31 August 2017 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 (Reporting Accountant)

For and on behalf of
Saint & Co

Chartered Accountants & Statutory Auditors

The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

Date: 19/12/17

**Statement of Financial Activities
for the year ended 31 August 2017
(including Income and Expenditure Account)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	3	-	10,457	18,963	29,420	28,210
Charitable activities:						
Funding for the academy trust's educational operations	4	227,953	4,572,303	-	4,800,256	5,021,943
Other trading activities	5	37,820	-	-	37,820	36,380
Investments	6	1,388	-	-	1,388	2,051
Total		267,161	4,582,760	18,963	4,868,884	5,088,584
Expenditure on:						
Raising funds	7,8	(27,020)	-	-	(27,020)	(22,546)
Charitable activities:						
Academy trust educational operations	7,9	(190,045)	(5,003,537)	(533,897)	(5,727,479)	(5,638,067)
Other		-	-	-	-	-
Total		(217,065)	(5,003,537)	(533,897)	(5,754,499)	(5,660,613)
Net income / (expenditure)		50,096	(420,777)	(514,934)	(885,615)	(572,029)
Transfers between funds	10	(36,506)	(26,818)	63,324	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	22	-	349,000	-	349,000	(907,000)
Net movement in funds		13,590	(98,595)	(451,610)	(536,615)	(1,479,029)
Reconciliation of funds						
Total funds brought forward		214,538	(1,933,508)	10,868,844	9,149,874	10,628,903
Total funds carried forward		228,128	(2,032,103)	10,417,234	8,613,259	9,149,874

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

Statement of Financial Position as at 31 August 2017


Company Number 07543834

		2017		2016	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		10,417,234		10,868,843
Current assets					
Stock	15	6,294		6,558	
Debtors	16	98,605		103,774	
Cash at bank and in hand		<u>374,187</u>		<u>707,032</u>	
		479,086		817,364	
Liabilities					
Creditors: Amounts falling due within one year	17	<u>(363,061)</u>		<u>(422,333)</u>	
Net current assets			116,025		395,031
Total assets less current liabilities			10,533,259		11,263,874
Net assets excluding pension liability			<u>10,533,259</u>		<u>11,263,874</u>
Defined benefit pension scheme liability	22	<u>(1,920,000)</u>		<u>(2,114,000)</u>	
Total net assets			<u>8,613,259</u>		<u>9,149,874</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	18	10,417,234		10,868,844	
Restricted income fund	18	(112,103)		180,492	
Pension reserve	18	<u>(1,920,000)</u>		<u>(2,114,000)</u>	
Total restricted funds			8,385,131		8,935,336
Unrestricted income funds	18		<u>228,128</u>		<u>214,538</u>
Total funds			<u>8,613,259</u>		<u>9,149,874</u>

The financial statements were approved by the board of trustees and authorised for issue on 30th Nov 2017 and are signed on behalf of the board by:


 Mr Mike Duff

Chair of Governors


 Mr John Gee

Governor

Statement of Cash Flows

for the year ended 31 August 2017

	2017 £	2016 £
Cash flows from operating activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(885,615)	(572,029)
Adjusted for:		
Depreciation charges	514,934	512,978
Capital grants from DfE and other capital income	(18,963)	(19,587)
Interest receivable	(1,388)	(2,051)
Defined benefit pension scheme cost less contributions payable	105,000	22,000
Defined benefit pension scheme finance cost	45,000	42,000
Defined benefit pension scheme administration expenses	5,000	4,000
(Increase)/decrease in stocks	264	(2,853)
(Increase)/decrease in debtors	5,170	(3,919)
Increase/(decrease) in creditors	(59,273)	(110,074)
Net cash provided by / (used in) Operating Activities	(289,871)	(129,535)
Cash Flows from Investing Activities		
Dividends, interest and rents from investments	1,388	2,051
Purchase of tangible fixed assets	(63,325)	(100,913)
Capital grants from DfE/ESFA	18,963	19,587
Net cash provided by / (used in) investing activities	(42,974)	(79,275)
Change in cash and cash equivalents in the reporting period	(332,845)	(208,810)
Cash and cash equivalents at 1 September 2016	707,032	915,842
Cash and cash equivalents at the 31 August 2017	374,187	707,032
Analysis cash and cash equivalents		
	At 31 August 2017 £	At 31 August 2016 £
Cash in hand and at bank	374,187	707,032
Total cash and cash equivalents	374,187	707,032

Notes to the Financial Statements for the period ended 31 August 2017

1 Statement of Accounting Policies

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

General Information

The academy trust is a private company limited by guarantee, registered in England and Wales and is an exempt charity. The address of the registered office is Kirkbie Kendal School Academy Trust, Lound Road, Kendal, Cumbria LA9 7EQ, United Kingdom.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Basis of Preparation / Statement of Compliance

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kirkbie Kendal School Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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 Statement of Financial Position. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is unconditional entitlement to the grant and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the statement of financial position in the restricted fixed asset fund.

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Notes to the Financial Statements for the year ended 31 August 2017 (continued)**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT

Tangible Fixed Assets

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.

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 Statement of Financial Position date.

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

Depreciation is provided on all tangible fixed assets 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:

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

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

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

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

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

Notes to the Financial Statements for the year ended 31 August 2017 (continued)**Stock**

Catering stock and stationery stock are measured at the lower of cost and estimated selling price less costs to complete and sell.

Liabilities

Liabilities are recognised when there is an obligation at the Statement of Financial Position date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at fair value.

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

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust uses up to 10% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The funds received and paid and any balances held are disclosed in the agency arrangements note. The unused funds at the period end are included as a liability in the Statement of Financial Position in other creditors.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Notes to the Financial Statements for the year ended 31 August 2017 (continued)**Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the ESFA.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates, assumptions and judgements

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuer's report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2017 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 exceeded the 2% limit during the year ended 31 August 2017

3 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Capital grants	-	18,963	18,963	19,587
Miscellaneous donations	-	10,457	10,457	8,623
	<u>-</u>	<u>29,420</u>	<u>29,420</u>	<u>28,210</u>

The income from donations and capital grants was £29,420 (2016: £28,210) of which £10,457 was restricted (2016: £8,623) and £18,963 restricted fixed assets (2016: £19,587).

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	4,093,410	4,093,410	4,284,718
Pupil Premium	-	119,925	119,925	118,446
Other DfE/ESFA grants	-	27,079	27,079	35,653
	<u>-</u>	<u>4,240,414</u>	<u>4,240,414</u>	<u>4,438,817</u>
Other Government grants				
Local authority grants	-	77,798	77,798	95,627
Other Government grants	-	20,766	20,766	30,124
	<u>-</u>	<u>98,564</u>	<u>98,564</u>	<u>125,751</u>
Trip income		151,086	151,086	164,570
Catering income	218,567	-	218,567	196,095
Other income	4,956	82,239	87,195	94,929
School fund	4,430	-	4,430	1,781
	<u>227,953</u>	<u>4,572,303</u>	<u>4,800,256</u>	<u>5,021,943</u>

The income from funding for the Academy Trust's educational operations was £4,800,256 (2016: £5,021,943) of which £227,953 was unrestricted (2016: 202,176) and £4,572,303 restricted (2016: £4,819,767).

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

5 Other Trading activities

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Hire of facilities	11,493	-	11,493	10,296
Hire of pitches	26,327	-	26,327	26,084
	<u>37,820</u>	<u>-</u>	<u>37,820</u>	<u>36,380</u>

The income from other trading activities was £37,820 (2016: £36,380) of which all £37,820 was unrestricted (2016: £36,380).

6 Investment income

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Bank and Building Society interest	1,388	-	1,388	2,051
	<u>1,388</u>	<u>-</u>	<u>1,388</u>	<u>2,051</u>

The income from investments was £1,388 (2016: £2,051) of which all £1,388 was unrestricted (2016: £2,051).

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

7 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2017	2016
	£	£	£	£	£
Expenditure on raising funds	22,490	4,297	233	27,020	22,546
Academy's educational operations:					
Direct costs	3,587,382	15,361	521,267	4,124,010	3,935,779
Trips and productions	4,830	-	146,257	151,087	164,571
Catering	68,674	9,242	110,614	188,530	164,309
Allocated support costs	627,457	116,887	519,508	1,263,852	1,373,408
	4,310,833	145,787	1,297,879	5,754,499	5,660,613

Net income/(expenditure) for the period includes:

	2017	2016
	£000	£000
Operating lease rentals	5,706	10,677
Depreciation	514,934	512,978
Fees payable to auditor for:		
- audit of the financial statements	4,400	4,250
- assurance services	3,340	2,705
- accountancy	3,155	3,355

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

8 Costs of other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Sports lettings				
Support staff costs	16,993	-	16,993	13,016
Maintenance of premises and equipment	4,297	-	4,297	5,847
	21,290	-	21,290	18,863
Other lettings				
Support staff costs	5,497	-	5,497	3,416
Catering	233	-	233	267
	5,730	-	5,730	3,683
	27,020	-	27,020	22,546

Costs of other trading activities was £27,020 (2016: £22,546) of which all £27,020 was unrestricted (2016: £22,546).

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

9 Charitable Activities

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Direct costs – educational operations				
Teaching and educational support staff costs		3,587,382	3,587,382	3,397,263
Depreciation		248,070	248,070	218,288
Books, apparatus and stationery		85,016	85,016	97,112
Examination fees		66,570	66,570	80,330
Staff development		17,996	17,996	20,366
Educational consultancy		10,556	10,556	12,219
Alternative curriculum		36,810	36,810	33,278
Hire of leisure centre		15,361	15,361	22,736
Other direct costs		56,250	56,250	54,186
	-	4,124,011	4,124,011	3,935,778
Trips and productions – educational operations				
Transport and accommodation costs		97,658	97,658	80,669
Admission costs		11,091	11,091	16,175
Trip supply costs		4,830	4,830	2,516
Other costs		33,112	33,112	61,681
Costumes and props		746	746	940
Lighting and sound		3,079	3,079	1,885
Marketing and advertising		571	571	705
	-	151,087	151,087	164,571
Catering – educational operations				
Support staff costs	68,674		68,674	60,508
Maintenance of premises and equipment	9,242		9,242	9,874
Catering	110,614		110,614	93,926
	188,530	-	188,530	164,308
Support costs – educational operations				
Support staff costs		627,457	627,457	559,993
Rates and water		43,773	43,773	59,986
Heat and light		10,609	10,609	64,155
Maintenance of premises and equipment		45,051	45,051	109,026
Insurance		17,454	17,454	30,972
Cleaning		6,698	6,698	6,939
Telephone		16,925	16,925	14,997
Computer costs		30,223	30,223	22,545
Depreciation		266,864	266,864	294,689
Staff development		-	-	150
Security		9,421	9,421	10,491
Transport		18,455	18,455	18,843
Advertising		15,731	15,731	10,187
Admin photocopying and stationery		12,680	12,680	14,133
Mini bus rental		3,752	3,752	3,780
Min bus expenses		1,466	1,466	1,278
School fund	1,515	-	1,515	1,710
Catering		10,030	10,030	12,143
Other support costs		60,522	60,522	73,754
Governance costs - accountancy fees		6,495	6,495	6,060
Governance costs - audit fees		4,400	4,400	4,250
Legal and professional fees		4,330	4,330	7,329
Local Government Pension Scheme deficit taken on		50,000	50,000	46,000
	1,515	1,262,336	1,263,851	1,373,410
Total direct and support costs	190,045	5,537,434	5,727,479	5,638,067

Costs of charitable activities was £5,727,479 (2016: £5,638,067) of which £190,045 was unrestricted (2016: £166,019), £5,003,537 was restricted (2016: £4,939,484) and £533,877 was restricted fixed assets (2016: £532,565).

Kirkbie Kendal School Academy Trust
Notes to the Financial Statements for the year ended 31 August 2017
(continued)

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10 Fund transfers

	Total 2017 £	Total 2016 £
Unrestricted funds		
Music tuition fees transferred to the restricted GAG fund to cover costs incurred in providing this service	(4,957)	(4,300)
Transfer to the restricted GAG fund from the unrestricted catering fund to contribute towards the overhead costs	(30,576)	(31,985)
	(973)	-
Young Chamber surplus no longer required	(36,506)	(36,285)
Restricted general funds		
Transfer to the restricted fixed asset fund for assets purchased by the restricted GAG fund	(51,235)	(100,914)
Transfer to the restricted fixed asset fund for a contribution towards the equipment by the KKSA restricted donation	(12,089)	-
Music tuition fees transferred to the restricted GAG fund to cover costs incurred in providing this service	4,957	4,300
Transfer to the restricted GAG fund from the unrestricted catering fund to contribute towards the overhead costs	30,576	31,985
	973	-
Young Chamber surplus no longer required	(26,818)	(64,629)
Support costs – educational operations		
Transfer to the restricted fixed asset fund for assets purchased by the restricted GAG fund	51,235	100,914
Transfer to the restricted fixed asset fund for a contribution towards the equipment by the KKSA restricted donation	12,089	-
	63,324	100,914

Kirkbie Kendal School Academy Trust
Notes to the Financial Statements for the year ended 31 August 2017
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11 Staff

a. Staff costs

Staff costs during the period were:

	Total 2017 £	Total 2016 £
Wages and salaries	3,291,302	3,215,162
Social security costs	299,858	232,826
Other pension costs	676,748	556,874
Apprenticeship levy	517	-
	4,268,425	4,004,862
Supply staff costs	42,408	31,851
	4,310,833	4,036,713

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2016: £nil).
Individually, the payments were: £nil, (2016: £nil).

c. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2017 No.	2016 No.
Teachers	61	60
Administration and support	70	75
Management	6	6
	137	141

d Higher paid staff

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

	2017 No.	2016 No.
£60,000 - £69,999	3	3
£90,000 - £99,999	1	1

e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits received by key management personnel for their services to the academy trust was £503,851 (2016: £491,262).

Notes to the Financial Statements for the year ended 31 August 2017 (continued)**12 Related Party Transactions - Trustees' Remuneration and Expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

P Hyman (principal and trustee):

Remuneration £95,000 - £99,999 (2016: £95,000 - £99,999)

Employer's pension contributions paid £15,000 - £19,999 (2016: £15,000 - £19,999)

J Gee (staff trustee):

Remuneration £60,000 - £64,999 (2016: £60,000 - £64,999)

Employer's pension contributions paid £5,000 - £9,999 (2016: £5,000 - £9,999)

H Herbert (staff trustee):

Remuneration £35,000 - £39,999 (2016: £25,000 - £29,999)

Employer's pension contributions paid £5,000 - £9,999 (2016: £0 - £4,999)

During the period ended 31 August 2017, travel and subsistence expenses totalling £nil were reimbursed or paid directly to 0 governors (2016: £nil to 0 governors).

13 Trustees' and Officers' Insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

14 Tangible Fixed Assets

	Leasehold Land and Buildings	Plant & Machinery	Furniture, Equipment and Computers	Total
	£	£	£	£
Cost				
At 1 September 2016	10,590,272	2,533,837	329,196	13,453,305
Additions	44,995		18,330	63,325
At 31 August 2017	10,635,267	2,533,837	347,526	13,516,630
Depreciation				
At 1 September 2016	1,550,045	868,866	165,551	2,584,462
Charged in year	294,402	168,921	51,611	514,934
At 31 August 2017	1,844,447	1,037,787	217,162	3,099,396
Net book values				
At 31 August 2016	9,040,227	1,664,971	163,645	10,868,843
At 31 August 2017	8,790,820	1,496,050	130,364	10,417,234

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 102 section 17 Property, Plant and Equipment, 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.

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

15 Stock

	2017	2016
	£	£
Catering	2,004	4,338
Stationery	4,290	2,220
	6,294	6,558

16 Debtors

	2017	2016
	£	£
Trade debtors	2,792	1,695
VAT recoverable	26,794	25,981
Other debtors	4,303	8,440
Prepayments and accrued income	64,716	67,658
	98,605	103,774

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Notes to the Financial Statements for the year ended 31 August 2017
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17 Creditors: Amounts Falling due within one year

	2017	2016
	£	£
Trade creditors	36,023	77,786
Other taxation and social security	71,128	74,362
ESFA creditor	-	-
Other creditors	138,914	116,637
Deferred income	86,454	83,527
Accruals	30,542	70,021
	363,061	422,333

Deferred income	2017	2016
	£	£
Deferred income at 1 September 2016	83,527	168,887
Released from previous years	(83,527)	(168,887)
Resources deferred in the year	86,454	83,527
Deferred Income at 31 August 2017	86,454	83,527

Deferred income comprises:	2017	2016
	£	£
ESFA Rates funding for the period September 2017 to March 2018	11,490	13,742
Deposits in advance for Trips in the following academic year	49,590	29,050
Cumbria County Council income for the leisure centre for future academic years	25,274	40,635
Prize money for the 2017/18 academic year	100	100
	86,454	83,527

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

18 Analysis of charitable funds

	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2017
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	179,043	4,093,410	(4,373,238)	(14,729)	(115,514)
Pupil Premium	-	100,214	(100,214)		-
Other ESFA grants	-	46,789	(44,827)		1,962
Other government grants	-	98,564	(98,564)		-
Other Educational Institutions	-	43,500	(43,500)		-
Trips and productions	-	151,086	(151,086)		-
Other educational income	-	28,228	(28,228)		-
Other restricted general funds	1,449	20,969	(8,880)	(12,089)	1,449
Pension reserve	(2,114,000)		(155,000)	349,000	(1,920,000)
	(1,933,508)	4,582,760	(5,003,537)	322,182	(2,032,103)
Restricted fixed asset funds					
DfE/ESFA capital grants	-	18,963	(18,963)		-
Fixed assets used for charitable purposes	10,868,844		(514,934)	63,324	10,417,234
	10,868,844	18,963	(533,897)	63,324	10,417,234
Total restricted funds	8,935,337	4,601,723	(5,537,434)	385,506	8,385,132
Unrestricted funds					
Cinderovens sports facility	81,602	26,327	(21,290)		86,639
School fund	39,916	4,429	(1,515)		42,830
Building projects	42,000				42,000
Catering fund	(4,932)			(540)	(5,472)
Other designated funds	47,488	235,017	(194,260)	(35,966)	52,279
General funds	8,464	1,388			9,852
Total unrestricted funds	214,538	267,161	(217,065)	(36,506)	228,128
Total funds	9,149,875	4,868,884	(5,754,499)	349,000	8,613,259

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

Analysis of charitable funds - Previous year

	Balance at 1 September 2015	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2016
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	281,883	4,284,718	(4,322,928)	(64,629)	179,043
Pupil Premium	-	118,446	(118,446)	-	-
Other ESFA grants	4,883	35,653	(40,536)	-	-
Other government grants	-	125,751	(125,751)	-	-
Other Educational Institutions	-	66,700	(66,700)	-	-
Trips and productions	-	164,570	(164,570)	-	-
Other educational income	-	28,772	(28,772)	-	-
Other restricted general funds	1,449	3,780	(3,780)	-	1,449
Pension reserve	(1,139,000)	-	(68,000)	(907,000)	(2,114,000)
	(850,785)	4,828,390	(4,939,484)	(971,629)	(1,933,508)
Restricted fixed asset funds					
ESFA formula capital	-	19,587	(19,587)	-	-
DfE/ESFA capital grants	-	-	-	-	-
Fixed assets used for charitable purposes	11,280,908	-	(512,977)	100,914	10,868,844
	11,280,908	19,587	(532,564)	100,914	10,868,844
Total restricted funds	10,430,123	4,847,977	(5,472,048)	(870,715)	8,935,337
Unrestricted funds					
Cinderovens sports facility	74,382	26,084	(18,863)	-	81,602
School fund	39,843	1,781	(1,708)	-	39,916
Building projects	42,000	-	-	-	42,000
Catering fund	(4,734)	196,095	(164,309)	(31,985)	(4,932)
Other designated funds	40,875	14,596	(3,683)	(4,300)	47,488
General funds	6,413	2,051	-	-	8,464
Total unrestricted funds	198,780	240,606	(188,563)	(36,285)	214,538
Total funds	10,628,904	5,088,583	(5,660,612)	(907,000)	9,149,875

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 2017. Note 2 discloses whether the limit was exceeded.

Details of transfers are shown in Note 10.

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

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 and Skills Funding Agency (ESFA). At the year end the GAG fund deficit was £115,514.

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

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

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.

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.

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

19 Analysis of Net Assets between Funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	10,417,234	10,417,234
Current assets	228,128	250,958	-	479,086
Current liabilities		(363,061)		(363,061)
Pension scheme liability		(1,920,000)		(1,920,000)
Total net assets	228,128	(2,032,103)	10,417,234	8,613,259

Analysis of Net Assets between Funds - Previous year

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	10,868,844	10,868,844
Current assets	214,538	602,826	-	817,364
Current liabilities	-	(422,333)	-	(422,333)
Pension scheme liability	-	(2,114,000)	-	(2,114,000)
Total net assets	214,538	(1,933,508)	10,868,844	9,149,874

20 Commitments under operating leases

Operating Leases

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

	2017	2016
	£	£
Amounts due within one year	5,706	5,706
Amounts due between one and five years	4,927	10,633
	10,633	16,339

Included within the above operating leases disclosure is the annual cost of £3,780 (2016: £3,780) for the minibus. The academy will receive donations equal to this amount during the relevant year.

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.

21 Members' Liability

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

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22 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Your Pension Service (YPS) for Cumbria County Council. Both are multi-employer defined benefit pension schemes.

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

Contributions payable to the schemes at 31 August and included in creditors were as follows:

	2017	2016
	£	£
Teachers' Pension Scheme	50,468	47,752
Local Government Pension Scheme	20,132	18,331
Additional Voluntary Contributions	496	371
	71,096	66,454

The total pension costs to the academy during the year ended 31 August and included in staff costs were as follows:

	2017	2016
	£	£
Teachers' Pension Scheme	389,624	366,524
Local Government Pension Scheme	128,212	123,759
Local Government Pension Scheme deficit recovery	53,908	44,592
LGPS current service cost/contributions adjustment	105,000	22,000
	676,744	556,875

In addition the academy incurred net interest costs and administration costs included in support costs as follows

LGPS net interest costs	45,000	42,000
Administration costs	5,000	4,000
	50,000	46,000

Teachers' Pension Scheme

Introduction

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

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

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Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The pension costs paid to TPS in the period amounted to £389,624 (2016: £366,524)

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The academy 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.

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Notes to the Financial Statements for the year ended 31 August 2017

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22 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August were as follows:

	2017	2016
	£	£
Employer's contributions	183,000	169,000
Employees' contributions	51,000	51,000
Total contributions	234,000	220,000

Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The agreed contribution rates for future years are 16.6 per cent for employers and a contribution rate ranging between 5.5 and 12.5 per cent for employees.

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

At the Statement of Financial Position date the scheme is in deficit. The Academy has previously entered into an agreement effective from 1 April 2014 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 19 years from 1 April 2014, including £49,200 in the year ended 31 March 2017, £60,500 in 2017-18, £61,800 in 2018-19 and £63,200 in 2019-20.

Principal Actuarial Assumptions	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	3.70%	3.40%
Rate of increase for pensions in payment/inflation	2.20%	2.00%
Discount rate for scheme liabilities	2.50%	2.20%
Inflation assumption (CPI)	2.20%	1.90%

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.1	23.1
Females	25.7	25.7
<i>Retiring in 20 years</i>		
Males	25.4	25.9
Females	28.4	28.9

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Sensitivity analysis - (increase)/decrease in deficit

	At 31 August 2017	At 31 August 2016
Discount rate +0.1%	86,000	88,000
Mortality assumption - 1 year increase	(68,000)	(63,000)
CPI rate +0.1%	(89,000)	(91,000)

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equities	921,000	760,000
Government bonds	342,000	295,000
Other bonds	120,000	110,000
Property	152,000	158,000
Cash/liquidity	102,000	45,000
Other	243,000	139,000
Total market value of assets	1,880,000	1,507,000

The actual return on scheme assets was £130,000 (2016: £235,000).

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.

The expected rate of return is the assumed return the assets of the fund will achieve over the entire life of the related obligation based on market expectations at the beginning of the period. This assumption is used to determine the expected return on assets for the pension expense.

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	(288,000)	(191,000)
Net interest cost	(45,000)	(42,000)
Administration expenses	(5,000)	(4,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	(338,000)	(237,000)

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Notes to the Financial Statements for the year ended 31 August 2017
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Changes in the present value of defined benefit obligations were as follows:

	2017 £	2016 £
At 1 September	3,621,000	2,203,000
Current service cost	288,000	191,000
Interest cost	80,000	89,000
Employee contributions	51,000	51,000
Actuarial (gain)/loss	(206,000)	1,096,000
Benefits paid	(34,000)	(9,000)
At 31 August	3,800,000	3,621,000

Changes in the fair value of academy's share of scheme assets:

	2017 £	2016 £
At 1 September	1,507,000	1,064,000
Interest income	35,000	47,000
Actuarial gain/(loss)	143,000	189,000
Administration expenses	(5,000)	(4,000)
Employer contributions	183,000	169,000
Employee contributions	51,000	51,000
Benefits paid	(34,000)	(9,000)
At 31 August	1,880,000	1,507,000

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Notes to the Financial Statements for the year ended 31 August 2017 (continued)

23 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The trust received a donation totalling £1,890 (2016: £1,890) during the year as a contribution towards the costs of the minibus from Fat Media, a company in which Mr D Durnford (a governor of the trust) is the CEO. There were no balances outstanding at the end of the current or previous year

Staff Governor Mr J Gee's spouse Mrs H Gee is an employee of the academy trust. Her remuneration totalled £35,000 - £39,999 (2016: £35,000 - £39,999), plus pension contributions of £5,000 - £9,999 (2016: £5,000 - £9,999). This is inline with the pay scale appropriate to her job role.

Senior Management Team member Mr M Bousfield's spouse Mrs J Bousfield is an employee of the academy trust. Her remuneration totalled £15,000 - £19,999 (2016: £15,000 - £19,999), plus pension contributions of £0 - £4,999 (2016: £0 - £4,999). This is inline with the pay scale appropriate to her job role.

Senior Management Team member Mrs C Barker's spouse Mr D Barker is an employee of the academy trust. His remuneration totalled £45,000 - £49,999 (2016: £45,000 - £49,999), plus pension contributions of £5,000 - £9,999 (2016: £5,000 - £9,999). This is inline with the pay scale appropriate to his job role.

In entering into these transactions the trust has complied with the requirements of the ESFA's Academies Financial Handbook

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

24 Agency arrangements

The academy acts as an intermediary for the following agency arrangement but has no responsibility for it. The receipts and payments during the period have been excluded from the Statement of Financial Activities. An amount is included in other creditors relating to undistributed funds that are repayable as shown below.

16-19 Bursary Fund

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA.

	2017	2016
	£	£
Monies brought forward	45,205	36,810
Income during the year	9,454	9,454
Expenditure during the year	(1,848)	(1,059)
Balance carried forward	52,811	45,205