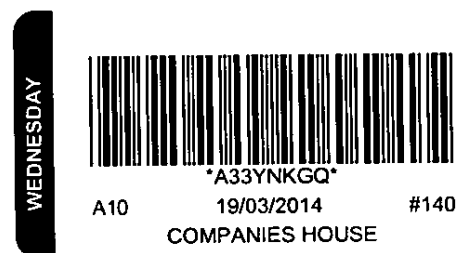


KINGSTONE ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 AUGUST 2013



Company Registration Number: 07681857 (England and Wales)

KINGSTONE ACADEMY TRUST

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KINGSTONE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)

Mrs Janet Baker*	Chair of Main Board	(resigned 12 07 13)
Mr Keith Crawford*	Executive Head Teacher	(Kingstone Academy Trust) (resigned 11 10.13)
Reverend Clare Dyson	Community/Co-opted Governor	
Mr James Hanks*	Community/Co-opted Governor	
Mrs Adrienne Ruleman	Parent Governor	(resigned 02.07 13)
Mrs Jill Shearer	Parent Governor	(temporary Chair 12 07.13)
Mr Clive Watkins*	Community/Co-opted Governor	
Mr James Wright*	Parent Governor	
Mrs Nicola Wright*	Staff Governor	(resigned 02 07.13)
Mr Phil Gilbert-Smith*	Parent Governor	(resigned 31 12.12)
Mrs Denise Kennedy*	Community/Co-opted Governor	
Mrs Jane Arbuthnott	Staff Governor	
Mrs Anna Davies	Community/Co-opted Governor	(appointed 18 10 12) (deceased 08.02 13)
Mr Robert Pinches*	Local Authority Governor	(appointed 11 09 12)
Mrs Victoria Tomkins	Parent Governor	(appointed 29 01.13)
Mrs Annie Butterworth	Parent Governor	(appointed 02 07 13)
Mr Andrew Coates*	Parent Governor	(appointed 02.07 13)
Mrs Julie Jones	Staff Governor	(appointed 10 09.13)

* members of the Finance and Resources Committee (2012-13)
Finance and Personnel Committee (2013-14)

Company Secretary

Mr Paul Lindup

Senior Management Team:

Executive Headteacher
Deputy Headteacher (resigned 31 March 2013)
Assistant Headteacher
Assistant Headteacher
Assistant Headteacher
Deputy Headteacher (resigned 31 12 12)
Deputy Headteacher (appointed 15 04 13)
Head of Teaching & Learning (appointed 01 04 13)
Academy Business Manager

Mr Keith Crawford
Mrs Alexis Widdowson
Mrs Hilary Bowler
Mr Steve Fisher
Mr Lee Butler
Ms Mirriam Fredrikson
Mrs Elissa Vigus
Mrs Julie Jones
Mr Paul Lindup

Principal and Registered Office

Kingstone Academy Trust
Kingstone High School
Kingstone
Herefordshire
HR2 9HJ

Company Registration Number

07681857 (England & Wales)

Independent Auditor

Mr K M Tong FCCA, ACA
Thorne Widgery Accountancy Ltd
2 Wyevale Business Park
Wyevale Way
Kings Acre
Hereford
HR4 7BS

Bankers

Lloyds TSB Commercial
4 The Cross
Worcester
WR1 3PY

Solicitors

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds, LS2 3AG

KINGSTONE ACADEMY TRUST

GOVERNORS' REPORT

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Company's memorandum and articles of association are the primary governing documents of the Academy Trust

Kingstone Academy Trust is a multi-academy Trust formed between Kingstone High School and Kingstone & Thruxton Primary School. The Company was incorporated on the 24 June 2011 and converted from a Local Authority School to an Academy Trust on the 1 August 2011 (High School) and 1 September 2011 (Primary School)

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

Details of the governors who served throughout the year and up to the date of sign-off, are included in the Reference and Administrative Details on page 2.

Members' Liability

Each member of the Company undertakes to contribute to the assets of the 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

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust

The liability insurance is provided by Zurich Plc and provides cover up to £2,000,000 (2012. £2,000,000) on any one claim

Principal Activities

This is defined in the Articles of Association

The Academy Trust's objects ("the Objects") are specifically restricted to the following to advance for the 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 schools ("the Academies") offering a broad and balanced curriculum

Promoting for the benefit of the inhabitants of Kingstone and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

KINGSTONE ACADEMY TRUST

GOVERNORS' REPORT (Continued)

Method of Recruitment and Appointment or Election of Governors

This is defined in the Articles of Association:

The Members may appoint up to 12 Governors

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one-third of the total number of Governors

Further details can be found in the Articles of Association

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy has a Governor Recruitment and Induction policy

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors

Organisational Structure

The Academy has a leadership structure which consists of the governors, The Senior Leadership Team, Heads of Faculty and Heads of House in the high school and Head of Primary Teaching & Learning in the primary school. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Executive Headteacher is the Accounting Officer

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

The Senior Leadership Team during the academic year covered by this report was at various times comprised of Executive Headteacher, two Deputy Headteachers, a Head of Primary Teaching & Learning, three Assistant Headteachers and the Academy Business Manager. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Leadership Team always contain a governor. Some spending control is devolved to members of the Senior Leadership Team, with limits above which the Executive Headteacher must countersign

Since the start of the new academic year the Senior Leadership Team structure has changed. The team currently consists of an Acting Executive Headteacher, a deputy Headteacher, two assistant Headteachers, an acting assistant Headteacher and an Academy Business Manager

Heads of Faculty are responsible for the day to day operation of curriculum subject areas and accordingly organise their teaching staff, capital resources, facilities and students

Risk Management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances. The governors have implemented a system to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control

KINGSTONE ACADEMY TRUST

GOVERNORS' REPORT (Continued)

Connected Organisations, including Related Party Relationships

Kingstone Academy Trust is a multi-academy Trust formed between Kingstone High School and Kingstone & Thruxton Primary School

Kingstone Academy Trust works with other primary schools in the Kingstone Collaborative Partnership to ensure that pupils have a successful transition from primary to secondary education. This organisation is also a vehicle for cross phase professional development.

During the academic year Kingstone Academy Trust supported Garway Primary School through the contracted provision of the Executive Headteacher to provide the leadership and management function at Garway Primary School. This is a small school in the Kingstone Collaborative Partnership.

This support was reviewed by Governors on a termly basis. It has been decided that continued support and help to Garway Primary School be given by alternative provision. In pursuance of the terms of the arrangement one term's notice has now been given that direct support from Kingstone Academy Trust will terminate.

There are three Advisors to the Board who meet with the Chair and Vice Chair of Governors and the Headteacher on a termly basis. These three Advisors have significant experience and expertise in the fields of Education, Law and Marketing. Since the start of the new academic year there are now two advisor(s). Mr D Alakija resigned on 30 August 2013.

Kingstone Academy Trust continues to have proactive and mutually beneficial relationships with a number of county and nationwide groups such as the Local authority, the Schools Network, National College for School Leadership, local post 16 providers, employers and training organisations. These links are maintained in the interests of supporting good practice and information sharing to enhance the school operations at all age groups.

Objectives and Activities

Objects and Aims

Our overall aim is to produce confident, self-assured and successful young adults who have the learning skills and track record of success in a variety of experiences that will allow them to make a positive contribution to their society.

Our vision is developed around the following three main areas:-

- Achievement
- Community
- Experiences

Achievement

Our pledge to you is that, whatever their ability -

- Your child will make the expected progress at all stages of their schooling and the majority will have done even better than this by the time they leave.

Community

We aim -

- to embrace the wider community to provide opportunities for our pupils.
- to have all members of our Trust to feel part of one organisation
- to maximise the role of parents in our wider community
- to involve all partners of all kinds in the community to work with our Trust

Through these aims Kingstone Academy Trust is seen as a central part of our local community.

KINGSTONE ACADEMY TRUST

GOVERNORS' REPORT (Continued)

Experiences

All of our pupils will:-

- Have a rich, innovative and varied curriculum experience that meets their needs.
- Have access to opportunities and challenges outside the classroom that build on their talents and interests
- Be safe in our caring and learning community
- Be introduced to new experiences which will provide them with challenge in which to develop the skills needed to create a 'habit of success'

Objectives, Strategies and Activities

The company's object is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum (Memorandum of Association)

The high school curriculum continues to have an emphasis on modern foreign languages and all students have the opportunity to follow at least one of these languages to GCSE level. The school augments this teaching by focussing on the wider world so that some students will be actively involved in qualifications that require them to research and investigate foreign countries, traditions and cultures. The school has recently been awarded the International Schools Award for the second time recognising the work we do with other schools and countries.

Our objectives are to use the aims laid out previously as the driving force to deliver a top quality education experience to all of the young people who come to our schools. To achieve this aim we engage in a continual process of monitoring, self-review and actions to ensure we meet the needs of our pupils. This is common practice across both schools and there is much individual intervention and support to ensure this is the case.

Through this process we provide opportunities to our pupils to meet the aims as laid out previously. We provide a wide range of subject based academic experiences in both schools and a large range of wider experiential opportunities including, residential trips in this country and abroad, the opportunity to represent the schools in sporting fixtures at all ages in a wide variety of sports, the opportunity to represent the school in a school musical or drama performance. The schools have developed an excellent reputation locally for the quality of our music and drama.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Achievements and Performance

In Kingstone & Thruxton Primary School, improvement has continued and this year's Key Stage 2 results show continued improvements in Reading and Writing. Reading standards are above the national average and the gap between national and school standards in writing is closing. There has been an increase in the number of pupils achieving higher levels in maths however this is still some way off the national average.

KS2

% making expected progress from KS1 - reading 100%, writing 86%; maths 76%

% making better than expected progress from KS1 - reading 48%, writing 17%; maths 21%

% achieving level 4+ writing 76%, reading 97%, Grammar, Punctuation and Spelling 86%, maths 72%

% achieving level 5+: writing 7%, reading 45%; Grammar, Punctuation and Spelling 66%, maths 28%

Standards in reading and the new Spelling, Punctuation and Grammar test exceed the national averages in all areas. The gap between the national average and school achievement in writing is closing, as is English overall. Results in Maths indicate a downward trend which needs to be quickly addressed.

KINGSTONE ACADEMY TRUST

GOVERNORS' REPORT (Continued)

Achievements and Performance (continued)

KS1

% making expected progress from EY - maths 94%, reading 82%, writing 82%

% passing the Year 1 Phonics Screening Check - 65%

% achieving L2+ - reading 88%, writing 80%; maths 96%

% achieving L3 - reading 8%; writing 8%, maths 8%

Pupils achieving 1s L2+ is above the national average for Maths and broadly in line with the national picture for reading

At Kingstone High School there has been an improvement in some areas of academic performance in Key Stage 4. However, the % A* - C including English & Maths dropped for the third year in a row. This was below the prediction made by both subject areas. We believe staffing difficulties in English contributed to this. The department is now more stable meaning that standards should start to improve.

Percentage of students achieving 5+ A* - C English & Maths 39%

Percentage of students achieving 5+ A* - C Grades 86%

Percentage of students achieving 5+ A* - G Grades 95%

Percentage of students achieving 1+ A* - G Grades 100%

Percentage of students achieving 3+ levels progress in English 57%

Percentage of students achieving 3+ levels progress in Maths 56%

Percentage of students achieving 2 grades A* - C in Science 87%

School Improvement Planning

Both schools have completed School Improvement Plans and these will be used to move both schools towards Outstanding Status. Areas to develop and improve are Teaching and Learning in key areas and the progress of all students including those who are in receipt of free school meals. The school has signed an agreement with a School Improvement Partner to assist in this.

Numbers on Roll

	High School	Primary School
• Current	448	189
• 2012 - 13	501	176

Many schools in Herefordshire are finding falling student numbers due to demographic changes, a challenge. Primary numbers are rising, but the academy is aware that it needs to attract more students into the high school.

KINGSTONE ACADEMY TRUST

GOVERNORS' REPORT (Continued)

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies

Key Financial Performance Indicators

These are covered throughout the Governors' Report

Financial Review

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies

During the year ended 31 August 2013, total expenditure of £4,159,153 (2012: £5,164,938 including a substantial carry forward figure from the predecessor school of £268,028) was covered by recurrent grant funding from the DfE. The net incoming resources, before transfers and revaluations for the year was £56,165 (2012: £4,564,767 including transfer on conversion activities of £4,526,239)

At 31 August 2013, the net book value of fixed assets was £4,796,303 (2012: £4,891,298) and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy

Financial and Risk Management Objectives and Policies

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually

Principal Risks and Uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information

KINGSTONE ACADEMY TRUST

GOVERNORS' REPORT (Continued)

The key controls used by the Academy include

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

Reserves Policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of reserves (total funds less the amount held in restricted funds) is £113,033 (2012: £41,584), all of which is free reserves. The level of General Restricted Funds stands at £431,215 (2012: £334,334) at the year end.

Investment Policy

Should funds become available to invest, the chosen investment vehicle will be short term Money Market deposits. The Academy Business Manager will liaise with the Headteacher regarding the amounts involved and the duration of the investment.

Every effort will be made to maximise interest on surplus funds ensuring at the same time that full protection of funds is guaranteed.

Plans for Future Periods

Kingstone Academy Trust will continue its relentless progress towards fulfilling the pledges contained in our Vision document - these are developed around the educational achievement of all of our young people from age 3 - 16, their and our further involvement in our wider community and through providing our young people with a range of opportunities that will provide them with the skills to be successful adults.

It has set ambitious academic targets for Key Stages 1, 2, 3 and 4 as well as stretching targets for improving attendance. Continuous Professional Development for all staff is at the heart of our operations to continually seek improvement in the service we provide. The Academy will continue to benchmark itself against national academic measures and also areas of specific interest and expertise.

It will measure itself against internal annual School Improvement Plan and against the Aims and Objectives as outlined in both the Funding Agreement and the Memorandum of Association. The School Improvement Plan is developed around the 4 Ofsted themes and has a number of specific and measureable objectives.

As an outward facing school we will where appropriate continue to both share our expertise with others and to learn from them as we jointly seek to enhance the life opportunities of the young people we work with on a daily basis.

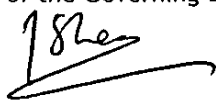
Auditors

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.

Approved by order of the Governing Body on 11/12/13 ... and signed on its behalf by

Mrs Jill Shearer
Chair of Governors



KINGSTONE ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kingstone Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 seven times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor		Meetings Attended	Out of a possible
Janet Baker	Chair of Main Board (resigned 12.07.13)	7	8
Keith Crawford	Executive Headteacher (Kingstone Academy Trust)	10	10
Reverend Clare Dyson	Community/Co-opted Governor	8	10
James Hanks	Community/Co-opted Governor	6	10
Adrienne Ruleman	Parent Governor (resigned 02.07.13)	6	6
Jill Shearer	Parent Governor (temporary Chair 12.07.13)	8	10
Clive Watkins	Community/Co-opted Governor	7	10
James Wright	Parent Governor	6	10
Nicky Wright	Staff Governor (resigned 02.07.13)	5	8
Phil Gilbert-Smith	Parent Governor (resigned 31.12.12)	0	4
Denise Kennedy	Community/Co-opted Governor	8	10
Jane Arbuthnott	Staff Governor	8	10
Anna Davies	Community/Co-opted Governor (appointed 18.10.12) (deceased 08.02.13)	3	3
Robert Pinches	Local Authority Governor (appointed 11.09.12)	7	10
Victoria Tomkins	Parent Governor (appointed 29.01.13)	6	6
Annie Butterworth	Parent Governor (appointed 02.07.13)	3	3
Andrew Coates	Parent Governor (appointed 02.07.13)	3	3

Mrs Julie Jones was appointed and resigned as a staff governor after the year end.

KINGSTONE ACADEMY TRUST

GOVERNANCE STATEMENT (Continued)

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to consider and advise the governing body on standards and other matters relating to the school's finance and resources, including statutory requirements and the school's financial policy. During the year Mr P Lindup, who is the School Business Manager, attended the Committee meetings. Attendance at meetings in the year was as follows:

Governor		Meetings Attended	Out of a possible
Phil Gilbert-Smith	Parent Governor	0	2
Janet Baker	Chair of Main Board	5	5
Nicky Wright	Staff Governor	4	5
James Wright	Chair of Committee	4	5
Keith Crawford	Head Teacher (High School)	4	5
James Hanks	Community/Co-opted Governor	4	5
Denise Kennedy	Vice Chair of Committee	3	5
Clive Watkins	Community/Co-opted Governor	2	5
Rob Pinches	Local Authority Governor	2	5

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Kingstone Academy Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed 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 Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 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 Governing Body;
- regular reviews by the Finance and General Purposes 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr A Edwards, who is an Associate of the Chartered Institute of Bankers, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

KINGSTONE ACADEMY TRUST

GOVERNANCE STATEMENT (Continued)

Review of Effectiveness

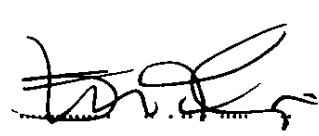
As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the Governing Body on 11/12/13 and signed on its behalf by


Mrs Jill Shearer
Chair of Governors


Mr Steve Fisher
Accounting Officer

KINGSTONE ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

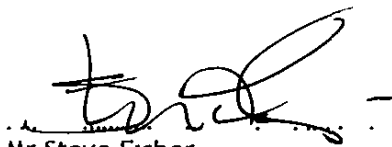
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As Accounting Officer of Kingstone Academy Trust, I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions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

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

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

Signed



Mr Steve Fisher
Accounting Officer

11/12/13

KINGSTONE ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of Kingstone 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 Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

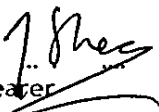
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the Members of the Governing Body on .. 11/12/13 .. and signed on its behalf by


Mrs Jill Shearer
Chair of Governors

KINGSTONE ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF KINGSTONE ACADEMY TRUST

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

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 14, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

KINGSTONE ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF KINGSTONE ACADEMY TRUST
(CONTINUED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



Mr K M Tong FCCA, ACA (Senior Statutory Auditor)
For and on behalf of Thorne Widgery Accountancy Ltd, Statutory Auditor
2 Wyevale Business Park
Wyevale Way
Kings Acre
Hereford
HR4 7BS

11/12/13

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGSTONE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

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

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

Respective responsibilities of Kingstone Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kingstone Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGSTONE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

The work undertaken to draw our conclusions includes

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal procedures for establishing and maintaining systems of control and documentation regarding these matters

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion

Conclusion

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



Thorne Widgery Accountancy Ltd
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HR4 7BS

11/12/13

KINGSTONE ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2013
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)**

	Notes	Un- restricted Funds	Restricted General Funds	Restricted Pension Funds	Restricted Fixed Asset Funds	Total 2013	Total 2012
		£	£	£	£	£	£
INCOMING RESOURCES							
Incoming resources from generated funds:							
Voluntary income	3	-	145,585		129,230	274,815	5,586,164
Activities for generating funds	4	70,270	-		-	70,270	39,361
Investment income	5	1,179	-		-	1,179	2,223
Incoming resources from charitable activities:							
Funding for the Academy's Educational operations	6	-	3,869,054		-	3,869,054	4,101,957
Total incoming resources		71,449	4,014,639	-	129,230	4,215,318	9,729,705
RESOURCES EXPENDED							
Cost of generating funds:							
Costs of generating voluntary income						-	-
Fundraising trading						-	-
Charitable activities:							
Academy's educational operations	8	-	3,900,996	25,000	216,395	4,142,391	5,151,150
Governance costs	9	-	16,762	-	-	16,762	13,788
Total resources expended	7	-	3,917,758	25,000	216,395	4,159,153	5,164,938
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		71,449	96,881	(25,000)	(87,165)	56,165	4,564,767
Gross transfers between funds	16	-	-	-	-	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		71,449	96,881	(25,000)	(87,165)	56,165	4,564,767
OTHER RECOGNISED GAINS AND LOSSES							
Actuarial (losses)/gains on defined benefit pension schemes	16,26	-	-	23,000	-	23,000	(56,000)
NET MOVEMENT IN FUNDS		71,449	96,881	(2,000)	(87,165)	79,165	4,508,767
RECONCILIATION OF FUNDS							
Funds brought forward	16	41,584	334,334	(764,000)	4,896,849	4,508,767	-
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2013		113,033	431,215	(766,000)	4,809,684	4,587,932	4,508,767

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

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

Included within the comparative figures for 2012 are figures covering a period of thirteen months for the High School

KINGSTONE ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2013

Company Registration No 07681857

	Notes	2013 £	2013 £	2012 £	2012 £
FIXED ASSETS					
Tangible assets	13		4,796,303		4,891,298
CURRENT ASSETS					
Debtors	14	118,315		101,993	
Cash at bank and in hand		<u>826,902</u>		<u>783,643</u>	
		945,217		885,636	
LIABILITIES					
CREDITORS: Amounts falling due within one year	15	<u>(387,588)</u>		<u>(504,167)</u>	
NET CURRENT ASSETS			<u>557,629</u>		<u>381,469</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,353,932		5,272,767
Pension scheme liability	26		<u>(766,000)</u>		<u>(764,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>4,587,932</u>		<u>4,508,767</u>
FUNDS OF THE ACADEMY.					
RESTRICTED FUNDS					
Fixed asset fund	16		4,809,684		4,896,849
General fund	16		431,215		334,334
Pension reserve	16		<u>(766,000)</u>		<u>(764,000)</u>
TOTAL RESTRICTED FUNDS			4,474,899		4,467,183
UNRESTRICTED FUNDS	16		<u>113,033</u>		<u>41,584</u>
TOTAL FUNDS			<u>4,587,932</u>		<u>4,508,767</u>

The financial statements on pages 19 to 39 were approved by the governors and authorised for issue on 11/12/13 and are signed on their behalf by


Mrs Jill Shearer
Chair of Governors

KINGSTONE ACADEMY TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	(75,814)	507,841
Cash transferred on conversion		-	268,028
Returns on investments and servicing of finance	21	1,179	2,223
Capital income/(expenditure)	22	<u>117,894</u>	<u>5,551</u>
INCREASE IN CASH IN THE YEAR	23	<u>43,259</u>	<u>783,643</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER 2012		783,643	-
Increase in cash in the year		<u>43,259</u>	<u>783,643</u>
NET FUNDS AT 31 AUGUST 2013		<u>826,902</u>	<u>783,643</u>

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

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

Grants receivable

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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations

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

Other income

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

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013 (Continued)

1. Statement of Accounting Policies (continued)

Charitable activities

These are costs incurred on the Academy Trust's educational operations

Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

Tangible Fixed Assets

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows

Leasehold buildings	2%	per annum
Furniture, fittings and equipment	15%- 20%	per annum
ICT equipment	33 $\frac{1}{3}$ %	per annum
Motor Vehicles	20%	per annum

Assets in the course of construction are included at cost. Depreciation of 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.

Assets acquired at a cost over £1,000 are considered for capitalisation.

Leased Assets

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

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013 (Continued)

1. Statement of Accounting Policies (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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education funding Agency.

Conversion to an Academy Trust

During the period ended 31 August 2012, the conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for Enl consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the Kingstone High School and Kingstone Primary School to an Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Kingstone Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 28.

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
(Continued)

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

3. VOLUNTARY INCOME	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Capital grants	-	129,230	129,230	52,636
School trips etc	-	96,979	96,979	70,134
Music income	-	31,879	31,879	22,424
Transfer on conversion	-	-	-	5,214,239
Other donations	-	-	-	-
- Other grants and payments	-	2,547	2,547	155,340
- Contributions from other organisations	-	14,180	14,180	71,391
	<u>-</u>	<u>274,815</u>	<u>274,815</u>	<u>5,586,164</u>

4. ACTIVITIES FOR GENERATING FUNDS	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012
Hire of Facilities	21,705	-	21,705	18,455
Room and building hire	17,363	-	17,363	19,138
Income from other schools	581	-	581	634
Other	29,067	-	29,067	673
Catering income	<u>1,554</u>	<u>-</u>	<u>1,554</u>	<u>461</u>
	<u>70,270</u>	<u>-</u>	<u>70,270</u>	<u>39,361</u>

5. INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Short term deposits	<u>1,179</u>	<u>-</u>	<u>1,179</u>	<u>2,223</u>
	<u>1,179</u>	<u>-</u>	<u>1,179</u>	<u>2,223</u>

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
(Continued)

6. FUNDING FOR ACADEMY'S
EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted Funds	Total 2013	Total 2012
<u>Consolidated</u>	£	£	£	£
DfE/EFA Revenue Grants				
General Annual Grant (GAG) Note 2	-	3,613,217	3,613,217	3,992,682
Other DfE/YPLA Grants	-	<u>255,837</u>	<u>255,837</u>	<u>109,275</u>
	<u>-</u>	<u>3,869,054</u>	<u>3,869,054</u>	<u>4,101,957</u>

<u>High School</u>	Unrestricted Funds	Restricted Funds	Total 2013	Total 2012
	£	£	£	£
DfE/EFA Revenue Grants				
General Annual Grant (GAG) Note 2	-	2,904,595	2,904,595	3,348,787
Other DfE/YPLA Grants	-	<u>205,694</u>	<u>205,694</u>	<u>86,781</u>
	<u>-</u>	<u>3,110,289</u>	<u>3,110,289</u>	<u>3,435,568</u>

<u>Primary School</u>	Unrestricted Funds	Restricted Funds	Total 2013	Total 2012
	£	£	£	£
DfE/EFA Revenue Grants				
General Annual Grant (GAG) Note 2	-	708,622	708,622	643,895
Other DfE/YPLA Grants	-	<u>50,143</u>	<u>50,143</u>	<u>22,494</u>
	<u>-</u>	<u>758,765</u>	<u>758,765</u>	<u>666,389</u>

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
(Continued)

7. RESOURCES EXPENDED

	Staff Costs	Non Pay Premises	Expenditure Other Costs	Total 2013	Total 2012
	£	£	£	£	£
Costs of generating voluntary Income	-	-	-	-	-
Costs of activities for generating Funds	-	-	-	-	-
Academy's educational operations					
Direct costs	2,644,054	86,901	414,491	3,145,446	3,485,239
Allocated support costs	<u>338,496</u>	<u>384,170</u>	<u>274,279</u>	<u>996,945</u>	<u>1,665,911</u>
	<u>2,982,550</u>	<u>471,071</u>	<u>688,770</u>	<u>4,142,391</u>	<u>5,151,150</u>
Governance costs including allocated support costs	<u>1,877</u>	<u>-</u>	<u>14,885</u>	<u>16,762</u>	<u>13,788</u>
	<u>2,984,427</u>	<u>471,071</u>	<u>703,655</u>	<u>4,159,153</u>	<u>5,164,938</u>

INCOMING/OUTGOING RESOURCES FOR THE YEAR INCLUDE:	2013 £	2012 £
Operating leases expended	21,631	10,195
Fees payable to auditor		
- Audit	10,760	10,340
- Other services	2,800	-
Profit/(loss) on disposal of fixed assets	<u>-</u>	<u>-</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted Funds	Total 2013	Total 2012
	£	£	£	£
DIRECT COSTS				
Teaching and educational support staff costs	-	2,644,054	2,644,054	2,915,469
Depreciation	-	86,901	86,901	86,165
Educational supplies	-	263,814	263,814	332,128
Examination fees	-	40,077	40,077	72,430
Staff development	-	15,157	15,157	16,782
Educational consultancy	-	70,443	70,443	42,265
Finance cost - defined benefit pension scheme	-	25,000	25,000	20,000
Other direct costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>3,145,446</u>	<u>3,145,446</u>	<u>3,485,239</u>

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
(Continued)

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS (Continued)

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
ALLOCATED SUPPORT COSTS				
Support staff costs	-	338,496	338,496	299,990
Depreciation	-	19,430	19,430	15,833
Recruitment and support	-	19,570	19,570	61,561
Maintenance of premises and equipment	-	275,381	275,381	154,475
Administrative supplies	-	109,294	109,294	102,848
Cleaning	-	49,427	49,427	61,432
Rent and rates	-	17,497	17,497	46,894
Insurance	-	41,865	41,865	76,267
Catering	-	36,470	36,470	35,668
Bank interest and charges	-	-	-	-
Professional services	-	80,425	80,425	102,371
Transfers on conversion - pension	-	-	-	688,000
Other support costs	-	9,090	9,090	20,572
	-	<u>996,945</u>	<u>996,945</u>	<u>1,665,911</u>
Total	<u>-</u>	<u>4,142,391</u>	<u>4,142,391</u>	<u>5,151,150</u>

9	GOVERNANCE COSTS	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
	Legal and professional fees	-	478	478	1,291
	Auditors' remuneration	-	-	-	-
	Audit of financial statements	-	10,760	10,760	10,340
	Accountancy, taxation and other services	-	2,800	2,800	-
	Support staff costs:				
	Clerk to the Governors	-	1,877	1,877	1,579
	Governors' reimbursed expenses	-	847	847	578
		-	<u>16,762</u>	<u>16,762</u>	<u>13,788</u>

10.	STAFF COSTS	2013 £	2012 £
	Staff costs during the year were		
	Wages and salaries	2,345,553	2,538,310
	Social security costs	165,052	183,837
	Pension costs	<u>339,382</u>	<u>376,587</u>
		<u>2,849,987</u>	<u>3,098,734</u>
	Supply teacher costs	66,513	73,304
	Compensation payments	<u>67,927</u>	<u>45,000</u>
		<u>2,984,427</u>	<u>3,217,038</u>

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

(Continued)

10. STAFF COSTS (Continued)

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full-time equivalents was as follows

	2013 No.	2012 No
CHARITABLE ACTIVITIES		
Teachers	39	39
Administration and support	35	36
Management	<u>7</u>	<u>8</u>
	<u>81</u>	<u>83</u>

The number of employees whose emoluments fell within the following bands was

	2013 No.	2012 No.
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1
£90,001 - £100,000	-	-
£100,001 - £110,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £13,031 (2012 £11,076)

11. GOVERNORS' REMUNERATION AND EXPENSES

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration was as follows

K Crawford	£115,000-£120,000 (2012 £95,000-£100,000)
N Wright (Staff Trustee)	£0-£5,000 (2012 £0-£5,000)
J Arbuthnott (Staff Trustee) Appointed 09.07 12	£20,000-£25,000 (2012:£0-£5,000)
D Cook (Staff Trustee) Resigned 05 12 11	£Nil (2012 £10,000-£15,000)

During the year ended 31 August 2013, travel and subsistence expenses totalling £847 (2012 £578) were reimbursed to one governor

Other related party transactions involving the trustees are set out in note 27

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

(Continued)

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £905 (2012 £905)

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

13. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
Brought forward at 1 September 2012	4,938,631	16,971	37,694	-	4,993,296
Additions	-	1,818	9,518	-	11,336
Disposals	-	-	-	-	-
At 31 August 2013	<u>4,938,631</u>	<u>18,789</u>	<u>47,212</u>	<u>-</u>	<u>5,004,632</u>
Depreciation					
Brought forward at 1 September 2012	(86,165)	(3,394)	(12,439)	-	(101,998)
Charged in year	(86,901)	(3,758)	(15,672)	-	(106,331)
Disposals	-	-	-	-	-
At 31 August 2013	<u>(173,066)</u>	<u>(7,152)</u>	<u>(28,111)</u>	<u>-</u>	<u>(208,329)</u>
Net Book Values					
At 31 August 2013	<u>4,765,565</u>	<u>11,637</u>	<u>19,101</u>	<u>-</u>	<u>4,796,303</u>
At 31 August 2012	<u>4,852,466</u>	<u>13,577</u>	<u>25,255</u>	<u>-</u>	<u>4,891,298</u>

Leasehold land and buildings are subject to a 125 year lease with the local authority

14. DEBTORS

	2013 £	2012 £
Trade debtors	106,947	5,218
Other debtors and prepayments	3,365	86,650
VAT	<u>8,003</u>	<u>10,125</u>
	<u>118,315</u>	<u>101,993</u>

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
(Continued)

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2013	2012
	£	£
Trade creditors	39,736	109,777
Other Taxation and Social Security	90,579	59,332
Accruals and deferred income	<u>257,273</u>	<u>335,058</u>
	<u>387,588</u>	<u>504,167</u>

16. FUNDS - COMBINED

	Brought Forward	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Total
	£	£	£	£	£
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	-	3,613,217	(3,587,789)	-	25,428
Other DfE/YPLA Grants	-	255,837	(255,837)	-	-
Other restricted	<u>334,334</u>	<u>145,585</u>	<u>(74,132)</u>	<u>-</u>	<u>405,787</u>
	<u>334,334</u>	<u>4,014,639</u>	<u>(3,917,758)</u>	<u>-</u>	<u>431,215</u>
RESTRICTED PENSION FUND					
Pension reserve	<u>(764,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>23,000</u>	<u>(766,000)</u>
	<u>(764,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>23,000</u>	<u>(766,000)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/YPLA Capital Gains	-	129,230	(110,064)	-	19,166
Conversion and depreciation	<u>4,896,849</u>	<u>-</u>	<u>(106,331)</u>	<u>-</u>	<u>4,790,518</u>
	<u>4,896,849</u>	<u>129,230</u>	<u>(216,395)</u>	<u>-</u>	<u>4,809,684</u>
TOTAL UNRESTRICTED FUNDS					
UNRESTRICTED FUNDS	<u>41,584</u>	<u>71,449</u>	<u>-</u>	<u>-</u>	<u>113,033</u>
TOTAL FUNDS	<u>4,508,767</u>	<u>4,215,318</u>	<u>(4,159,153)</u>	<u>23,000</u>	<u>4,587,932</u>

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013 (Continued)

16. FUNDS - COMBINED

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

- General Annual Grant (GAG) must be used for the normal running costs of the Academy
Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2013
- Other DfE/EFA Grants: are utilised for the purposes intended by the donor
- Other Restricted General Funds include payments made towards Academy trips
- The Pension Fund is the surplus/(deficit) in the Local Government Pension Scheme
- Restricted Fixed Asset Funds include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation
- Unrestricted Funds are all those income and expenses for general use in the Academy

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2013 were allocated as follows

	Total £
Kingstone High School	420,866
Kingstone & Thruxton Primary School	123,382
Total before fixed assets and pension reserve	<u>544,248</u>
Restricted fixed asset fund	4,809,684
Pension reserve	(766,000)
Total	<u>4,587,932</u>

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total
	£	£	£	£	£
Kingstone High School	2,202,041	248,944	210,647	589,624	3,251,256
Kingstone & Thruxton Primary School	442,013	89,552	53,167	81,770	666,502
Kingstone Academy Trust	<u>2,644,054</u>	<u>338,496</u>	<u>263,814</u>	<u>671,394</u>	<u>3,917,758</u>

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

(Continued)

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2013 are represented by

	Unrestricted Funds	Restricted General Funds	Restricted Pension	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£	£
Tangible Fixed Assets	-	-	-	4,796,303	4,796,303
Net Current Assets	113,033	431,215	-	13,381	557,629
Pension Scheme Liability	-	-	(766,000)	-	(766,000)
	<u>113,033</u>	<u>431,215</u>	<u>(766,000)</u>	<u>4,809,684</u>	<u>4,587,932</u>

18. CAPITAL COMMITMENTS

	2013 £	2012 £
Contracted for, but not provided in the financial statements	<u>36,874</u>	<u>Nil</u>

19. FINANCIAL COMMITMENTS

Operating Leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows -

	2013 £	2012 £
LAND AND BUILDINGS		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
OTHER		
Expiring within one year	22,626	13,957
Expiring within two and five years inclusive	26,210	31,321
Expiring in over five years	<u>-</u>	<u>-</u>
	<u>48,836</u>	<u>45,278</u>

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
(Continued)

20.	RECONCILIATION OF NET INCOME TO NET INFLOW FROM OPERATING ACTIVITIES	2013 £	2012 £
	Net income	56,165	4,564,767
	Depreciation (Note 13)	106,331	101,998
	Capital Grants from DfE and other capital income	(129,230)	(52,636)
	Interest receivable (Note 5)	(1,179)	(2,223)
	Assets transferred on conversion	-	(4,526,239)
	FRS 17 Pension cost less contributions payable (Note 26)	-	-
	FRS 17 Pension finance income (Note 26)	25,000	20,000
	(Increase)/decrease in debtors	(16,322)	(101,993)
	Increase/(decrease) in creditors	(116,579)	504,167
	NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>(75,814)</u>	<u>507,841</u>
21.	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2013 £	2012 £
	Interest received	<u>1,179</u>	<u>2,223</u>
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	<u>1,179</u>	<u>2,223</u>
22.	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
	Purchase of tangible fixed assets	(11,336)	(47,085)
	Capital grants from DfE/YPLA	129,230	52,636
	Capital funding received from sponsors and others	-	-
	Receipts from sale of tangible fixed assets	<u>-</u>	<u>-</u>
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>117,894</u>	<u>5,551</u>
23.	ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2012 £	Cash flows 31 August 2013 £
	Cash in hand and at bank	<u>783,643</u>	<u>43,259</u> <u>826,902</u>
		<u>783,643</u>	<u>43,259</u> <u>826,902</u>

24. CONTINGENT LIABILITIES

At the year end the Governors are aware of a potential liability in respect of energy supplies incurred prior to Academy status. At this stage it is not possible to quantify the likelihood of this liability or the amounts involved.

25. 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.

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013 (Continued)

26. PENSION AND SIMILAR OBLIGATIONS

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

As described below the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date

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

There were no outstanding or prepaid contributions at either the beginning of the end of the financial year

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act

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

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013 (Continued)

26 PENSION AND SIMILAR OBLIGATIONS

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75% and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2014-15 and 2015-16.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £131,593 (2012: £143,904), of which employer's contributions totalled £101,132 (2012: £110,784) and employees' contributions totalled £30,461 (2012: £33,120). The agreed contribution rates for future years are 20.90% for employers and between 5.5% and 7.5% for employees.

PRINCIPAL ACTUARIAL ASSUMPTIONS

	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	3.9%	3.8%
Rate of increase for pensions in payment/inflation	2.4%	2.3%
Discount rate for scheme liabilities	4.6%	4.5%
Inflation assumption (CPI)	2.4%	2.3%
Commutation of pensions to lump sums	50.0%	50.0%

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 2013	At 31 August 2012
Retiring today		
Males	22.5	22.4
Females	25	24.9
Retiring in 20 years		
Males	24.3	24.2
Females	27	26.9

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
(Continued)

26. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME (CONTINUED)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected Return at 31 August 2013	Fair Value at 31 August 2013 £000	Expected Return at 31 August 2012	Fair value at 31 August 2012 £000
Equities	7.0%	277	7.0%	133
Bonds - Government	3.4%	-	2.5%	-
Bonds - Other	4.4%	18	3.4%	6
Property	5.7%	-	6.0%	-
Cash/liquidity	0.5%	12	0.5%	3
Other	7.0%	-	7.0%	5
TOTAL MARKET VALUE OF ASSETS		307		147
Present value of scheme liabilities - Funded		(1,073)		(911)
SURPLUS/(DEFICIT) IN THE SCHEME		(766)		(764)

The actual return on scheme assets was £35,000 (2012 £1,000)

AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES

	2013 £000	2012 £000
Current service cost (net of employee contributions)	64	60
Past service cost	-	-
TOTAL OPERATING CHARGE	64	60
ANALYSIS OF PENSION FINANCE INCOME/(COSTS)		
Expected return on pension scheme assets	(13)	(5)
Interest on pension liabilities	45	43
PENSION FINANCE INCOME/(COSTS)	32	38

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
(Continued)

26. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME (CONTINUED)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £23,000 gain (2012 £56,000 loss).

MOVEMENTS IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS WERE AS FOLLOWS.	2013 £000	2012 £000
At 1 September 2012	911	688
Current service cost	94	93
Past Service cost	-	-
Interest cost	45	43
Employee contributions	30	33
Actuarial (gain)/loss	-	52
Curtailments and settlements	-	-
Benefits paid	<u>(7)</u>	<u>2</u>
AT 31 AUGUST 2013	<u>1,073</u>	<u>911</u>

MOVEMENTS IN THE FAIR VALUE OF ACADEMY'S SHARE OF SCHEME ASSETS	2013 £'000	2012 £'000
At 1 September 2012	147	-
Expected return on assets	13	5
Actuarial gain/(loss)	23	(4)
Employer contributions	101	111
Employee contributions	30	33
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	<u>(7)</u>	<u>2</u>
AT 31 AUGUST 2013	<u>307</u>	<u>147</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £101,132 (2012 £111,157)

THE FIVE-YEAR HISTORY OF EXPERIENCE ADJUSTMENTS IS AS FOLLOWS

	2013 £'000	2012 £'000
PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS		(911)
Fair value of share of scheme assets	<u>307</u>	<u>147</u>
Surplus/(Deficit) in the scheme	<u>(766)</u>	<u>(764)</u>
EXPERIENCE ADJUSTMENTS ON SHARE OF SCHEME ASSETS Amount £'000	<u>23</u>	<u>56</u>
EXPERIENCE ADJUSTMENTS ON SCHEME LIABILITIES: Amount £'000	<u>-</u>	<u>-</u>

KINGSTONE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

(Continued)

27. RELATED PARTY TRANSACTIONS

During the year ended 31 August 2013, travel and subsistence expenses totalling £847 (2012 £578) were reimbursed to Mrs J Baker, governor

There were no other related party transactions during the year that require disclosure

28. CONVERSION TO ACADEMY TRUST

On 1 August 2011 the Kingstone High School and on 1 September 2011 the Kingstone Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kingstone Academy Trust from the Hereford and Worcester Local Authority. There was no cost attributed to the transfer.

The transfer was accounted for using the acquisition method. The assets and liabilities transferred were valued at fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities (SOFA) as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds	Restricted General Funds	Restricted Pension Funds	Restricted Fixed Asset Funds	Total
	£	£	£	£	£
Incoming resources					
Leasehold land and buildings	-	-	-	4,936,211	4,936,211
Other tangible fixed assets	-	-	-	10,000	10,000
Surplus funds	-	268,028	-	-	268,028
	-	268,028	-	4,946,211	5,214,239
Resources expended					
LGPS Pension liability	-	-	(688,000)	-	(688,000)
Net assets	-	268,028	(688,000)	4,946,211	4,526,239

The above net assets include £268,028 that was transferred as cash.

Leasehold land and buildings were transferred at valuation which was commissioned by the Education Funding Agency.

Other tangible fixed assets include fixtures and fittings transferred at fair values.

29. POST BALANCE SHEET EVENTS

During September 2013, Mr K Crawford, Headteacher left the Academy under a settlement agreement. The Academy has appointed the Acting Deputy Headteacher to temporarily fulfil the Executive Head teacher role, with the support of a local leader in education, on a consultancy basis.