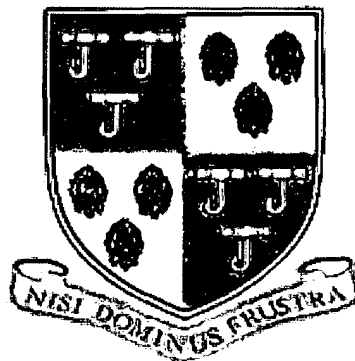


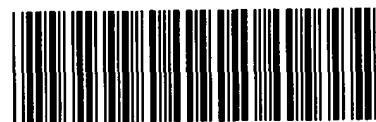
**Kirkbie Kendal School Academy Trust
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
Year ended 31 August 2019**

Company Registration Number:
07543834 (England and Wales)



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COMPANIES HOUSE

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

Mr M Duff (Chair)
Mr W R Abram
Mr P Braithwaite
Mrs J Summerfield

Governors who are directors

Mr D Armstrong
Dr N Brown
Mr G Duckworth
Mr D Durnford (Resigned 6th March 2019)
Mr J S Gee (Staff Governor)(Resigned 7th March 2019)
Mrs H Herbert (Staff Governor)
Mr P Hyman (Headteacher)
Mrs S Parnaby
Mrs M Thompson (Appointed 19th October 2018)
Mrs S Tully
Mr A Williams (Staff Governor)(Appointed 25th September 2018)

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

Kirkbie Kendal School Academy Trust

Principal and Registered Office

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)**

Page 2

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 annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in and around Kendal in Cumbria. It had a net pupil capacity of 1,060 and had a roll of 1,007 in the school census on 17th October 2019.

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 and 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, and to the date these accounts are approved, are included in the reference and Administrative details on pages 1 and 2.

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 academy's 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.

Trade union facility time

The academy has no relevant union officials.

GOVERNORS' ANNUAL REPORT (continued)

Related Parties and other Connected Charities and Organisations

Kirkbie Kendal School is a member of South Lakes Federation of schools. The federation is made up of nine 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 up to 14 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 24 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 2019 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

The year at Kirkbie Kendal School seems to have flown by, with an array of academic, sporting and artistic highlights which Mr Hyman's review goes into in detail. From my point of view, all these elements make up the happy and thriving school that we all, as parents and carers, staff and Governors can take pride in.

The Senior Leadership Team and the Governors, together, monitor the performance of the School and regularly review the targets set, to challenge staff and students to achieve excellent outcomes. It was particularly satisfying to have our self-evaluation vindicated by the latest Ofsted report.

Whilst receiving the phone call that an Ofsted Inspection is taking place at one day's notice rarely inspires spontaneous cries of pleasure, having it on the 18th of December seemed to rather detract from the joys of Christmas. I was hugely grateful, therefore, to three of my fellow Governors for supporting me at zero notice. So many of my fellow Chairs, when put in that position, find themselves rather bereft of company when facing the Inspectors!

The outcome being confirmation of our status as a Good School with Outstanding Features, was what had been predicted, but it is always reassuring to have your expectations agreed with by the Inspectors.

This result helped to show that our increasing popularity as a good place to educate our children is justified. Kirkbie Kendal School was over-subscribed again this year. This is never a completely unalloyed pleasure, as it gives us no joy to have to turn away students. The physical space available is limited however, and funding for expansion is not available. Also, it must be said, one of the other reasons why Kirkbie Kendal School is so popular is that it is not a huge school with all the issues that entails.

The sudden growth of school numbers creates a number of short and medium term financial issues and I would like, at this point, to pay tribute to the School's finance team, led by John Gee, who have worked tirelessly to make sure that we have managed our budget effectively.

I am delighted to give credit to all staff, who have continued to inspire the excellent performances of our students. I also remain humbled by the dedication and support of the Governors, who give their time freely and regularly for the benefit of all at Kirkbie Kendal School.

By the time this report is produced, we are already well into the new academic year, with all its challenges and excitements and, as always, I truly hope that all our students enjoy their time at Kirkbie Kendal School. My thanks again, to the Governors, staff, Trustees, parents/carers and of course, students, who together make this such a fine School.

Michael Duff
Chairs of Governors

Achievements and performance

2018-2019 was another year of great success for the students of Kirkbie Kendal School. Thank you to the team of committed Governors led by Mr Duff, the teachers and support staff who have enabled the School to provide a high quality of education. The progress the students have made this year, and all the wonderful opportunities available to them, has been outstanding. This was recognised by the Ofsted inspection in December, which endorsed our good and outstanding provision. Thank you to parents, students and members of the local community who support the young people here.

As well as excellent examination results, students in all Year groups have consistently demonstrated their considerate and caring attitudes and worked on projects including St Mary's Hospice, Children in Need and Young Minds. They organised various sports events for Papyrus, mufti days, and cake sales. They danced to support the Alzheimer's Society, organised a musical talent show for the Sunbeam music charity, and ran stalls to support the Mozambique Appeal, cerebral palsy, World Vision and Animal Rescue. Students made a significant contribution to developing School recycling.

In December, we completed a £750,000 project improving facilities and, in July, we started work on a further £1.4 million pound project on refurbishment of the buildings and teaching rooms. Thank you to Mr John Gee, the School's Business Manager, for the successful bids to the Government funds and for the project management.

GOVERNORS' ANNUAL REPORT (continued)

Examination Results

Results this year showed students making very positive progress. Year 13 achieved excellent GCE A-Level results, maintaining our outstanding grade over 3 years. 58% of all grades were awarded A*-B, 82% percent of all grades were awarded at A*-C.

In Year 11, 78% of students achieved a Grade 4 or above in both Mathematics and English. 50% of students achieved a 5+ strong grade in both English and Mathematics, placing us in the top 20% nationally on that measure for the third consecutive year. I am delighted that, for the fifth consecutive year, every student achieved five GCSE passes, extending the School record. Our overall progress (called the PB score) for all students from their Key Stage 2 starting points is a very healthy +0.25.

Staffing News

Three colleagues retired this year - thank you to Mrs Carruthers, an excellent Examinations Officer, whose sense of humour and efficiency has led to our exams and results days running like clockwork. Mrs Peacock joined KKS in 1987 – she was our Head of Girls' PE and a Head of Year. She will be remembered as an amazing PE teacher who was truly passionate about sport and the well-being of students and a fantastic Head of Year, providing support to students. Mr Everingham started teaching at KKS in 1984 and he has been an exceptional Head of Technology. Under his leadership, Technology is a strength of the School and provides an outstanding education for students.

We have been fortunate to have these people here. We also wish Mrs Tooke, Mr Haigh, Ms Smith, Mrs Yates, Mrs Marshall and Mrs Gallagher all the very best and thank them for their many contributions to the School.

We extend a very warm welcome to:

- Miss Rose Atherton - Technology Technician
- Miss Laura Dobson - Progress Mentor
- Mr Lucas-Jones - Science Technician
- Miss Alice Green - Drama
- Mrs Tammie Nicholls – Second in English
- Miss Catherine Seville – Progress Manager
- Mrs Karen Williamson - Exams Officer
- Mr Mike Wilson - Progress Manager

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

Events and Activities

Many Year groups, subjects, teams and individuals had successes throughout the School – please accept my apologies in advance that I cannot include them all, but I can give you a flavour of the experiences provided.

Congratulations to our 48 Year 10 students who achieved the Bronze Duke of Edinburgh Award. They have supported community groups such as cubs, beavers, brownies and rainbows and volunteered in charity shops. They passed their map and cooking skills with flying colours.

The chess team reached the last 32 nationally, eventually losing narrowly to a strong Bolton School (Boys' Division).

The 'Matt 3.7' project launch saw all of Years 7 to 9 try different activities and foods and celebrate the life of former student, Matt Campbell, who passed away during the London Marathon in 2017. A significant sum of money has been raised to support mental well-being and resilience in local Secondary schools.

One hundred students took part in the UK Maths Challenge. Students gained 10 Gold certificates, 29 Silver certificates and 40 Bronze awards - the most certificates the School has ever received. Our Young Enterprise team, 'ReCreate', won 'Best Trade Stand' and 'Best Product Knowledge' with their upcycled lanterns and scented candles.

GOVERNORS' ANNUAL REPORT (continued)

Sam Duff received a prestigious Arkwright Scholarship. Twenty four students represented us in the South Lakes' District Rotary Design and Technology competition. Each age group was challenged to build a device capable of extracting hazardous materials from a distance away. Our Intermediate age teams were winners and runners up.

There was successful collaboration with Lancaster University, including Scientific Research, Analytical Chemistry and the Top of the Bench competition. British Science Week was a highlight, with activities throughout the School. Science Club made potions, fireworks and slime.

The School Library continues to be a central hub of the School. Our Rotary Youth Speaks team (Sam Wilsdon, Laurel Martin and Jade Jones) reached the area finals in Wrexham, talking about Creativity in Education. On the way to the final, Sam Wilsdon won Best Speaker and Laurel Martin Best Chair Person on two occasions.

There were visits to school from BAE Systems, large numbers of careers talks, study visits to London, Universities, Barcelona and Munich, a Year 7 Residential to Kingswood, many theatre and musical visits, business competitions, an amazing visit to New York and a fabulous ski trip to Austria, Geography field work and visits, History visits such as Manchester People's Museum, Skipton Castle, fire station visits, a Mock Trial and County Court visits, the whole School walk and a fantastic day of activities at the end of the year.

Sporting Achievement

There were many team and individual successes over the year – my apologies in advance that I cannot include them all.

The Year 9 cricket team went on a tour of the Isle of Man. They also reached the U14 County Cup Final. Representing Cumbria this year were Louis Bigland in Year 7, Clara Samson and Oscar Coxon in Year 8, Reece Irving and Aaron Stephens in Year 9.

The Junior Girls' Cross Country team have had another amazing season, winning at Casterton in the NW Finals and then going to Suffolk for the National Finals and coming 15th in the UK. Well done Sarah Smith, Clara Samson, Elodie Malcolm, Tilly Nicholls, Emma Foster and Amber Woodcock-Perkins.

Year 7 boys' became South Lakes' 5-a-side football champions and runners up at the County Finals. Both Emma Foster and Clara Samson played for the Westmorland football team, whilst Clara also signed for Blackburn Football Club.

Caitlin Whitehead represented England in international golf events and represented Europe in Hong Kong. She played in the World Junior Championships in Canada. She won Junior Sports Personality of the Year at Cumbria Sports Awards and was shortlisted for England's Golf Performance of the Year. Will Coxon played for the U18 Cumbria team, full County team, and played off a scratch handicap.

Rounders - the Year 7 girls' did extremely well in all fixtures and were County Champions.

The boys' U14 hockey team won the County tournament for the second year running and played in the Regional Finals in Manchester.

Congratulations to Will Montgomery, who played for England U19, and England International, Mark Wilson, (KKS Head boy in 2008) who played regularly for England, including achieving Player of the Series in the Quilter Internationals.

The tennis squad (Billy Blaydes, Tom Casey, Alfie Richardson, Freddy Blaydes, and Sean Casey) won all the matches they played and qualified for the national finals in Nottingham. Billy and Freddy are ranked in the top 10 nationally for their age groups and are playing in International tournaments. Billy is the UK U16 Doubles Champion and Singles Champion.

Performing Arts

Creative and Performing Arts are flourishing – we displayed students' artistic talents at the County Show to great approval. In November, all of our students in Years 7 to 9 had the opportunity to make a red clay poppy. These were displayed at the front of School to produce a field of remembrance to commemorate 100 years since the end of WW1. There have been many visits to galleries including Blackwell House, The Walker and Tate Galleries in Liverpool and Levens Hall. The Department has worked with professional artists such as Nicky Smith from Kendal Windows on Art.

Musically, the School production of 'Popstars, the 90s Musical', performed over four days and evenings in The Brewery Theatre, was superb in terms of both the high quality of the overall production and for the individual performances. It was a musically demanding show and the students all rose to the occasion. Congratulations to Directors, Jen Donald, Gemma Barton and Producer, Mark Leadbeatter, and to all the performers and the staff who made this possible.

The Year 10 GCSE Dance group performed at The Brewery Dance Platform in March. Year 10 and 12 students performed at the Theatre by the Lake, Keswick, as part of Cumbria UDance. 'Popstars' dance rehearsals involved large numbers of students, many of whom were complete beginners, and they approached the challenge with determination and enthusiasm.

GOVERNORS' ANNUAL REPORT (continued)

There were many excellent drama events too, including performances throughout the year such as 'Two' by Jim Cartwright, with the audience sitting at café tables, and devised pieces from Year 7 and Year 8 Drama Club, including, 'The Waxworks' and 'Melodrama'. Students enjoyed going to The Brewery to see 'The Commuters' by The Knotted Project and had a great workshop from this young theatre company, whose roots started at KKS.

Sam Nicholls toured and played with the National Youth Orchestra and won the Junior RNCM prize at the Royal Northern College of Music. The 'Make Some Noise Show' saw a great night of entertainment, with a brilliant talent competition which also raised money for disabled children.

The Future

The School continues to thrive. This year, we have been successful in a £1,400,000 bid for roof and window refurbishment that is ongoing until January 2020. The disruption will be worth it for the future security of the School and improved environment, with newly decorated rooms.

In 2019-2020, we will be putting particular emphasis on:

- Continuing to develop the curriculum, including Schemes of Work to support the learning of our students.
- We will continue to develop the 'can do' attitude, which will help enable our young people to be happy and to succeed in the future.

CITIZENSHIP

Citizenship education develops knowledge, skills and understanding that students need to play a full part in society as active and responsible citizens. Students learn about politics, Parliament and voting, as well as human rights, justice, The Law and the economy. They also learn the skills of active citizenship. Teaching is brought to life using real issues and events in local to global contexts. Throughout the Schemes of Work, we have sought to incorporate the 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.

Life Skills lessons in Years 7–10 incorporate a variety of Citizenship based Schemes of Work:

Year 7	Rights and Responsibilities The Law	Universal Declaration of Human Rights UN Convention on the Rights of the Child Conflicting Rights Magistrates Court, Crown Court, Youth Court Roles within a court including the role of lay people
Year 8	Year 8 Politics	Functions of Parliament Role of MPs, ministers and Prime Minister Elections and Voting
Year 9	Crime and Justice	Types of punishment Is the legal system fair? Comparative look at other countries
Year 10	Citizenship Charity Diversity	International organisations e.g. UN, EU Commonwealth International Law Work in groups on a fundraising activity Diversity within the UK Prejudice and stereotyping

We feel confident that, through our Schemes, we offer many opportunities for social, moral, spiritual and cultural development.

In December, we again ran a trip for Year 7 students to Manchester Crown Court and the People's History Museum. Here, students took part in a mock trial activity that gave them a real feel for how the justice system works, all within an actual working court. At the museum, they learnt more about the political and social history of the UK. We also ran our annual visit for Year 8 students to the Houses of Parliament; they had a tour of the estate and then took part in an election and voting workshop.

Politics Club continues to be popular and gives students the opportunity to discuss political and philosophical issues. In October, the whole School took part in the 'Make Your Mark' ballot. This gives students the opportunity to vote for the issues they feel are the most important for young people and these are then debated by the Youth Parliament. The issues Kirkbie Kendal students felt the most strongly about included mental health, pay equality, knife crime and welcoming refugees.

Once more we participated in the Boxes of Hope Christmas Shoebox Campaign and raised money for Children in Need. Students in Year 10 took part in a fundraising challenge with St Mary's Hospice, where they competed against other schools to raise the most money. Kirkbie Kendal School won both the group and school competitions, raising over £800 for this good cause.

Also led by Year 10 students was our annual Diversity Fair. All Year 7 students visited the Fair and discovered more about diversity within the UK in terms of disability, ethnicity, religion and foods. This is a great opportunity for both Year groups to learn from each other and about different ways of life.

GOVERNORS' ANNUAL REPORT (continued)

CREATIVE AND PERFORMING ARTS (CAPA)

The annual Prize Giving took place early September and had music performances by Hal Saner-Haigh performing a piano solo and Anna Hayton, Heather Wilson, Emma Webster and Olivia Belshaw performing a song.

Our Art Department once again displayed students' Art talent at the County Show to great approval. Our Year 10 students attended a full day visit to Blackwell House, where they took part in a rotating carousel of different workshops, building a valuable resource in their sketchbooks. This has then been developed further in their sketchbooks. In November, we produced a field of remembrance as part of the 14-18 NOW National project. All of our students in Years 7, 8 and 9 had the opportunity to make a red clay poppy. These were then fired, painted and displayed at the front of the School to commemorate 100 years since the end of WW1. Our Year 11 students had their mock exam just before Christmas and then began the preparation period for their final exam in January.

During the autumn term the Drama Department worked on a production of 'TWO' by Jim Cartwright. The audience was invited to visit a 'café' in the Drama Studio, where the performance unfolded around them. We also had a visit to The Brewery to see The Knotted Project perform 'The Commuters'. It was fantastic for our students to see a former student perform in a professional production mounted by her own very successful company.

The charity event, 'Matt 3.7', took place in October and the Music Department supported this event by having a 'Music Zone' where students could come and perform songs in front of a live audience. It was a popular zone and received very positive feedback.

The build up to Christmas is always a busy time for the Music Department. The Kendal Christmas Lights Switch-On took place in November and a group of singers and instrumentalists performed Christmas songs in front of Santa's sleigh as it was pulled through town. Three of our Year 12 Music students performed Christmas songs at the KKSA Christmas event to raise money for the charity 'Make Some Noise'. The Festive Concert took place on the 13th December and there were over 20 different musical acts, including 'Funky Futures', the Year 7 choir and a Samba group.

The annual Carol Service took place during the last week of term and had performances by the Year 12 and 13 Music students performing 'Have Yourself a Merry Little Christmas' and 'The Power of Love'.

The Art Department took our Year 11 and 12 students to Liverpool to two different galleries. They spent the morning exploring the work at the Walker Art Gallery and a special exhibition of Leonardo's sketches from the Royal Collection. In the afternoon, they visited the Albert Docks and discovered the more contemporary work at the Tate Gallery. Our Year 11 students sat their 10 hour art exam just after the Easter holidays and some fantastic work was created.

GOVERNORS' ANNUAL REPORT (continued)

We welcomed Miss Atherton as our new CAPA Technician and she has been a great addition to our Department. She was soon busy designing and making the sets for the School musical 'Popstars'. The GCSE Drama group had their work in progress performance of Andrew Payne's 'Shut Up' on Tuesday 12th February.

Five students from Years 10 to 12 joined selected Secondary schools from all over Cumbria to perform in Cumbria UDance at Keswick Theatre by the Lake in February. They rehearsed a piece after school over a number of weeks, adapting the material from their 2018 exam work. The performance was very well received by the large audience. The Year 10 GCSE Dance class created a group dance during the spring term, which was performed at The Brewery Dance Showcase in March. They worked very hard to perfect the 6-minute piece and developed strong expressive skills during the process. For some, it was a nervous first experience of performing in front of a large audience, but they rose to the challenge and produced a very strong performance.

On Friday 1st February, the School enjoyed a visit from the Bloomsbury String Quartet, in partnership with the Lake District Summer Music. The quartet performed to 220 Primary school students from Arnside, Ghyllside, Milnthorpe and Castle Park schools. They then performed to all our Year 7 students and ran a question and answer session for selected BTEC Music students.

At the end of February, the Year 10 and 12 Music students went to Liverpool to visit Liverpool Institute of Performing Arts (LIPA) and The Beatles Experience. The visit to LIPA gave students an insight into what music and performance courses at University level had to offer. Students were given a tour of the facilities and had a Q&A session with students. The afternoon was spent at The Beatles Experience where students learnt about the band and careers in the music industry.

As part of the Year 12 BTEC Music course, students are required to plan and put on a music event. Three of the students organised and presented the 'Make Some Noise' talent show at KKS in collaboration with Smooth Radio. The concert included music, dance and even nunchuck acts. It was a well-received event and the concert raised close to £500 for the Morecambe based charity Unique Kidz'. The three students were then invited to the cheque reveal in Morecambe and handed the cheque over to the charity alongside Smooth Radio.

One of our Year 12 students organised and hosted a music concert on Sunday 17th March in Grange-Over-Sands. This involved himself and two other members from the Royal Northern College of Music performing a range of pieces of music. The quality of the concert was very professional.

We celebrated the achievements of our talented GCSE Art students with an exhibition of their work at the end of the academic year. This was well attended by their family and friends. During June, a number of local Primary schools visited to participate in clay workshops with Mrs MacFarlane, giving them a taster of art at Kirkbie Kendal. Towards the end of the year, our Year 10 students visited Levens Hall to draw from life in the gardens and topiary.

The Drama Department hosted a workshop at St Thomas Primary School to link in with their class reading book: The Jamie Drake Equation.

During the end of May, two Year 13 Music students led a 'Rock Band' day at Vicarage Park School for students in Year 4, as part of their BTEC coursework. The students learnt how to play the drums, piano, singing and guitar. The Year 13 students received a very positive report from the staff at the School and this was shared with teachers and parents.

The end of the academic year finished with the School musical 'Popstars 90s'. Preparations and rehearsals for the show started just after Christmas and the hard work put in by students and staff was shown in the quality of the performances. In total, there were four evening performances and two matinee shows.

PHYSICAL EDUCATION AND SCHOOL SPORT REPORT

Talented Performers

The Department, with support from colleagues, 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 well attended and attracts students from other schools as well. PE and other staff continue to support our students by offering a wide range of clubs, inter school fixtures and Inter form fixtures. This year, we have reintroduced Inter-Form competitions for both the boys and girls in sports such as rugby, football, hockey, netball and handball. These competitions have been well received by the students, of which many have got involved within in order to compete for their Form.

Rugby Union

Rugby Union remains highly popular at KKS. We run School teams in Years 7, 8, 9 and 10, as well as a 1st XV that includes students from Years 11, 12 and 13. Staff and students show tremendous commitment to these teams, with training sessions taking place in extra-curricular time. Lower down the School, we have several players who are in the regional development system. Aaron Stephens, Robbie Kincart, Barney Coxon, Ben Montgomery and James Seaton are all on this programme with the Newcastle Falcons coaches.

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

The School runs teams in Years 7-11 and also a 1st XI team. The School Year 7 team became South Lakes Champions before finishing Runners-Up at the County Finals in Carlisle. The boys are also participating in the newly formed South Lakes Schools' events across different age groups. The School has also successfully started several girls' teams that have produced some great performances this year. The girls have been involved in local tournaments and also played in the County Cup and English Schools' FA competitions for the first time in a few years.

Tennis

Billy Blaydes, Freddy Blaydes, Tom Casey, Alfie Richardson and Sean Casey became the best team in the North of England in the Year 9 and Year 10 LTA team competition. Following this, they entered the next age category, reaching the North Final against Newcastle Grammar School. Due to examination commitment of players on both teams, the final match could not be played.

Hockey

Girls: Teams for Years 7-10 are run and entered into tournaments. We have a large number of Key Stage 3 students attending practices. We encourage the girls to join the local clubs including 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. These players include Fran Bousfield, Emma Morris, Abbie Thomson, Edie Hollis, Raine Wickens and Jessyka Fox.

Boys: Boys' hockey enjoyed a fruitful season at U13/14 level. The boys' U14s were returned as County Champions in a 5-team tournament and came 3rd in their pool at the Regional Finals in Manchester. The U13 7-a-side 'A' team won the County Tournament and progressed to NW Finals, narrowly missing on qualification from there for the regionals. Noah Ross, Alex Tarney, Lucas Rumney, Ethan Elleray, Reece Irving and Finley Robinson regularly play men's hockey for Kendal. Ethan Elleray is the County U14 Keeper and has a very bright future. As of September 2019, the sport is proving very popular at U14 level, with numbers regularly hitting 30 at Friday training. In November 2019, the U16 Boys finished as runners-up in their County tournament.

The players who have represented Cumbria are: Skye Hunter-Dale (U15), Raine Wickens (U14), Lucy Dixon (U17), Jessyka Fox (U15), Fran Bousfield (U13), Emma Morris (U13), Abbie Thomson (U14). Kirkbie Kendal have also introduced fixtures for the U16 mixed team.

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. Girls are encouraged to join local clubs including Kendal and Kirkby Lonsdale.

Cricket

Another busy year, which included our standard cricket fixtures and some intra-school matches which the students themselves helped to organise. We were again lucky to have the use of the excellent facilities at Netherfield CC. Aaron Stephens and Reece Irving represented the County at U13 level. Josh Irving is a District level player in the U15 team. Ollie and Toby Tyson were both involved in the men's 1st XI at Kendal CC.

Athletics

The School maintains its reputation as a top athletics school, with teams and individuals performing well in the summer programme of events. The U13 girls went on to represent the South Lakes District. A number of athletes performed well at the District Championships and qualified for the County Finals in Carlisle.

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 and Sarah Smith have both had another impressive season. Our Year 8 team once again became Cumbria County Champions, meaning they qualified for the National Finals where they came 16th overall. The team were Sarah Smith, Clara Samson, Elodie Malcolm, Tilly Nicholls, Amber Woodcock-Perkins and Ella Parr. Sarah, Elodie, Clara have all been asked to run for the County team.

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. More girls are coming along to the club. The pendulum has swung in favour of badminton with few pupils asking to play table tennis. However, this could all change! Looking to run a round robin competition after Christmas again.

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 and netball. 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 Kendal Collaborative Partnership. Over 250 Year 6 pupils attended, with coaches here from Newcastle Falcons, Kendal RUFC and the RFU, as well as KKS staff.

GOVERNORS' ANNUAL REPORT (continued)

PGCE PE

The eighth cohort of 16 PGCE students successfully completed their course in June 2019 and will graduate in November 2019 at Carlisle Cathedral. All 16 achieved their Qualified Teacher Status and 60 credits at Master's level. All 16 of the cohort achieved either an 'outstanding or good' grading in their final teaching placement. Currently, 10 of the cohort are working in PE teaching positions this autumn term, with three others working supply and three outcomes unknown. The student feedback from the course, received from the University and the students themselves, evidenced that the KKS aspect of the course was very well received, particularly our 12 specialist PE subject knowledge days. Several of these days were spent working with teaching staff in some of our partnership schools, including QES, Kirkby Lonsdale, QEGS Penrith and QEGS Blackburn. Currently, we are working with another large cohort, as 14 trainees have embarked on the course in September 2019.

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 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.

Academic PE

This year we continued to deliver PE courses at GCSE and A-Level, whereby we continue to work hard to ensure the students are given the best experience that we can offer. Miss Nicholl's GCSE PE results were once again, for the second year running, amongst the top in the country: a fantastic achievement!

HIGH ATTAINERS

Challenging our highest attaining students is the job of every subject teacher in every classroom and this is the focus of much of our work, in particular, planning the curriculum changes, as we redesign our curriculum and assessments.

Many departments find competitions which challenge our highest attaining students. For example, this year, competitions have included the Youth Speaks public speaking, the Rotary Technology competitions and a Geography Town Planning challenge.

The Maths Department continues to enter large numbers of students for the Intermediate Maths Challenge with many achieving the Bronze, Silver and Gold Certificates covering age ranges from Year 7 right through to Year 13.

Enrichment activities have included work by the Science Club on fireworks and making copper into gold, before they embarked on their main project which was solving the problem of plastic. This took place over 6 months or so and the students involved achieved their Bronze CREST Award. The Robotics Club successfully completed the making of their robot named Luna. There have also been enrichment trips such as theatre visits and trips to Manchester Crown Court and to the Houses of Parliament.

Students have benefitted from visits by medical trainee students, giving an insight into life as a medical student. Cambridge University also visited to talk to our Year 10 to Year 12 students about life in a top University and IMPACT International came with a teambuilding event with a large multinational company, which challenged students to work together solving problems in real time.

The Extended Project Qualification continues to produce some excellent results from some diverse research areas. All students visit Lancaster University library to source material for their research on a range of topics. These included, 'Does Modern Art Have Value?', 'To What Extent Do Musicals Contribute to our Understanding of Historical Events?' and 'Can Psychology Predict Human Activity?'

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

Students are initially identified as having an additional need through Year 5 and 6 transitional visits to Primary schools. Identification may also occur via tracking of data throughout the School year, teacher, student and parent referrals and concerns.

Most students who are identified as having additional needs can have their needs met through quality first teaching in the classroom by the class teacher. This includes differentiation, seating arrangements, accessible resources, etc. The SENCo ensures information about a student's needs and strategies to help learning is circulated to the student's teachers.

We have two formal categories of SEND at Kirkbie Kendal School, SEND Support and Educational Health Care Plans (EHCP):

SEND Support - students are those who 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 - apply to those students who 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.

SEND resources were directed towards supporting students with 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.

GOVERNORS' ANNUAL REPORT (continued)

The following interventions have been delivered:

- Year 7, 8 and 9 Indirect Dyslexia Learning (IDL): students were identified from Primary school information and the KKS English Department. 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. Year 9 IDL was delivered on a 'drop in' basis and was more positive because of this.
- 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 between October and December to help support the transition to secondary.
- 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. This intervention incorporated The Young Fire Fighters' Award.
- Study Skills Classes: these were extra lessons supervised by Teaching Assistants for those students in Year 11 to benefit from extra supported study time, focusing on Maths and English.
- 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.' ClaroRead software was made available to those students with specific difficulties in reading and writing and was used in GCSE English Exams.

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.

Primary transition took place throughout the School year. This included attendance at Year 5 and 6 annual review meetings. Students with EHCPs were invited to visit the School during the School day, individually or as part of a group. 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 some 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 EHCPs had appropriate destinations, including Kendal College and Kirkbie Kendal School Sixth Form.

STAFF PROFESSIONAL DEVELOPMENT REPORT

Appraisal

At KKS, we are working towards embedding a coaching environment with both staff and students. We have been setting objectives that aim to improve every teacher's practice and support students' progress. All teachers have had at least 3 coaching conversations that have allowed for in-depth discussions of teaching and learning. These conversations have been based around a variety of subjects including lesson observations, work checks and Schemes of Work. Our staff value these conversations and the ideas that come from them.

Work scrutiny is part of lesson observations and we also hold whole School and departmental evaluations throughout the year. Sharing of good practice in all subject areas is an important part of our on-going School Improvement Plan.

GOVERNORS' ANNUAL REPORT (continued)Whole School INSET

All teachers completed their own research project, the topic of which was based upon previous teaching and learning targets. Examples of these projects included stretching higher attainers, deeper questioning skills, retention and memory skills. Staff project proposals were submitted and, at various points throughout the year, staff met with a coaching partner to discuss next steps, plan lesson drop-ins etc. In June, all teachers submitted their final report with their findings.

Other internal Inset included:

- Safeguarding briefings - Sept & March
- GDPR - Sept
- Positive behaviour management
- Mental Health First aid - three sessions throughout the year - Feb, March & June
- Emotional Coaching - April
- SLF training day in April - All departments met across the south lakes federation to focus on moderation at KS4.

External CPD courses

We continue to focus much of our external CPD on new exam specifications; for example, courses on understanding Specifications, and also CPD run by examiners that focus on feedback from the last examination series. This allows staff to ask questions and find out more about areas of weakness and strength. We have also had more staff minibus training & First Aid training.

NQTs and PGCE Students PE PGCE

All three of our NQTs passed their NQT year and, through the training school, received some excellent feedback. They have worked hard and will continue to improve their teaching.

All our 16 PE PGCE students passed their teacher training with us. They have made huge amounts of progress and will be an asset to any school. We wish them the very best of luck in their future careers.

South Lakes Federation (SLF)

We continue to work closely with our Federation schools. All Heads of Department (HOD) meet other HODs each term to discuss best practice. Their main focus was assessment at Key Stage 4.

IMMEDIATE DESTINATIONS OF FORMER STUDENTS

There were 94 students aged 17 or over at the start of the School year. Details of progression are:

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

Higher Education / Deferred Entry	75%
Employment and training	20%
Further Education	5%

55 Students continued into Year 13 from Year 12

There were 135 students in Year 11 at the start of the school year.

Details of progression are:

6th Form	50%
College, employment and training	50%

GOVERNORS' ANNUAL REPORT (continued)**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	5.70%
Unauthorised absence	0.70%
Total absence	6.40% (National 5.2%)

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	4+ (A*- C) (%)	7+ (A*A) (%)	National 4+ (%)	National 7+ (%)
Art & Design	42	57	27	75	23
Biology	54	100	30	90	42
Business Studies	48	56	20	65	18
Chemistry	54	94	41	90	44
Computing	23	78	17	63	22
Dance	11	78	0	Not available	Not available
Design & Technology	89	62	20	64	19
English Language	144	72	15	62	14
English Literature	144	76	24	74	21
Geography	97	70	23	66	25
German	34	56	3	76	75
Health & Social Care	29	60	20	64	12
History	40	68	26	64	25
Mathematics	144	82	26	60	16
Music	16	92	8	77	33
Sport (National Diploma)	38	40	7	Not available	Not available
PE	21	91	43	73	22
Physics	54	96	43	91	44
Religious Studies - Full GCSE	22	95	43	72	31
Science & Additional Science	90	67	33	56	8
Spanish	37	71	11	71	28

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

Number of students aged 15 on roll - 163

Students (percentage)	4+ in Eng & Maths	5+ in Eng and Maths	Achieving 5+ A* - G
Boys	73%	45%	100%
Girls	84%	57%	100%
All Students	78%	50%	100%

SUMMER GCE 'A' LEVEL SUMMARY**A Level**

The number of students was 37

% of grades at A* - E = 98%

% of grades at A* - B = 58%

% of grades at A* - C = 82%

Subject	Entries	A*/A	B	C	D	E
Biology	16	2	1	7	2	3
Business Studies	6	2	2	2	0	0
Chemistry	11	4	2	2	1	0
Computing	1	0	0	0	1	0
English Language	1	0	1	0	0	0
English Literature	5	1	1	3	0	0
Geography	5	2	2	1	0	0
Health & Social Care	8	8	0	0	0	0
History	4	1	2	1	0	0
Mathematics	11	7	1	3	0	0
Music	2	2	0	0	0	0
Sports Diploma	6	N/A	N/A	N/A	N/A	N/A
Physics	5	2	2	0	1	0
Psychology	8	1	1	4	2	0
RE/Philosophy	4	0	1	2	1	0
Sociology	4	0	3	0	1	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.

	2019	2018	2017	2016
%Teaching & educational Support staff costs to Incoming resources.	67.00	64.57	73.55	64.85
%Teaching & educational Support staff costs to Incoming resources including CIF	53.58	N/A	N/A	N/A
Ratio of FTE staff to students.	9.71	6.35	8.18	8.40
Teaching staff FTE ratio to students	16.37	12.52	14.41	10.64

Gender Ratios

	2019			2018	
	M	F		M	F
Teachers	26	40	Teachers	27	42
Support	14	50	Support	15	52

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 was excellent, and student choice for the new year 7 in September 2019 was again over subscribed, which means 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 was funded by the general academy grant which was paid directly by the Education Funding Agency. Grants are also received from Cumbria County Council relating to students special educational needs.

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

Total funds received at 31st August 2019	£6,923,197
Total funds expended at 31st August 2019	£6,905,687

The excess of restricted general income over expenditure for the year after transfers (excluding the pension deficit transferred and the pension fund movements) was £43,677. The in-year deficit including restricted and unrestricted funds for the year, after transfers, was £61,297.

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

The value of the tangible fixed assets was £9,579,715, these assets were used exclusively for providing education and the associated support services to the students.

At 31st August 2019 the academy trust held fund balances of:

Restricted funds	(£428,150)
Unrestricted funds	£188,583
Restricted fixed asset funds	£10,608,068
Pension deficit	(£2,655,000)

Other notable balances at 31 August 2019:

Cash balances held	£764,965
Conditional Improvement Funds (CIF)	£994,290
Capital Grant balance	£34,063
Salix loan contribution	£9,255

The level of funding agreed by the Education and Skills Funding Agency for the year allows for a deficit budget. Lagged funding means the grant we are allocated is based on the previous years smaller student numbers, this funding will start to catch up and the school's restricted funds will 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 2019 of £7,713,501 which included £428,149 deficit on restricted funds not available for general purposes of the Academy Trust, £188,583 of free reserves defined as unrestricted funds available for general purposes and £10,608,067 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 deficit of £239,566

The trust is carrying a net deficit of £239,566 on restricted general funds (excluding pension reserve) plus unrestricted funds because of lagged funding due to the school's popularity. The trust has been working very closely with the ESFA and have implemented a number of cost saving measures. Once the lagged fund catches up reserves will move into surplus.

In addition, the deficit on the restricted pension fund of £2,655,000 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 replacement of the all-weather pitch this year.

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

Budgeted expenditure for 2019/20 is £5,590,641.

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 25.

Principal Risks and Uncertainties

The academy's main funding comes from the ESFA and this funding is based on 2018 students. Measures are in place to market the school to ensure that student numbers are maintained. The intake to year 7 in September 2019 has been excellent with the school being over subscribed, unfortunately Kirkbie Kendal School has not been able to accommodate all the first choice applications and a number of student appeals took place. Staffing is a major cost to the academy and the curriculum is closely monitored to ensure that staffing resources are maximised. Student numbers are consistent over the next few years 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, due to student lagged funding this has been closely watched over the 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)

Fundraising

The School receives donations from a number of other parties, including but not limited to Kirkbie Kendal School Association, Fat Media, and The Trustees of Kirkbie Kendal School (Charity number: 526961). The School does not actively fund raise but welcomes these donations.

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 26/11/2019 and signed on its behalf by:


Mr M Duff
Chair of Governors and Academy Trustee


Mr P Hyman
Headteacher & Accounting Officer

GOVERNANCE STATEMENT

Scope of Responsibility

As governors we acknowledge we have 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 six 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	
Mr W R Abram (Chair F&P)	6	4	4	3	-	-	4	4	11
Mr D Armstrong	6	4	-	-	2	2	3	3	9
Mr P Braithwaite (Chair p&pm)	6	4	4	4	-	-	-	-	8
Dr N Brown	6	4	-	-	5	2	-	-	6
Mr G Duckworth	6	4	-	-	-	-	4	2	6
Mr M Duff (Chair)	6	4	4	1	5	4	4	3	12
Mr D Durnford (Resigned 20/12/2018)	2	2	-	-	-	-	2	1	3
Mrs H Herbert	6	5	-	-	5	4	-	-	9
Mr P Hyman	6	6	4	4	5	4	4	3	18
Mrs J Summerfield	6	5	4	3	-	-	-	-	8
Mrs S Tully	6	6	-	-	3	2	2	2	10
Mrs S Parnaby	6	6	-	-	5	5	-	-	11
Mr J S Gee (Resigned 31/08/18)	2	0	1	0	-	-	1	0	0
Mrs D Thompson	4	4	-	-	-	-	-	-	4
Mr A Williams	5	5	-	-	3	3	-	-	8

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 as explained below.

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 primary schools.

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 31 August 2019 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 2019 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 26/11/2019 and signed on its behalf by:



Mr M Duff
Chair of Governors and Academy Trustee



Mr P 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 terms and conditions of all funding received by the academy trust, 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 2018.

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 all 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 2018.

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 P 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 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 26/11/2019 and signed on its behalf by:



Mr M 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 2019 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 2019 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 2018 to 2019.

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. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. 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 27), 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.

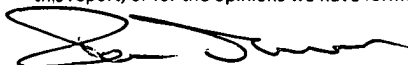
OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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.

USE OF OUR REPORT

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: 17/12/19

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

In accordance with the terms of our engagement letter dated 15 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 01 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 KIRKBBIE KENDAL SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS
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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

USE OF OUR REPORT

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.



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: 17/12/19

**Statement of Financial Activities
for the year ended 31 August 2019
(including Income and Expenditure Account)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	92,518	16,724	1,530,156	1,639,398	796,653
Charitable activities:						
Funding for the academy trust's educational operations	4	258,890	4,991,771	-	5,250,661	4,865,119
Other trading activities	5	31,302	-	-	31,302	41,021
Investments	6	1,836	-	-	1,836	1,045
Total		384,546	5,008,495	1,530,156	6,923,197	5,703,838
Expenditure on:						
Raising funds	7,8	(16,663)	-	-	(16,663)	(20,601)
Charitable activities:						
Academy trust educational operations	7,9a	(209,523)	(5,135,262)	(1,543,765)	(6,888,550)	(6,102,506)
Other	9b	-	-	(474)	(474)	-
Total		(226,187)	(5,135,262)	(1,544,239)	(6,905,687)	(6,123,107)
Net income / (expenditure)		158,360	(126,767)	(14,083)	17,510	(419,268)
Transfers between funds	10	(140,740)	170,444	(29,704)	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(864,000)	-	(864,000)	366,000
Net movement in funds		17,620	(820,323)	(43,787)	(846,490)	(53,268)
Reconciliation of funds						
Total funds brought forward		170,963	(2,262,827)	10,651,855	8,559,991	8,613,259
Total funds carried forward		188,583	(3,083,150)	10,608,068	7,713,501	8,559,991

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

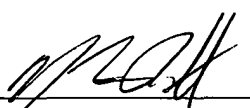
All income and expenditure derive from continuing activities.


Statement of Financial Position as at 31 August 2019

Company Number 07543834

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	14	9,579,715	10,069,900
Current assets			
Stock	15	4,379	8,587
Debtors	16	656,142	476,366
Cash at bank and in hand		764,965	432,340
		<u>1,425,486</u>	<u>917,293</u>
Liabilities			
Creditors: Amounts falling due within one year	17	(618,541)	(733,298)
Net current assets		<u>806,945</u>	<u>183,995</u>
Total assets less current liabilities		<u>10,386,660</u>	<u>10,253,895</u>
Creditors: Amounts falling due after more than one year	18	(18,159)	(8,904)
Net assets excluding pension liability		<u>10,368,501</u>	<u>10,244,991</u>
Defined benefit pension scheme liability	23	(2,655,000)	(1,685,000)
Total net assets		<u>7,713,501</u>	<u>8,559,991</u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	19	10,608,068	10,651,855
Restricted income fund	19	(428,150)	(577,827)
Pension reserve	19	(2,655,000)	(1,685,000)
Total restricted funds		<u>7,524,918</u>	<u>8,389,028</u>
Unrestricted income funds	19	<u>188,583</u>	<u>170,963</u>
Total funds		<u>7,713,501</u>	<u>8,559,991</u>

The financial statements were approved by the board of trustees and authorised for issue on 26/11/2019 and are signed on behalf of the board by:


Mr M Duff
Chair of Governors


Mr W R Abram
Governor

Statement of Cash Flows for the year ended 31 August 2019

	2019 £	2018 £
Cash flows from operating activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	17,510	(419,268)
Adjusted for:		
Depreciation charges	522,211	509,333
Loss on disposal of fixed assets	476	-
Capital grants from DfE and other capital income	(66,564)	(19,221)
Interest receivable	(1,836)	(1,045)
Defined benefit pension scheme cost less contributions payable	55,000	80,000
Defined benefit pension scheme finance cost	46,000	46,000
Defined benefit pension scheme administration expenses	5,000	5,000
(Increase)/decrease in stocks	4,208	(2,293)
(Increase)/decrease in debtors	(179,776)	(377,761)
Increase/(decrease) in creditors	(114,758)	370,237
Net cash provided by / (used in) Operating Activities	287,471	190,982
Cash Flows from Investing Activities	2019 £	2018 £
Dividends, interest and rents from investments	1,836	1,045
Purchase of tangible fixed assets	(32,501)	(161,999)
Capital grants from DfE/ESFA	66,564	19,221
Net cash provided by / (used in) investing activities	35,899	(141,733)
Cash Flows from Financing Activities		
Proceeds from borrowings	9,255	8,904
Net cash provided by / (used in) financing activities	9,255	8,904
Change in cash and cash equivalents in the reporting period	332,625	58,153
Cash and cash equivalents at 1 September 2018	432,340	374,187
Cash and cash equivalents at the 31 August 2019	764,965	432,340
Analysis cash and cash equivalents	At 31 August 2019 £	At 31 August 2018 £
Cash in hand and at bank	764,965	432,340
Total cash and cash equivalents	764,965	432,340

Notes to the Financial Statements for the period ended 31 August 2019

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 public benefit entity and 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 2019 (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 the lease term is over 50 years.

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

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

Depreciation is provided on all tangible fixed assets 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 2019 (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 of services it must provide.

Public Benefit Entity Concessionary Loans

Public benefit entity concessionary loans shall initially be measured at the amount received and recognised in the statement of financial position. In subsequent years, the carrying amount of concessionary loans in the financial statements shall be adjusted to reflect any accrued interest payable.

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 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial 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 2019 (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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 23, 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 2019. 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 2019 (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 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2019.

3 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Capital grants	-	66,564	66,564	19,221
Capital Improvements Fund	-	1,443,854	1,443,854	764,007
Miscellaneous donations	92,518	36,462	128,980	13,425
	<u>92,518</u>	<u>1,546,880</u>	<u>1,639,398</u>	<u>796,653</u>

The income from donations and capital grants was £1,639,398 (2018: £796,653) of which £92,518 was unrestricted (2018: £130), £16,724 was restricted (2018: £13,295) and £1,530,156 was restricted fixed assets (2018: £783,228).

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	4,451,810	4,451,810	4,141,673
Pupil Premium	-	126,269	126,269	126,064
Teacher Pay scale grant	-	42,597	42,597	-
Other DfE/ESFA grants	-	25,179	25,179	23,711
	<u>-</u>	<u>4,645,855</u>	<u>4,645,855</u>	<u>4,291,448</u>
Other Government grants				
Local authority grants	-	59,901	59,901	55,369
Other Government grants	-	9,676	9,676	28,892
	<u>-</u>	<u>69,577</u>	<u>69,577</u>	<u>84,261</u>
Trip income		193,135	193,135	177,590
Catering income	251,612	-	251,612	242,659
School fund	4,601	-	4,601	3,120
Other income	2,677	83,204	85,881	66,041
	<u>258,890</u>	<u>4,991,771</u>	<u>5,250,661</u>	<u>4,865,119</u>

The income from funding for the Academy Trust's educational operations was £5,250,661 (2018: £4,865,119) of which £258,890 was unrestricted (2018: £249,541) and £4,991,771 was restricted (2018: £4,615,578).

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

5 Other Trading activities

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Hire of facilities	19,198	-	19,198	17,131
Hire of pitches	12,104	-	12,104	23,890
	<u>31,302</u>	<u>-</u>	<u>31,302</u>	<u>41,021</u>

The income from other trading activities was £31,302 (2018: £41,021) of which all £31,302 was unrestricted (2018: £41,021).

6 Investment income

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Bank and Building Society interest	1,836	-	1,836	1,045
	<u>1,836</u>	<u>-</u>	<u>1,836</u>	<u>1,045</u>

The income from investments was £1,836 (2018: £1,045) of which all £1,836 was unrestricted (2018: £1,045).

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

7 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2019	2018
	£	£	£	£	£
Expenditure on raising funds	11,555	4,585	523	16,663	20,601
Academy's educational operations:					
Direct costs	3,717,786	24,638	470,905	4,213,329	4,211,038
Trips and productions	7,420	-	185,715	193,135	177,590
Catering	78,716	10,626	118,974	208,316	195,272
Allocated support costs	607,031	1,138,334	528,404	2,273,769	1,518,606
Other	-	-	474	474	-
	4,422,508	1,178,184	1,304,995	6,905,687	6,123,107

Net income/(expenditure) for the period includes:

	2019	2018
	£	£
Operating lease rentals	11,269	7,812
Depreciation	522,211	509,333
Fees payable to auditor for:		
- audit of the financial statements	4,500	4,500
- assurance services	3,690	3,480
- accountancy	3,120	3,415

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

8 Costs of other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Sports lettings				
Support staff costs	7,519	-	7,519	12,721
Maintenance of premises and equipment	4,585	-	4,585	4,206
	<u>12,104</u>	<u>-</u>	<u>12,104</u>	<u>16,927</u>
Other lettings				
Support staff costs	4,036	-	4,036	3,401
Catering	523	-	523	273
	<u>4,559</u>	<u>-</u>	<u>4,559</u>	<u>3,674</u>
	<u>16,663</u>	<u>-</u>	<u>16,663</u>	<u>20,601</u>

Costs of other trading activities was £16,662 (2018: £26,601) of which all £16,662 was unrestricted (2018: £20,601).

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

9a Charitable Activities

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Direct costs – educational operations				
Teaching and educational support staff costs		3,717,786	3,717,786	3,682,867
Depreciation		249,414	249,414	239,687
Books, apparatus and stationery		64,278	64,278	61,676
Examination fees		69,400	69,400	86,718
Staff development		9,464	9,464	8,160
Educational consultancy		5,536	5,536	10,629
Alternative curriculum		29,477	29,477	29,918
Hire of leisure centre		24,638	24,638	23,702
other direct costs		43,336	43,336	67,681
	-	4,213,329	4,213,329	4,211,038
Trips and productions – educational operations				
Trip supply costs		7,420	7,420	7,205
Other costs inc accommodation, transport and admission		185,715	185,715	170,385
	-	193,135	193,135	177,590
Catering – educational operations				
Support staff costs	78,717		78,717	68,487
Maintenance of premises and equipment	10,626		10,626	12,234
Catering	118,974		118,974	114,551
	208,317	-	208,317	195,272
Support costs – educational operations				
Support staff costs		607,031	607,031	612,563
Rates and water		37,728	37,728	49,156
Heat and light		67,492	67,492	66,125
Maintenance of premises and equipment		1,013,590	1,013,590	263,967
Insurance		19,525	19,525	18,271
Cleaning		6,354	6,354	6,562
Telephone		14,950	14,950	16,805
Computer costs		33,820	33,820	22,355
Depreciation		272,797	272,797	269,647
Staff development		-	-	80
Security		9,993	9,993	10,995
Transport		15,597	15,597	19,793
Advertising		4,261	4,261	3,659
Admin photocopying and stationery		9,614	9,614	11,919
Mini bus rental		3,435	3,435	3,443
Min bus expenses		1,487	1,487	1,337
School fund	558	-	558	791
Catering		13,914	13,914	10,349
Other support costs	648	64,614	65,262	63,088
Governance costs - accountancy fees		6,810	6,810	6,895
Governance costs - audit fees		4,500	4,500	4,500
Legal and professional fees		14,050	14,050	5,305
Local Government Pension Scheme deficit taken on		51,000	51,000	51,000
	1,206	2,272,563	2,273,769	1,518,605
Total direct and support costs	209,523	6,679,027	6,888,550	6,102,505

Costs of charitable activities was £6,888,550 (2018: £6,102,506) of which £209,523 was unrestricted (2018: £196,063), £5,135,262 was restricted (2018: £5,186,931) and £1,543,765 was restricted fixed assets (2018: £719,512).

9b Other Expenditure

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Loss on disposal of tangible fixed assets		474	474	-
	-	474	474	-

Costs of other expenditure was £474 (2018: £nil) of which all £474 (2018: £nil) was restricted fixed assets.

Kirkbie Kendal School Academy Trust
Notes to the Financial Statements for the year ended 31 August 2019
(continued)

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10 Fund transfers

	Total 2019 £	Total 2018 £
Unrestricted funds		
Music tuition fees transferred to the restricted GAG fund to cover costs incurred in providing this service	(2,677)	(3,762)
Transfer to the restricted GAG fund from the unrestricted catering fund to contribute towards the overhead costs	(40,063)	(45,148)
Contribution from Business Enterprise	(6,000)	-
Contribution from Cinderovens fund to restricted fixed assets for new Astro Turf	-	(83,328)
Transfer of unrestricted Donations to fund school activities	(92,000)	-
	(140,740)	(132,238)
Restricted general funds		
Transfer to the restricted fixed asset fund for assets purchased by the restricted GAG fund	-	(157,060)
Transfer to the restricted fixed asset fund for a contribution towards the equipment by the KKSa restricted donations and Trustee donations	-	(4,940)
Transfer of contribution, via Salix loan, towards CIF projects	(9,255)	(8,904)
Music tuition fees transferred to the restricted GAG fund to cover costs incurred in providing this service	2,677	3,762
Transfer to the restricted GAG fund from the unrestricted catering fund to contribute towards the overhead costs	40,063	45,148
Contribution from Business Enterprise	6,000	-
Contribution from Cinderovens fund to restricted fixed assets for new Astro Turf	-	83,328
Transfer of DFC and Donations designated for new Astro Turf	38,959	-
Transfer of unrestricted Donations to fund school activities	92,000	-
	170,444	(38,666)
Restricted fixed asset funds		
Transfer to the restricted fixed asset fund for assets purchased by the restricted GAG fund	-	157,060
Transfer to the restricted fixed asset fund for a contribution towards the equipment by the KKSa restricted donations and Trustee donations	-	4,940
Transfer of contribution, via Salix loan, towards CIF projects	9,255	8,904
Transfer of DFC and Donations designated for new Astro Turf	(38,959)	-
	(29,704)	170,904

Kirkbie Kendal School Academy Trust
Notes to the Financial Statements for the year ended 31 August 2019
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11 Staff

a. Staff costs

Staff costs during the period were:

	Total	Total
	2019	2018
	£	£
Wages and salaries	3,439,117	3,373,777
Social security costs	286,913	304,237
Other pension costs	667,675	678,490
Apprenticeship levy	2,059	1,701
	4,395,764	4,358,205
Supply staff costs	26,744	29,039
	4,422,508	4,387,244

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018: £nil). Individually, the payments were: £nil, (2018: £nil).

c. Staff numbers

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

	2019	2018
	No.	No.
Teachers	64	64
Administration and support	64	66
Management	6	6
	134	136

d Higher paid staff

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

	2019	2018
	No.	No.
£60,000 - £69,999	2	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 (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £584,436 (2018: £550,018). Of this £505,612 (2018: £508,722) related to the Senior leadership team and £78,824 (2018: £41,296) related to staff trustees.

Notes to the Financial Statements for the year ended 31 August 2019 (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 (2018: £95,000 - £99,999)

Employer's pension contributions paid £15,000 - £19,999 (2018: £15,000 - £19,999)

J Gee (staff trustee - remuneration up to date of resignation 7th March 2019):

Remuneration £30,000 - £34,999 (2018: £60,000 - £64,999)

Employer's pension contributions paid £5,000 - £9,999 (2018: £10,000 - £14,999)

H Herbert (staff trustee):

Remuneration £30,000 - £34,999 (2018: £30,000 - £34,999)

Employer's pension contributions paid £0 - £4,999 (2018: £5,000 - £9,999)

A Williams (staff trustee appointed 25th September 2018):

Remuneration £30,000 - £34,999 (2018: Nil)

Employer's pension contributions paid £5,000 - £9,999 (2018: £Nil)

During the period ended 31 August 2019, travel and subsistence expenses totalling £nil were reimbursed or paid directly to 0 governors (2018: £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 on any one loss and any one membership year. 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 2019 (continued)

14 Tangible Fixed Assets

	Long Leasehold Land and Buildings	Plant & Machinery	Furniture, Equipment and Computers	Total
	£	£	£	£
Cost				
At 1 September 2018	10,790,582	2,533,837	338,620	13,663,039
Additions	-	-	32,501	32,501
Disposals	-	-	(482)	(482)
At 31 August 2019	10,790,582	2,533,837	370,639	13,695,058
Depreciation				
At 1 September 2018	2,139,871	1,206,708	246,560	3,593,139
Charged in year	310,956	168,921	42,334	522,211
Disposals	-	-	(7)	(7)
At 31 August 2019	2,450,827	1,375,629	288,887	4,115,343
Net book values				
At 31 August 2018	8,650,711	1,327,129	92,060	10,069,900
At 31 August 2019	8,339,755	1,158,208	81,752	9,579,715

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.

Capital Commitment

Contracted for but not provided in the financial statements £972,527.

Amounts contracted for but not provided in the accounts at the period end date related to replacement of windows and roof repairs.

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

15 Stock

	2019	2018
	£	£
Catering	4,379	4,077
Stationery	-	4,510
	4,379	8,587

16 Debtors

	2019	2018
	£	£
Trade debtors	401	1,651
VAT recoverable	71,548	60,194
Other debtors	1,606	1,729
Prepayments and accrued income	582,587	412,792
	656,142	476,366

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Notes to the Financial Statements for the year ended 31 August 2019
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17 Creditors: Amounts Falling due within one year

	2019	2018
	£	£
Trade creditors	30,986	256,898
Other taxation and social security	75,799	75,768
Other creditors	145,722	140,529
Deferred income	65,257	139,572
Accruals	300,777	120,531
	618,541	733,298

Deferred income	2019	2018
	£	£
Deferred income at 1 September 2018	139,572	86,454
Released from previous years	(139,572)	(86,454)
Resources deferred in the year	65,257	139,572
Deferred Income at 31 August 2019	65,257	139,572

Deferred income comprises:	2019	2018
	£	£
ESFA Rates funding for the period September 2019 to March 2020	12,697	13,177
Deposits in advance for Trips in the following academic year	27,517	39,765
Cumbria County Council income for the leisure centre for future academic years	-	1,572
Prize money for the 2019/20 academic year	100	100
Cumbria County Council SEN Income for September 2018 to March 2019	-	5,250
Cumbria County Council High Needs income for September 2019 to March 2020	24,943	33,573
Singing Lessons	-	368
Lakes Leisure contribution towards 3G Pitch	-	19,738
Donations from trust towards changing rooms	-	12,000
Cumbria County Council SEN resource allocation clawback	-	8,541
Cumbria County Council Clawback for exclusions	-	5,488
	65,257	139,572

18 Creditors: Amounts Falling due after more than one year

	2019	2018
	£	£
Public benefit concessionary loans	18,159	8,904
	18,159	8,904

Public benefit concessionary loans represents two Salix loans of £8,904 & £9,255 which are repayable over 8 years from commencement and are interest free.

Included within the above are amounts not wholly repayable within 5 years and are repayable by instalments totalling £9,079.

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

19 Analysis of charitable funds

	Balance at 1 September 2018	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	(579,276)	4,451,810	(4,472,649)	170,515	(429,600)
Pupil Premium	-	104,454	(104,454)	-	-
Teacher Pay scale grant	-	42,597	(42,597)	-	-
Other ESFA grants	-	46,114	(46,043)	(71)	-
Other government grants	-	70,457	(70,457)	-	-
Other Educational Institutions	-	65,600	(65,600)	-	-
Trips and productions	-	193,135	(193,135)	-	-
Other educational income	-	31,057	(31,057)	-	-
Other restricted general funds	1,449	3,271	(3,271)	-	1,449
Pension reserve	(1,685,000)	-	(106,000)	(864,000)	(2,655,000)
	(2,262,827)	5,008,495	(5,135,262)	(693,556)	(3,083,150)
Restricted fixed asset funds					
ESFA Capital Improvements Fund (CIF)	562,733	1,443,854	(1,021,552)	9,255	994,290
DfE/ESFA capital grants	19,221	66,564	-	(51,722)	34,063
Capital Donations	-	19,738	-	(19,738)	-
Fixed assets used for charitable purposes	10,069,901	-	(522,687)	32,501	9,579,715
	10,651,855	1,530,156	(1,544,239)	(29,704)	10,608,068
Total restricted funds	8,389,028	6,538,650	(6,679,502)	(723,260)	7,524,917
Unrestricted funds					
Cinderovens sports facility	10,275	12,104	(12,104)	-	10,275
School fund	45,160	4,601	(558)	-	49,203
Building projects	42,000	-	-	-	42,000
Catering fund	(3,235)	-	-	3,235	-
Other designated funds	65,866	366,005	(213,524)	(143,975)	74,373
General funds	10,897	1,836	-	-	12,733
Total unrestricted funds	170,963	384,546	(226,186)	(140,740)	188,584
Total funds	8,559,992	6,923,196	(6,905,687)	(864,000)	7,713,501

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

Analysis of charitable funds - Previous year

	Balance at 1 September 2017	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	(115,514)	4,141,673	(4,571,787)	(33,646)	(579,274)
Pupil Premium	-	103,695	(103,695)	-	-
Other ESFA grants	1,962	46,080	(47,963)	(80)	-
Other government grants	-	84,262	(84,262)	-	-
Other Educational Institutions	-	42,025	(42,025)	-	-
Trips and productions	-	177,590	(177,590)	-	-
Other educational income	-	20,535	(20,535)	-	-
Other restricted general funds	1,449	13,014	(8,074)	(4,940)	1,449
Pension reserve	(1,920,000)	-	(131,000)	366,000	(1,685,000)
	(2,032,103)	4,628,874	(5,186,931)	327,334	(2,262,825)
Restricted fixed asset funds					
ESFA Capital Improvements Fund (CIF)	-	764,007	(210,179)	8,904	562,732
DfE/ESFA capital grants	-	19,221	-	-	19,221
Fixed assets used for charitable purposes	10,417,234	-	(509,334)	162,000	10,069,901
	10,417,234	783,228	(719,513)	170,904	10,651,854
Total restricted funds	8,385,132	5,412,102	(5,906,444)	498,238	8,389,029
Unrestricted funds					
Cinderovens sports facility	86,639	23,890	(16,926)	(83,328)	10,275
School fund	42,830	3,120	(790)	-	45,160
Building projects	42,000	-	-	-	42,000
Catering fund	(5,472)	-	-	2,237	(3,235)
Other designated funds	52,279	263,681	(198,948)	(51,147)	65,865
General funds	9,852	1,045	-	-	10,897
Total unrestricted funds	228,128	291,737	(216,664)	(132,238)	170,962
Total funds	8,613,259	5,703,840	(6,123,108)	366,000	8,559,991

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 2019. Note 2 discloses whether the limit was exceeded.

The trust is carrying a net deficit of £239,566 (2018: £406,864) on restricted general funds (excluding pension reserve) plus unrestricted funds because the school is very popular with parents and students and has been experiencing lagged funding over the last two years, due to this popularity. The trust is working very closely with the ESFA and have implemented a number of cost saving measures. This current year has seen that the funding is starting to catch up and will continue to catch up in the following year returning these funds to surplus.

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 £429,598 (2018: £579,274).

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 to 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 2019 (continued)

20 Analysis of Net Assets between Funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	9,579,715	9,579,715
Current assets	188,583	208,550	1,028,354	1,425,486
Current liabilities	-	(618,541)	-	(618,541)
Non current liabilities	-	(18,159)	-	(18,159)
Pension scheme liability	-	(2,655,000)	-	(2,655,000)
Total net assets	188,583	(3,083,150)	10,608,068	7,713,501

Analysis of Net Assets between Funds - Previous year

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	10,069,900	10,069,900
Current assets	170,963	164,375	581,955	917,293
Current liabilities	-	(733,298)	-	(733,298)
Non current liabilities	-	(8,904)	-	(8,904)
Pension scheme liability	-	(1,685,000)	-	(1,685,000)
Total net assets	170,963	(2,262,827)	10,651,855	8,559,991

21 Commitments under operating leases

Operating Leases

At 31 August 2019 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	9,584	11,269
Amounts due between one and five years	5,117	12,421
	14,701	23,690

Included within the above operating leases disclosure is the annual cost of £2,280 (2018: £2,520) for the minibus. The academy received donations equal to this amount during this year and last 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.

22 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.

Kirkbie Kendal School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019

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23 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:

	2019 £	2018 £
Teachers' Pension Scheme	52,599	51,610
Local Government Pension Scheme	21,259	20,330
Additional Voluntary Contributions	956	956
	74,814	72,896

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

	2019 £	2018 £
Teachers' Pension Scheme	411,122	401,409
Local Government Pension Scheme	139,170	135,739
Local Government Pension Scheme deficit recovery	62,383	61,042
LGPS current service cost/contributions adjustment	55,000	80,000
	667,675	678,190

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

	2019 £	2018 £
LGPS net interest costs	46,000	46,000
Administration costs	5,000	5,000
	51,000	51,000

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Kirkbie Kendal School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2019

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Valuation of the Teachers' Pension Scheme

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pensions website.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age-discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £411,122 (2018: £401,409)

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

Notes to the Financial Statements for the year ended 31 August 2019
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23 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:

	2019	2018
	£	£
Employer's contributions	202,000	197,000
Employees' contributions	51,000	50,000
Total contributions	253,000	247,000

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% for employers and a contribution rate ranging between 5.5% and 12.5% for employees.

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

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 £60,500 in the year ended 31 March 2018, £61,800 in 2018-19 and £63,200 in 2019-20.

Principal Actuarial Assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.50%	3.60%
Rate of increase for pensions in payment/inflation	2.10%	2.20%
Discount rate for scheme liabilities	1.80%	2.80%
Inflation assumption (CPI)	2.00%	2.10%

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 2019	At 31 August 2018
<i>Retiring today</i>		
Males	23.3	23.2
Females	25.9	25.8
<i>Retiring in 20 years</i>		
Males	25.6	25.5
Females	28.6	28.5

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Notes to the Financial Statements for the year ended 31 August 2019

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Sensitivity analysis - increase/(decrease) in deficit

	At 31 August 2019 £	At 31 August 2018 £
Discount rate +0.1%	(120,000)	(89,000)
Discount rate -0.1%	123,000	
Mortality assumption - 1 year increase	93,000	68,000
Mortality assumption - 1 year decrease	(91,000)	
CPI rate +0.1%	122,000	90,000
CPI rate -0.1%	(119,000)	

Full information was not provided in the Mercer report last year therefore some comparatives are not available.

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

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	1,249,000	1,069,000
Government bonds	466,000	384,000
Other bonds	158,000	138,000
Property	148,000	200,000
Cash/liquidity	119,000	129,000
Other	448,000	274,000
Total market value of assets	2,588,000	2,194,000

The actual return on scheme assets was £184,000 (2018: £97,000).

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

	2019 £	2018 £
Current service cost (net of employee contributions)	257,000	277,000
Net interest cost	46,000	46,000
Administration expenses	5,000	5,000
Total operating charge	308,000	328,000

Notes to the Financial Statements for the year ended 31 August 2019

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Changes in the present value of defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	3,879,000	3,800,000
Current service cost	257,000	277,000
Interest cost	110,000	96,000
Employee contributions	51,000	50,000
Actuarial (gain)/loss	983,000	(318,000)
Benefits paid	(37,000)	(26,000)
At 31 August	5,243,000	3,879,000

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

	2019 £	2018 £
At 1 September	2,194,000	1,880,000
Interest income	64,000	50,000
Actuarial gain/(loss)	119,000	48,000
Administration expenses	(5,000)	(5,000)
Employer contributions	202,000	197,000
Employee contributions	51,000	50,000
Benefits paid	(37,000)	(26,000)
At 31 August	2,588,000	2,194,000

In 2015, the government introduced reforms to public sector pensions, meaning many public sector workers were moved into new pension schemes. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to members in these schemes amounted to unlawful discrimination. This case is known as McCloud.

The Supreme Court decision in June 2019 not to allow the government leave to appeal, means the difference in treatment needs to be remedied across all relevant schemes, including the Local Government Pension Scheme (LGPS).

At the present time the academy has not considered the impact of McCloud on pension liabilities and no additional annual FRS102 actuarial valuation has been obtained for disclosure in the trust's 2018/19 financial statements. The implications will be considered in the next scheme valuation for 31 August 2020.

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

24 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Income Related Party Transactions

The trust received a donation totalling £1,260 (2018: £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.

Expenditure Related Party Transactions

Mrs H Gee, spouse of Mr J Gee, a staff governor, is employed by the academy trust as a member of the finance department. Mrs H Gee's appointment on 26.03.2001 was made in open competition and Mr J Gee was not involved in the decision making process regarding appointment. Mrs H Gee is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a governor.

Mrs J Bousfield, spouse of Mr M Bousfield, a member of the Senior Management Team, is employed by the academy trust as a librarian. Mrs J Bousfield's appointment on 01.09.2014 was made in open competition and Mr M Bousfield was not involved in the decision making process regarding appointment. Mrs J Bousfield is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member of the Senior Management Team.

Mr D Barker, spouse of Mrs C Barker, a member of the Senior Management Team, is employed by the academy trust as a teacher. Mr D Barker's appointment on 01.09.1992 was made in open competition and Mrs C Barker was not involved in the decision making process regarding appointment. Mr D Barker is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a member of the Senior Management Team.

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.

25 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.

	2019	2018
	£	£
Monies brought forward	57,913	52,811
Income during the year	6,302	7,911
Expenditure during the year	(852)	(2,809)
Balance carried forward	<u>63,363</u>	<u>57,913</u>