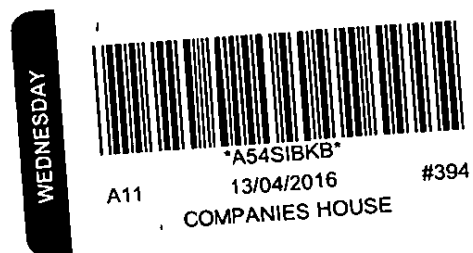


Kingstone Academy Trust
**Report of the Trustees and Financial
Statements**
For the Year Ended 31 August 2015

Registered Company Number: 07681857



KINGSTONE ACADEMY TRUST

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for the year ended 31 August 2015

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KINGSTONE ACADEMY TRUST

Reference and Administrative Details
for the Year Ended 31 August 2015

Members	Mr K J Crawford Mrs J M C Baker Mr E M Gough Mr C T Mutton
Trustees	Dr J W Beatty Mr A P Coates (appointed 20/5/2014) Mr S W Fisher Mr J D Hanks Mrs A L Jordan (appointed 11/12/2014) Ms M I Macpherson Mr R M Pinches Ms J Shearer (resigned as Chair of Trustees 24/4/2015) Ms V Tomkins Mr C C Watkins (resigned 10/9/2015) Mr J D C Wnght (appointed as Chair of Trustees 24/4/2015) Mrs C D Hargest (resigned 2/2/2015) Mrs A E Butterworth (resigned 9/10/2014) Mr C R Donovan (resigned 25/11/2014)
Company secretary	Mr N J Moon
Senior management team	Mrs E Vigus (Assistant Headteacher) Mrs H Bowler (Assistant Headteacher) (resigned 31/05/2015) Mr L Butler (Deputy Headteacher) Mr S W Fisher (Executive Headteacher) Mr N J Moon (Business Support Advisor)
Registered office	Kingstone Hereford HR2 9HJ
Registered company number	07681857
Auditors	Haines Watts Birmingham LLP Sterling House 71 Francis Road Edgbaston Birmingham B16 8SP

KINGSTONE ACADEMY TRUST

Report of the Trustees **for the year ended 31 August 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

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 1.

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.

Trustees' 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 (2014 £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.

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.

KINGSTONE ACADEMY TRUST

Report of the Trustees for the year ended 31 August 2015

Structure, governance and management

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 Progress Leaders in the high school and Head of Primary, 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 is comprised of the Executive Headteacher, a Deputy Headteacher, two Assistant Headteachers and a Business Support Advisor. 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.

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

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.

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.

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

Report of the Trustees for the year ended 31 August 2015

Objectives and activities

Objectives and aims

Achieving Success Together

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 is that, whatever their ability -

- Every 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 the Trust to feel part of one organisation
- to maximise the role of parents in the wider community
- to involve all partners of all kinds in the community to work with the Trust

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

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 companies 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 continues its commitment to provide a broad curriculum with a very wide ranging curriculum of GCSE and BTEC courses designed to meet the needs of our students. The primary school curriculum has improved to better meet the needs of all pupils

The high school continues to augment its teaching by focusing 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 remains proud that it has been awarded 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. Indeed, 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

KINGSTONE ACADEMY TRUST

Report of the Trustees for the year ended 31 August 2015

Strategic report

Achievement and performance

Charitable activities

In Kingstone & Thruxton Primary School, with the exception of writing, standards have improved in all areas with Level 4 standards being well above National. The whole school standards are in line with national averages, with overall attainment of pupils achieving level 4 or above in all of reading, writing and maths being 79%, compared with the national figure of 80%.

KS2

% making good progress from KS1 - reading 100%, writing 97%, maths 100%
% achieving level 4+ writing 79% (87%), reading 100% (89%), maths 100% (87%)
% achieving level 5 writing 21% (36%), reading 42% (48%), maths 53% (42%)

National averages in brackets

KS1

% achieving L2+ - reading 94% (90%), writing 89% (88%), maths 94% (93%)
% achieving L3+ - reading 50% (32%), writing 17% (18%), maths 22% (26%)

At Kingstone High School there has also been a dramatic improvement in many aspects of academic performance in KS4. In the key indicator of 5A*-C including Maths and English there was a sizeable improvement and there were other significant gains. All figures below are now well above national averages.

Percentage of students achieving 5+ A*- C incl Level 2 Eng & Maths 71%
Percentage of students achieving 5+ A*- C grades 78%
Percentage of students achieving 5+ A*- G grades 98%
Percentage of students achieving 1+ A*- G grades 98%
Percentage of students achieving 3+ levels progress in English 79%
Percentage of students achieving 3+ levels progress in Maths 85%
Percentage of students achieving 2 grades A*- C in Science 68%

School Improvement Planning

Both schools have a comprehensive School Improvement Plan in place to further develop both schools. In each case the plan is developed around the latest Ofsted framework and its areas of judgement. The Primary has been judged by HMI to be taking the necessary steps toward improvement, the high school has recently improved its Ofsted grade.

Numbers on Roll	High School	Primary School
2014 - 2015	350	161
2013 - 2014	380	169

Like the vast majority of schools across the county of Herefordshire, both the high school and primary have suffered from declining numbers due to demographic changes. Both schools are experiencing improved numbers in September.

Increasing the numbers of students at the high school remains a priority despite the ever smaller pool of available students.

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

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 (2014 £113,033), all of which is free reserves. The level of General Restricted Funds stands at £159,684 (2014 301,033) at the year end.

KINGSTONE ACADEMY TRUST

Report of the Trustees for the year ended 31 August 2015

Strategic report

Financial review

Investment policy and objectives

Should funds become available to invest, the chosen investment vehicle will be short term Money Market deposits. The Academy Business Advisor 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.

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 period ended 31 August 2015 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 period ended 31 August 2015, total expenditure of £3,809,440 (2014 £4,001,084) was covered by recurrent grant funding from the DfE together with other incoming resources. The net incoming resources, before transfers and revaluations for the period was a deficit of £14,219 (2014 deficit £29,749).

At 31 August 2015, the net book value of fixed assets was £4,835,793 (2014 £4,945,117) and movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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
- 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
- Falling student numbers, due to demographic issues within the county, further compounded by increased costs to parents of transport to and from the schools
- Operational risks resulting from changes in staffing or inappropriate staff being employed

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

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.

KINGSTONE ACADEMY TRUST

Report of the Trustees
for the year ended 31 August 2015

Strategic report

Future developments

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, 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

The Trust 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 - e.g. International Schools Award

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 measurable 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

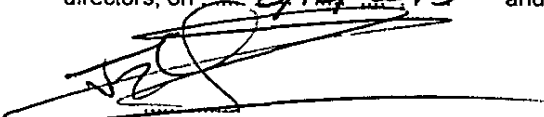
Auditors

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

The auditors, Haines Watts LLP, will be proposed for reappointment

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 8/12/2015 and signed on the board's behalf by



Mr J D C Wright - Chair of Trustees

KINGSTONE ACADEMY TRUST

Governance Statement for the Year Ended 31 August 2015

Scope of Responsibility

As trustees, 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the Principal, 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 board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Category of Membership	Meetings Attended	Out of a possible
Mr Steven Fisher	Executive Headteacher ex-officio	15	16
Mrs Clare Hargest	Staff Governor (resigned 02 02 15)	4	4
Ms Victoria Tompkins	Staff Governor (appointed 01 09 14)	10	12
Mrs Annie Butterworth	Parent Governor (resigned 09 10 14)	0	0
Mrs Andrea Jordan	Parent Governor (appointed 11 12 14)	6	9
Mrs Mary Macpherson	Parent Governor (appointed 20 05 14)	12	12
Ms Jill Shearer	Chair of Governors (resigned 24 04 15), Parent Governor	10	12
Mr James Wnght	Chair of Governors (appointed 24 04 15), Parent Governor	9	10
Dr Jeffrey Beatty	Community/Co-opted Governor (appointed 20 05 14)	12	12
Mr Andrew Coates	Community/Co-opted Governor (appointed 20 05 14)	9	10
Mr Christopher Donovan	Community/Co-opted Governor (resigned 25 11 14)	2	2
Mr James Hanks	Community/Co-opted Governor	9	12
Mr Robert Pinches	Community/Co-opted Governor	9	10
Mr Clive Watkins	Community/Co-opted Governor (resigned 10 09 15)	7	10

The Finance and Personnel 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 Mrs C Williams, who is the School Finance Manager, attended the Committee meetings. Attendance at meetings in the year was as follows:

Governor	Category of Membership	Meetings Attended	Out of a possible
Mr Andrew Coates	Community/Co-opted Governor	4	4
Mr Chris Donovan	Community/Co-opted Governor	1	1
Mr Steven Fisher	Executive Headteacher	3	4
Mrs Claire Hargest	Staff Governor	2	2
Mrs Mary Macpherson	Parent Governor	1	1
Mr Rob Pinches	Community/Co-opted Governor	4	4
Mr Clive Watkins	Community/Co-opted Governor	3	4
Mr James Wnght	Chair of Committee/Parent Governor	3	4

Review of Value for Money

I accept that as Accounting Officer for Kingstone High School, I am responsible and accountable for ensuring that the Academy Trust delivers good value for money in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

At Kingstone & Thruxton Primary School, with the exception of writing, standards have improved in all areas with Level 4 standards being well above National. The whole school standards are in line with national averages, with overall attainment of pupils achieving level 4 or above in all of reading, writing and maths being 79%, compared with the national figure of 80%.

At Kingstone High School there has been a dramatic improvement in many aspects of academic performance in KS4. In the key indicator of 5A*-C including Maths and English there was a sizeable improvement and there were other significant gains. All figures below are now well above national averages.

KINGSTONE ACADEMY TRUST

Governance Statement for the Year Ended 31 August 2015

Review of Value for Money

All of the school's work continues to focus essentially on improving the quality of its provision in order to enable all students to achieve the highest possible standards of attainment and progress

The Academy employs 'Integrated Back Office Solutions In Education' (IBOSIE) as an advisor on its financial operations

The Academy engages Haines Watts as external auditor, to carry out an additional programme of works including the annual audit and preparation of statutory accounts

The Finance and Resources committee receives monthly budget monitoring reports and information relating to any tendering/procurement in accordance with the school's policies

The budget is presented to the full Governing Body annually for approval. It also receives the Annual Audited Accounts and External Auditors' Management Report

The school undertakes tendering exercises for significant contracts to ensure that they are competitive. For lower value contracts, three quotes are required

The school explores opportunities to increase revenues through the hire of facilities, grants and donations

A risk register is maintained with high risks being reviewed termly and updated as necessary

An independent business consultancy IBOSIE has been engaged to lead the budget exercise each year in conjunction with the Senior Leadership Team. To review previous expenditure and to use his information to inform changes and improvements to future plans. Action plans and strategic developments set out in the School Improvement Plan and Faculty Improvement Plans are incorporated into the budget process

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 period ended 31 August 2015 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 period ending 31 August 2015 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 to appoint an internal auditor. For 2014-15 the governors appointed HCSS Education Ltd as Internal Auditor, the internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems in accordance with guidelines laid down in the Academies Financial Handbook. The internal auditor has undertaken 4 visits and reported to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities

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

KINGSTONE ACADEMY TRUST

Governance Statement
for the Year Ended 31 August 2015

Review of Effectiveness

- the work of internal auditor,
- 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 board of trustees on 8/12/2015 and signed on its behalf by



Mr J D C Wright - Chair of Trustees



Mr S W Fisher - Trustee

KINGSTONE ACADEMY TRUST

Statement on Regularity, Propriety and Compliance
for the year ended 31 August 2015

As Accounting Officer of Kingstone Academy Trust I have considered my responsibility to notify the charitable company board of trustees 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 charitable company 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.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

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.



Mr S W Fisher - Accounting Officer

Date

8/12/2015

KINGSTONE ACADEMY TRUST

Statement of Trustees Responsibilities
for the year ended 31 August 2015

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

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

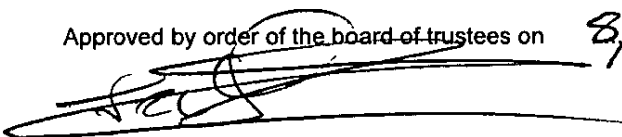
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP 2005,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the board of trustees on 8/12/2015 and signed on its behalf by



Mr J D C Wright - Chair of Trustees

Report of the Independent Auditors to the Members of
Kingstone Academy Trust

We have audited the financial statements of Kingstone Academy Trust for the year ended 31 August 2015 on pages fifteen to thirty two. 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 2014 to 2015 issued by the Education Funding Agency (EFA).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page twelve, 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.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company'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 Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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, and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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.



Henry Briggs (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Date 16 December 2015

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 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingstone Academy Trust during the period 1 September 2014 to 31 August 2015 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 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 2014, 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 2014 to 2015. 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 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

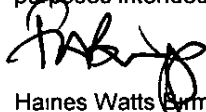
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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 charitable company's income and expenditure.

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 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts Birmingham LLP
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Date 16 December 2015

KINGSTONE ACADEMY TRUST

Statement of Financial Activities for the year ended 31 August 2015

					2015	2014
		Unrestricted fund	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	Notes	£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income	3	1,162	106,699	-	107,861	140,038
Activities for generating funds	4	19,759	-	-	19,759	8,199
Investment income	5	1,921	-	-	1,921	1,659
Incoming resources from charitable activities						
Academy's educational operations	6	-	3,402,808	262,872	3,665,680	3,821,439
Total incoming resources		22,842	3,509,507	262,872	3,795,221	3,971,335
Resources expended						
Costs of generating funds						
Costs of generating voluntary income		9,560	76,659	-	86,219	61,399
Charitable activities						
Academy's educational operations	8	13,282	3,567,890	124,742	3,705,914	3,921,418
Governance costs	9	-	17,307	-	17,307	18,267
Total resources expended	7	22,842	3,661,856	124,742	3,809,440	4,001,084
Net incoming resources		-	(152,349)	138,130	(14,219)	(29,749)
Other recognised gains/losses						
Actuarial (losses)/ gains on defined benefit schemes		-	(77,000)	-	(77,000)	(334,000)
Net movement in funds		-	(229,349)	138,130	(91,219)	(363,749)
Reconciliation of funds						
Total funds brought forward		113,033	(833,967)	4,945,117	4,224,183	4,587,932
Total funds carried forward		113,033	(1,063,316)	5,083,247	4,132,964	4,224,183

Continuing operations

All incoming resources and resources expended arise from continuing activities

The notes form part of these financial statements

KINGSTONE ACADEMY TRUST

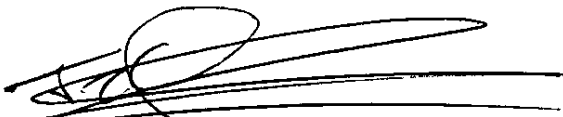
Balance Sheet
At 31 August 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	13	4,835,793	4,945,117
Current assets			
Debtors	14	168,049	447,405
Cash at bank		<u>454,309</u>	<u>249,846</u>
		622,358	697,251
Creditors			
Amounts falling due within one year	15	(102,187)	(283,185)
Net current assets		<u>520,171</u>	<u>414,066</u>
Total assets less current liabilities		5,355,964	5,359,183
Pension liability	20	(1,223,000)	(1,135,000)
Net assets		<u>4,132,964</u>	<u>4,224,183</u>
Funds	19		
Unrestricted funds			
General fund		113,033	113,033
Restricted funds			
General restricted funds		159,684	301,033
Restricted fixed asset funds		5,083,247	4,945,117
Pension reserve		<u>(1,223,000)</u>	<u>(1,135,000)</u>
		4,019,931	4,111,150
Total funds		<u>4,132,964</u>	<u>4,224,183</u>

The financial statements were approved by the Board of Trustees on behalf by

8/12/2015

and were signed on its


Mr J D C Wright - Trustee

The notes form part of these financial statements

KINGSTONE ACADEMY TRUST

Cash Flow Statement
for the year ended 31 August 2015

		2015	2014
		£	£
Net cash outflow from operating activities	Notes 22	(40,154)	(481,497)
Returns on investments and servicing of finance	23	(2,838)	1,356
Capital expenditure and financial investment	23	247,455	(96,915)
		<hr/>	<hr/>
Increase/(decrease) in cash in the period		<u>204,463</u>	<u>(577,056)</u>

Reconciliation of net cash flow to movement in net cash

24

Increase/(decrease) in cash in the period	<u>204,463</u>	<u>(577,056)</u>
Change in net cash resulting from cash flows	<u>204,463</u>	<u>(577,056)</u>
Movement in net cash in the period	204,463	(577,056)
Net cash at 1 September	<u>249,846</u>	<u>826,902</u>
Net cash at 31 August	<u>454,309</u>	<u>249,846</u>

The notes form part of these financial statements

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements for the year ended 31 August 2015

1 Accounting policies

Basis of preparing the financial statements

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 2014 to 2015 issued by 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.

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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 one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy 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 period 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 period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Academy are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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'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. All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

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

Governance costs

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

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2015

1. Accounting policies - continued

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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

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

Long leasehold buildings	2% straight-line method
Furniture, fittings and equipment	15%-20% straight line method
ICT equipment	33 3% straight line method
Motor Vehicles	20% straight line method

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.

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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education or other funders 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/Department for Education.

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2015

1 Accounting policies - continued

Pension benefits

Retirement benefits to employees of the Academy 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.

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 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 20, the TPS is a multi employer scheme and the Academy 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 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.

2. General annual grant

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 2015.

3 Voluntary income

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Other donations and contributions from other organisations	1,162	39,358	40,520	47,067
School trips and music income	-	67,341	67,341	92,971
	<u>1,162</u>	<u>106,699</u>	<u>107,861</u>	<u>140,038</u>

4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Hire of facilities	14,670	-	14,670	6,057
Other income	<u>5,089</u>	<u>-</u>	<u>5,089</u>	<u>2,142</u>
	<u>19,759</u>	<u>-</u>	<u>19,759</u>	<u>8,199</u>

5 Investment income

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Short term deposits	<u>1,921</u>	<u>-</u>	<u>1,921</u>	<u>1,659</u>

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2015

6. Incoming resources from charitable activities - academy's educational operations

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
General Annual Grant (GAG)	-	3,078,483	3,078,483	3,354,936
Capital grants	-	262,872	262,872	183,914
Other DfE/YPLA	-	310,610	310,610	245,939
Local authority grants	-	225	225	33,161
Special educational projects	-	13,490	13,490	3,489
	<u>-</u>	<u>3,665,680</u>	<u>3,665,680</u>	<u>3,821,439</u>

7 Resources expended

	Staff costs	Non-pay expenditure Premises	Other costs	2015 Total	2014 Total
	£	£	£	£	£
Costs of generating funds					
Costs of generating voluntary income	5,783	3,777	76,659	86,219	61,399
Charitable activities					
Academies educational operations					
Direct costs	2,278,680	160,872	172,641	2,612,193	2,573,468
Allocated support costs	<u>505,453</u>	<u>323,088</u>	<u>265,180</u>	<u>1,093,721</u>	<u>1,347,950</u>
	2,789,916	487,737	514,480	3,792,133	3,982,817
Governance costs including allocated support costs	<u>1,991</u>	<u>-</u>	<u>15,316</u>	<u>17,307</u>	<u>18,267</u>
	<u>2,791,907</u>	<u>487,737</u>	<u>529,796</u>	<u>3,809,440</u>	<u>4,001,084</u>

Net resources are stated after charging/(crediting)

	2015	2014
	£	£
Auditors' remuneration	9,000	8,800
Auditors' remuneration for non-audit work	6,041	2,100
Depreciation - owned assets	<u>124,739</u>	<u>133,462</u>

Included within expenditure are the following transactions

	Total £	Individual items above £5,000 Amount £	Reason
Ex-gratia payments	7,499	7,499	Staff restructure

8 Resources expended from Charitable activities - academy's educational operations

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Direct costs				
Teaching and educational support staff	-	2,278,680	2,278,680	2,122,216
Depreciation	-	124,739	124,739	133,462
Carried forward	-	2,403,419	2,403,419	2,255,678

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2015

8 Resources expended from Charitable activities - academy's educational operations - continued

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Direct costs				
Brought forward	-	2,403,419	2,403,419	2,255,678
Educational supplies	-	70,930	70,930	134,088
Examination fees	-	32,795	32,795	30,695
Staff development	-	14,417	14,417	22,547
Educational consultancy	-	54,499	54,499	94,644
Other direct costs	-	36,133	36,133	35,816
	-	2,612,193	2,612,193	2,573,468
Allocated support costs				
Support staff costs	-	505,453	505,453	690,164
Technology costs	512	74,709	75,221	106,217
Recruitment and support	-	15,173	15,173	20,177
Maintenance of premises and equipment	6,608	125,546	132,154	119,314
Cleaning	2,224	42,253	44,477	44,535
Rent and rates	426	8,102	8,528	17,906
Energy costs	2,970	56,413	59,383	66,167
Insurance	-	51,807	51,807	66,601
Security and transport	542	10,305	10,847	12,281
Catering	-	53,969	53,969	37,477
Interest payable and similar charges	-	(188)	(188)	303
Other support costs	-	136,897	136,897	166,808
	13,282	1,080,439	1,093,721	1,347,950
	<u>13,282</u>	<u>3,692,632</u>	<u>3,705,914</u>	<u>3,921,418</u>

9 Governance costs

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Staff costs	-	1,991	1,991	2,628
Auditors' remuneration	-	9,000	9,000	8,800
Auditors' remuneration for non-audit work	-	6,041	6,041	2,100
Legal and professional	-	275	275	4,739
	-	17,307	17,307	18,267

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2015

10. Trustees' remuneration and benefits

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

Employer's remuneration	2015£	2014 £
S Fisher (principal and trustee) - Appointed 04/02/14	£75,000 - £80,000	£75,000 - £80,000
K Crawford (principal and trustee) Resigned 11/09/13	£nil	£10,000 - £15,000
J Arbuthnott (staff trustee)- Resigned 15/07/14	£nil	£20,000 - £25,000
J Jones (staff trustee)- Resigned 30/11/2013	£nil	£0 - £5,000
C Hargest (staff trustee)- Appointed 02/05/2014	£25,000 - £30,000	£0 - £5,000
V Tomkins (staff trustee)- Appointed 01/09/2014	£10,000 - £15,000	£nil
Employer's pension contributions:		
S Fisher (principal and trustee)	£5,000 - £10,000	£0 - £5,000
K Crawford (staff trustee)	£nil	£0 - £5,000
J Arbuthnott (staff trustee)	£nil	£0 - £5,000
J Jones (staff trustee)	£nil	£nil
C Hargest (staff trustee)	£0 - £5,000	£nil
V Tomkins (staff trustee)	£0 - £5,000	£nil

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2015 nor for the year ended 31 August 2014.

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued **for the year ended 31 August 2015**

11. Staff costs

	2015	2014
	£	£
Wages and salaries	2,222,130	2,156,624
Social security costs	145,567	145,784
Other pension costs	<u>301,804</u>	<u>352,531</u>
	2,669,501	2,654,939
Supply teacher costs	57,502	107,277
Staff restructuring costs	<u>64,904</u>	<u>54,556</u>
	<u><u>2,791,907</u></u>	<u><u>2,816,772</u></u>

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

	2015	2014
Teachers	36	34
Administration	29	28
Management	<u>5</u>	<u>5</u>
	<u><u>70</u></u>	<u><u>67</u></u>

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

	2015	2014
£60,001 - £70,000	2	2
£70,001 - £80,000	<u>1</u>	<u>1</u>
	<u><u>3</u></u>	<u><u>3</u></u>

All of the above 3 employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff amounted to £22,738 (2014 £23,949)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory severance payments totalling £32,153. Individually, the payments were £810, £22,561, £626, £874, £5,028, £2,253

12. Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions accruing whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the costs for the year ended 31 August 2015 was £672 (2014 £650)

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

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2015

13 Tangible fixed assets

	Long leasehold £	Computer Equipment £	Furniture and Equipment £	Totals £
Cost				
At 1 September 2014	5,150,754	89,810	20,065	5,260,629
Additions	<u>7,925</u>	<u>6,344</u>	<u>1,146</u>	<u>15,415</u>
At 31 August 2015	<u>5,158,679</u>	<u>96,154</u>	<u>21,211</u>	<u>5,276,044</u>
Depreciation				
At 1 September 2014	263,817	40,529	11,166	315,512
Charge for year	<u>93,094</u>	<u>27,405</u>	<u>4,240</u>	<u>124,739</u>
At 31 August 2015	<u>356,911</u>	<u>67,934</u>	<u>15,406</u>	<u>440,251</u>
Net book value				
At 31 August 2015	<u>4,801,768</u>	<u>28,220</u>	<u>5,805</u>	<u>4,835,793</u>
At 31 August 2014	<u>4,886,937</u>	<u>49,281</u>	<u>8,899</u>	<u>4,945,117</u>

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

Included in cost or valuation of Long leasehold is leasehold land of £652,000

14 Debtors amounts falling due within one year

	2015 £	2014 £
Trade debtors	1,037	575
VAT recoverable	47,242	52,533
Prepayments and accrued income	<u>119,770</u>	<u>394,297</u>
	<u>168,049</u>	<u>447,405</u>

15 Creditors amounts falling due within one year

	2015 £	2014 £
Trade creditors	1	-
Social security and other taxes	86,468	86,814
Accruals and deferred income	<u>15,718</u>	<u>196,371</u>
	<u>102,187</u>	<u>283,185</u>

Deferred Income

	2015 £
Deferred income at 1 September 2014	62,389
Resources deferred in the year	12,287
Amounts released from previous years	<u>(62,389)</u>
Deferred income at 31 August 2015	<u>12,287</u>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips taking place during the 2015/16 academic year

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2015

16 Operating lease commitments

The following operating lease payments are committed to be paid within one year

	Other operating leases	
	2015	2014
	£	£
Expiring		
Within one year	17,902	32,083
Between one and five years	39,931	65,157
In more than five years	-	1,931
	<u>57,833</u>	<u>99,171</u>

17. 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

18. Analysis of net assets between funds

	2015		2014	
	Unrestricted fund	Restricted funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Fixed assets	-	-	4,835,793	4,835,793
Current assets	113,033	261,871	247,454	622,358
Current liabilities	-	(102,187)	-	(102,187)
Pension liability	-	(1,223,000)	-	(1,223,000)
	<u>113,033</u>	<u>(1,063,316)</u>	<u>5,083,247</u>	<u>4,132,964</u>
				<u>4,224,183</u>

19 Movement in funds

	Balance at 31 August 2014	Incoming Resources	Resources Expended	Gains, losses and Transfers	Balance at 31 August 2015
	£	£	£	£	£
Restricted general Fund					
General Annual Grant (GAG)	59,745	3,078,483	(3,108,087)	-	30,141
Other DfE/EFA Grants	-	310,835	(310,835)	-	-
Other restricted funds	241,288	120,189	(231,934)	-	129,543
Pension reserve	(1,135,000)	-	(11,000)	(77,000)	(1,223,000)
	<u>(833,967)</u>	<u>3,509,507</u>	<u>(3,661,856)</u>	<u>(77,000)</u>	<u>(1,063,316)</u>
Restricted fixed asset Fund					
DfE/EFA capital grants	4,945,117	262,872	(124,742)	-	5,083,247
Capital expenditure from GAG	-	-	-	-	-
Total restricted funds	<u>4,111,150</u>	<u>3,772,379</u>	<u>(3,786,598)</u>	<u>(77,000)</u>	<u>4,019,931</u>
Unrestricted funds	<u>113,033</u>	<u>22,842</u>	<u>(22,842)</u>	<u>-</u>	<u>113,033</u>
Total funds	<u>4,224,183</u>	<u>3,795,221</u>	<u>(3,809,440)</u>	<u>(77,000)</u>	<u>4,132,964</u>

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued **for the year ended 31 August 2015**

19 Movement in funds - continued

The specific purposes for which the funds are to be applied 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 31 August 2015

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 by Fund balance

Fund balances at 31 August 2015 were allocated as follows

	Total 2015	Total 2014
	£	£
Kingstone High School	111,759	353,708
Kingstone & Thruxton Primary School	<u>160,958</u>	<u>60,358</u>
	272,717	414,066
Restricted fixed asset fund	5,083,247	4,945,117
Pension reserve	<u>(1,223,000)</u>	<u>(1,135,000)</u>
Total	<u>4,132,964</u>	<u>4,224,183</u>

Analysis by cost

	Teaching	Other support	Educational	Other (excluding	Total
	£	£	supplies	depreciation)	£
			£	£	
Kingstone High School	1,688,230	283,815	45,343	580,834	2,598,222
Kingstone & Thruxton					
Primary School	388,763	136,277	25,587	237,979	788,606
Central costs	<u>79,281</u>	<u>196,768</u>	<u>-</u>	<u>21,824</u>	<u>297,873</u>
Total	<u>2,156,274</u>	<u>616,860</u>	<u>70,930</u>	<u>840,637</u>	<u>3,684,701</u>

20. 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

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013

Outstanding contributions payable to the scheme as at 31 August 2015 amount to £42,627 (2014 £42,044) and are included within creditors

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2015

20 Pension and similar obligations **- continued**

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £358,237.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued **for the year ended 31 August 2015**

20. Pension and similar obligations **- continued**

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 2015 was £161,499 (2014 £132,677) of which employer's contributions totalled £129,667 (2014 £106,574) and employees' contributions totalled £31,832 (2014 £26,103). The agreed contribution rates for future years are 18.5% for employers and 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.

In February 2014, the trust was notified by Worcester County Council that additional employers contributions are to be introduced from 2014/15 over a 15 year period. These will be phased lump sum contributions and the amounts notified as payable over the next two years are 2015/16 £55,500 and 2016/17 £58,500. The rate payable from 01/04/2017 onwards will be further revised following the next valuation of the Pension Fund on 31/03/2016.

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

	At 31 August 2015	At 31 August 2014
Retiring today		
Males	23.4	23.3
Females	25.8	25.7
Retiring in 20 years		
Males	25.6	25.5
Females	28.1	28.0

Sensitivity analysis as at 31 August 2015

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3
		+0.1% p.a. discount rate	+0.1% p.a. inflation	year increase in life expectancy
	£000s	£000s	£000s	£000s
Liabilities	1,412	1,381	1,443	1,436
Assets	(152)	(152)	(152)	(152)
Deficit/(Surplus)	1,260	1,229	1,291	1,284
Projected Service Cost for next year	139	135	144	142
Projected Expected Return on Assets for next year	(12)	(12)	(12)	(12)
Projected Interest Cost for next year	60	60	61	61

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Present value of funded obligations	(1,811,000)	(1,562,000)
Fair value of plan assets	588,000	427,000
	<u>(1,223,000)</u>	<u>(1,135,000)</u>
Deficit	<u>(1,223,000)</u>	<u>(1,135,000)</u>
Liability	<u>(1,223,000)</u>	<u>(1,135,000)</u>

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2015

20 Pension and similar obligations
- continued

The amounts recognised in the statement of financial activities are as follows

	Defined benefit pension plans	
	2015	2014
	£	£
Current service cost	117,000	84,000
Interest cost	65,000	52,000
Expected return	<u>(31,000)</u>	<u>(52,000)</u>
	<u>151,000</u>	<u>84,000</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £88,000

Changes in the present value of the defined benefit obligation are as follows

	Defined benefit pension plans	
	2015	2014
	£	£
Defined benefit obligation	(1,562,000)	(1,073,000)
Current service cost	(117,000)	(84,000)
Contributions by scheme participants	(33,000)	(26,000)
Interest cost	(65,000)	(52,000)
Actuarial losses/(gains)	(44,000)	(318,000)
Benefits paid	10,000	20,000
Curtailments	<u>-</u>	<u>(29,000)</u>
	<u>(1,811,000)</u>	<u>(1,562,000)</u>

Changes in the fair value of scheme assets are as follows

	Defined benefit pension plans	
	2015	2014
	£	£
Fair value of scheme assets	427,000	307,000
Contributions by employer	140,000	107,000
Contributions by scheme participants	33,000	26,000
Expected return	31,000	23,000
Actuarial gains/(losses)	(33,000)	(16,000)
Benefits paid	<u>(10,000)</u>	<u>(20,000)</u>
	<u>588,000</u>	<u>427,000</u>

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2015

20 Pension and similar obligations - continued

The major categories of scheme assets as amounts of total scheme assets are as follows

	Expected return at 31 August 2015	Fair value at 31 August 2015	Expected return at 31 August 2014	Fair value at 31 August 2014
	%	£	%	£
Equities	89.3%	524,000	92.3%	394,000
Bonds – Government	0.1%	1,000	6.5%	28,000
Bonds – Other	6.1%	36,000		-
Cash	1.0%	6,000	1.2%	5,000
Other	3.5%	21,000		-
Total		588,000		427,000

Actual return on plan assets (2,000) 33,000

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

The assumed investment return on government bonds is the yield on 20-year fixed interest gilts at the relevant date. As at 31 August 2015 this yield was 2.5% p.a.

The expected investment return on corporate bonds is based on market yields at the relevant date, although this will normally vary by duration, and the expected return should also take into account the risk of default in the corporate bond yield. As at 31 August 2015 we have taken the expected return as 3.6% p.a., which implies a reduction for the risk of default of 0.3% p.a. when compared with the corporate bond yield/discount rate appropriate to the "Mature" deviation profile for example.

It is generally accepted that the yield on equity investments will contain an "equity risk premium" in addition to the yield on Government bonds, which are perceived as the "least-risk" investment class, in order to compensate investors for the additional risk of holding this type of investment. Historical excess equity returns over more than 100 years have been approximately 4% p.a. on average. However, the level of equity risk premium can vary from time to time dependent on market levels and expectations for future returns. We have taken the overall expected return on equities as at 31 August 2015 as 6.5% p.a., implying an equity risk premium on equities of 4.0% p.a. over and above the gilt yield of 2.5% p.a.

Assumed returns on property are based on the expected long term returns on cash investments, plus a risk premium to allow for expected out-performance of property over cash, and an adjustment for the impact of the expected volatility of the returns.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2015	2014
Discount rate	4%	4%
Expected return on scheme assets	5.97%	0%
Future salary increases	3.8%	3.7%
Future pension increases	2.3%	2.2%
Inflation assumption	2.3%	2.2%

Amounts for the current and previous two periods are as follows

	2015 £	2014 £	2013 £
Defined benefit pension plans			
Defined benefit obligation	(1,811,000)	(1,562,000)	(1,073,000)
Fair value of scheme assets	588,000	427,000	307,000
Deficit	(1,223,000)	(1,135,000)	(766,000)
Experience adjustments on scheme liabilities	-	(318,000)	-
Experience adjustments on scheme assets	(33,000)	(16,000)	23,000

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2015

21 Related party disclosures

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

There were no transactions with related parties during the period other than as disclosed in note 10 to the financial statements.

22 Reconciliation of net outgoing resources to net cash outflow from operating activities

	2015 £	2014 £
Net outgoing resources	(14,219)	(29,749)
Depreciation charges	124,739	133,462
Profit on disposal of fixed assets	-	(1,447)
Capital grants from DfE/EFA	(262,872)	(183,914)
Interest received	2,838	(1,659)
Interest paid	-	303
Decrease/(increase) in debtors	279,358	(329,090)
Decrease in creditors	(180,998)	(104,403)
Difference between pension charge and cash contributions	11,000	35,000
Net cash outflow from operating activities	(40,154)	(481,497)

23 Analysis of cash flows for headings netted in the cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	(2,838)	1,659
Interest paid	-	(303)
Net cash (outflow)/inflow for returns on investments and servicing of finance	(2,838)	1,356
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(15,417)	(283,723)
Capital grants from DfE/EFA	262,872	183,914
Sale of tangible fixed assets	-	2,894
Net cash inflow/(outflow) for capital expenditure and financial investment	247,455	(96,915)

24 Analysis of changes in net debt

	At 1/9/14 £	Cash flow £	At 31/8/15 £
Net cash			
Cash at bank	249,846	204,463	454,309
Total	249,846	204,463	454,309