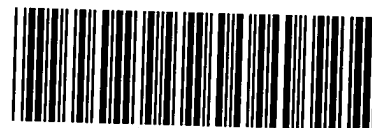


Company Registration No. 07702460 (England and Wales)

KENSINGTON ALDRIDGE ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' STRATEGIC REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2014

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KENSINGTON ALDRIDGE ACADEMY

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KENSINGTON ALDRIDGE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

J Shiner (Chair of Governors) (Appointed 28 September 2013)
Sir R Aldridge
E Anderson (Resigned 9 July 2014)
A Balon (Appointed 25 July 2014)
D Benson (Accounting Officer) (Appointed 1 September 2013)
Cllr Sir M Cockell (Appointed 9 July 2014)
D Hadley (Appointed 9 July 2014)
L Morris (Appointed 9 July 2014)
C Rampersaud (Appointed 9 July 2014)
S Ritchie (Resigned 9 July 2014)
C Shaw (Appointed 9 July 2014)
J Sporle (Resigned 9 July 2014)
H Wilson-Fletcher (Resigned 9 July 2014)
Cllr E Will

Members

Sir R Aldridge
H Wilson-Fletcher
Cllr E Will
J Shiner
J Sporle

Senior management team

- Principal	D Benson
- Vice Principal	A Jordan
- Vice Principal	E Boyle
- Assistant Principal	B Malik
- Interim Finance Director	R Brailsford

Company secretary

R Brailsford

Company registration number

07702460 (England and Wales)

Registered office

Swan Gardens
The Aldridge Foundation
10 Piccadilly
London
W1J 0DD

Independent auditor

Wilkins Kennedy FKC
Stourside Place
Station Road
Ashford
Kent
TN23 1PP

KENSINGTON ALDRIDGE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank PLC
39 Piccadilly
Mayfair
London
W1J 0AA

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in North Kensington.

The academy trust is sponsored by The Aldridge Foundation. The Co-Sponsors are the Royal Borough of Kensington & Chelsea. In addition the academy trust has four education sponsors: Charterhouse School, Godolphin and Latymer School, The Royal Academy of Dance and The London Academy of Music and Dramatic Art.

Structure, governance and management

Constitution

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

The Governors are the trustees of Kensington Aldridge Academy and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,500,000 on any one claim.

Method of recruitment and appointment or election of Governors

The Lead Sponsor (The Aldridge Foundation) may appoint up to four Lead Sponsor Governors and may appoint itself as a Sponsor Governor. The co-sponsor may appoint up to two Co-Sponsor Governors. Up to 2 staff governors may be appointed. Up to 1 LA governor may be appointed. A minimum of two parent Governors shall be elected by parents of the registered pupils at the Academy. The Principal is treated for all purposes as being an ex-officio Governor. The term of office for any Governor shall be four years, this shall not apply to the principal or the Lead Sponsor (during any period that the Lead Sponsor is a Governor). Every person nominated to become a member of the trust shall either sign a written consent to become a member or shall sign the register of members.

Policies and procedures adopted for the induction and training of Governors

The Chair of Governors and the Chief Executive of the Lead Sponsor meet with all new governors to discuss their roles and responsibilities at the Academy prior to appointment. All governors are given access to the online GEL training and are now being provided with additional training as required, and based on their specific links with the school.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Organisational structure

The Board of Governors has ultimate responsibility for the Academy's finances and delegates elements of these to the Business Committee as set out in the Academy Financial Regulations and Scheme of Delegation. This Committee considers issues relating to strategic direction of the Academy, in order to advise the Board. It will monitor operational plans to ensure consistency with the strategic plan and monitor progress against such plans.

The Education Committee focuses on the quality of the curriculum delivery and the development of the resources necessary for its delivery.

The Principal is the designated Accounting Officer and is responsible to the Business Committee and Sponsors' representatives for ensuring the financial administration of the Academy's affairs in accordance with the Funding Agreement and Scheme of Delegation.

The day to day financial administration is the responsibility of the Director of Finance who is responsible to the Principal. The Director of Finance will advise vice-principals and curriculum leaders on the financial systems operating within their departments and has the authority to delegate operational processes to the finance team. The vice-principals are responsible for the delivery of the curriculum within their subject areas and are accountable to the Principal.

Decisions are made at Senior Leadership Team (SLT) meetings and reported to the Board of Governors via sub-committees for approval. The Senior Leadership Team (SLT) consists of Principal, 2 Vice Principals, Assistant Principal and Finance Director. The Extended Senior Leadership includes Director of Creates and Director of Science. The SLT has improved and sustained impact on standards in teaching and learning.

Connected organisations including related party relationships

The Academy is connected to The Aldridge Foundation by virtue of the Trust's sponsorship of the Academy.

Objectives and activities

Objects and aims

Kensington Aldridge Academy (KAA) is a mixed 11-18 secondary school based in North Kensington, London. KAA has at its core the pursuit of the very highest standards in education, both inside the classroom and beyond it. We believe all children can exceed their expectations, no matter what their prior attainment and experiences. At our school no child will be labelled; we will treat them all as intelligent and individual. Through our ethos, our extended curriculum and our entrepreneurial approach we will develop students into confident, rounded individuals, equipped for anything that life throws at them. Our motto – INTREPIDUS – will help us to realise our ambition.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Objectives, strategies and activities

At KAA we aim to:

- Create a culture of high aspirations, high motivation and high achievement for all
- Build a strong community based on fairness and personal responsibility
- Welcome, value and respect all who come in the school
- Be reflective and committed to our ongoing development as teachers and leaders, in our continuous strive for excellence
- Promote positive dialogue and partnership with our community

Our **core values** are:

Excellence: We aspire to greatness not only in academics, but in everything we do. Whether it be sport, music, drama, or simply our general attitude and behaviour – we aim to be the best we can be.

Resilience: We love a challenge, and understand that setbacks and mistakes are just opportunities to improve. Our abilities aren't fixed – some things take more time to learn but we will master them eventually.

Creativity: In lessons, new learning is always presented as a problem to be solved, and creativity and original thinking is rewarded. We encourage students to ask questions and develop a range of creative talents across the curriculum.

Citizenship: We put the needs of others' before our own, knowing that a strong community spirit will benefit us all. Together we are greater than the sum of our parts.

Kensington Aldridge Academy is committed to provide employment equality to all, irrespective of:

- Gender, marital, civil partnership or family status
- Pregnancy or maternity leave
- Sexual orientation
- Gender reassignment
- *Racial group (to include colour, race, nationality, ethnic or national origin)*
- Age
- Disability
- Trade union membership or non-membership
- *Criminal record (a person's criminal record will be seen within the context of the post, the ability to do the job and the employers responsibility for child protection, for the care of funds, resources, the public and other employees. Only offences relevant to the post in question will be considered.)*
- Religious belief and political opinion

KAA is committed to encouraging and achieving a working environment which is underpinned by fairness, where equality and diversity are recognised, encouraged and valued and the concept of individual responsibility is accepted by all.

Selection for employment and advancement will be on the basis of suitability, qualifications and aptitude to carry out the duties of the post. Eligibility criteria for all posts will reflect the ethos of the academy.

The governing body will positively promote and rigorously observe the objectives and principles set out in this statement and are committed to implementing policies to promote equality of opportunity within the academy.

The governing body recognise that the provision of equal opportunities within the work place is not only good management practice but also makes sound business sense.

Disabled persons

The academy complies fully with the Equality Act 2010 regulations and is equipped to welcome and/or teach any child or adult with a disability where possible. Governors have adopted an updated equality policy in light of recommendations related to the 2010 Act.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the members consider how planned activities will contribute to the aims and objectives they have set.

As an academy, we have a duty to support other schools. We support these schools through use of our premises and specialist skills in a wide range of curriculum areas, data assessment and inclusion.

The Academy is non-selective and follows the standard admissions policy within the Royal Borough of Kensington and Chelsea. This means that places will be allocated according to proximity to the Academy and there is no selection on the grounds of ability or religion.

Strategic report

Achievements and performance

The activity during the year related to pre-opening transactions so that the Academy Trust could open as planned on 15 September 2014. This included the recruitment of staff and pupils.

Kensington Aldridge Academy opened to students on 15 September 2014 and currently has 184 students. It is located in North Kensington, West London and serves a varied community. We have a unit within the academy that provides specialist provision for students with social and communication difficulties, including autism and Aspergers syndrome. The Grandin Centre provides specialist staff, including teachers and trained teaching assistants. The purpose of the provision is to enable students to participate, progress and achieve both in the centre and alongside their peers in mainstream lessons.

Key performance indicators

The key performance indicators reviewed at Governing Body meetings include income from the EFA in the form of lead in grant funding. The levels of capital expenditure for the new facilities together with actual and projected cash flow and reserves have also been monitored. These items are all reported in the financial statements.

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 the Governing Body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

During the period ended 31 August 2014, the Academy Trust's income was obtained from the pre-opening grant provided by the Education Funding Agency (EFA) as well as grants from the co-sponsor, The Royal Borough of Kensington and Chelsea and other private funding.

As part of establishing Kensington Aldridge Academy, the EFA will directly provide the necessary capital funding for major fixed assets such as buildings and ICT.

During the period ended 31 August 2014, total expenditure of £383k was met by the pre-opening grant funding from the EFA. The excess of income over expenditure for the period was £1,051k.

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 Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The Governors have determined that the appropriate level of free reserves should be equivalent to four week's expenditure, approximately £142k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves is £nil (total funds less the amount held in fixed assets and restricted funds).

Investment policy and powers

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

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 of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Governors have introduced systems, including operational procedures 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 Governance Statement on page 10.

Change of Government Policy – the Academy revises the 3 Year Academy Development Plan (ADP) regularly to cope with changes in Government Policy, taking action where necessary to decrease costs and increase income from other sources.

Employment Laws – the Academy has support from a human resources consultant to ensure that it has up to date information on Employment Law, and is covered by Directors and Officers Insurance to minimise the risk that legislative requirements are not known or complied with.

Health & Safety – the Academy has an appropriate Health & Safety policy and an Emergency Response Plan, both of which are reviewed annually. Risk Assessments are carried out for high risk areas and events, and there is sufficient insurance in place to guard against financial loss.

Fraud – the Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. There are clear Financial Procedures laid down within the Finance Policy, and a good segregation of duties. All the school assets above a set limit are included within the Academy's asset register, which is supplemented by photographic records.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Plans for future periods

The Academy will continue striving to improve and develop its provision for pupils at all ages and will continue its efforts to ensure all pupils reach their full potential and achieves well above national expectations.

The Academy has a secure understanding of its current strengths and areas for development based on ongoing self-evaluation and analysis of student data. The strength of the leadership and management was recognised in the pre-opening Ofsted and DFE inspections and also in an external, HMI-led monitoring visit in November 2014. The academy development plan (ADP) has set clear priorities for the year ahead and has been agreed by the governing body. Progress towards ADP targets is regularly monitored and will be amended annually by the SLT and Governors. It is underpinned by appropriate budget links.

The strive for excellence is evident in many aspects of academy life, but particularly in the strong culture of collaboration, openness and commitment to professional learning. Staff CPD will be key to achieving outstanding teaching and learning at KAA and we will encourage staff to share best practice.

We have **8 main strategic priorities** for the academic year 2014/2015:

- 1) The KAA Teaching & Learning Handbook is embedded in classroom practice, leading to 100% good or better lesson observations by the end of the year (including 50% outstanding).
- 2) All KAA students are stretched and challenged academically in Y7, making the equivalent of 3 National Curriculum sub-levels of progress under the old system (2 sub-levels in Foundation subjects).
- 3) Closing the gap: Pupil Premium students achieve in line with non-Pupil Premium both in terms of progress and attainment.
- 4) A whole-school approach to literacy is established so that KAA becomes a school that loves to read, celebrates language and develops articulate, confident communicators.
- 5) All students, especially those with SEN, are supported and nurtured in their learning, so that we become an inclusive school where students feel safe, happy, and that there are no barriers to their achievement which cannot be overcome.
- 6) We become a truly learning organisation with staff development at its heart. Our beliefs that 'we are all learners' and 'we learn best when we learn together' are realised, so that all staff are supported in their learning and curiosity and our training and development programme become the foundation of all that we do.
- 7) To establish all systems, procedures, policies and protocols that allow KAA to function to the highest possible standard.
- 8) To establish a strong and coherent school ethos based on fairness, diversity, entrepreneurship and positive community relations. To ensure our core values of Excellence, Creativity, Resilience and Citizenship are firmly embedded in the fabric of the academy (and built on every year) and that INTREPIDUS becomes a by-word for life at KAA.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Auditor

In so far 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.

A resolution proposing that Wilkins Kennedy FKC be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 19 December 2014 and signed on its behalf by:



J Shiner

Chair of Governors

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Kensington Aldridge Academy 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 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 Kensington Aldridge Academy 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 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governors	Meetings attended	Out of possible
J Shiner (Chair of Governors) (Appointed 28 September 2013)	3	3
Sir R Aldridge	3	3
E Anderson (Resigned 9 July 2014)	2	2
A Balon (Appointed 25 July 2014)	0	0
D Benson (Accounting Officer) (Appointed 1 September 2013)	3	3
Cllr Sir M Cockell (Appointed 9 July 2014)	0	1
D Hadley (Appointed 9 July 2014)	1	1
L Morris (Appointed 9 July 2014)	0	1
C Rampersaud (Appointed 9 July 2014)	0	1
S Ritchie (Resigned 9 July 2014)	0	2
C Shaw (Appointed 9 July 2014)	1	1
J Sporle (Resigned 9 July 2014)	0	2
H Wilson-Fletcher (Resigned 9 July 2014)	2	2
Cllr E Will	3	3

A Business Committee has been set up since 1 September 2014 once the academy became operational.

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 Kensington Aldridge Academy for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Governors 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 board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. The board of Governors will monitor and review the key risks.

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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 Business 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 Wilkins Kennedy FKC, the external auditor, to perform additional checks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. From 1 September 2014, once the academy is operational, on a termly basis, the internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the financial responsibilities of the Governing Body. No internal audit visits have taken place in the year.


Review of effectiveness

As accounting officer the Principal 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 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 Business Committee and a plan to address weaknesses [if relevant] and ensure continuous improvement of the system is in place.

Approved by order of the Governing Body on 19 December 2014 and signed on its behalf by:



J Shiner
Chair of Governors



D Benson
Accounting Officer

KENSINGTON ALDRIDGE ACADEMY


STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2014

As accounting officer of Kensington Aldridge Academy 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 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's 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. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA.

Approved on 19 December 2014 and signed by:

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal stroke extending to the right.

D Benson
Accounting Officer

KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for Kensington Aldridge Academy and are also the directors of Kensington Aldridge Academy for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Governing Body on 19 December 2014 and signed on its behalf by:



J Shiner
Chair of Governors

KENSINGTON ALDRIDGE ACADEMY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KENSINGTON ALDRIDGE ACADEMY

We have audited the accounts of Kensington Aldridge Academy for the year ended 31 August 2014 set out on pages 18 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 13, the Governors, who are also the directors of Kensington Aldridge Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 Governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

KENSINGTON ALDRIDGE ACADEMY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KENSINGTON ALDRIDGE ACADEMY

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Wilkins Kennedy Acc

Michelle Wilkes (Senior Statutory Auditor)

Wilkins Kennedy FKC

Chartered Accountants

Statutory Auditor

Stourside Place

Station Road

Ashford

Kent

TN23 1PP

Dated: 19 December 2014

KENSINGTON ALDRIDGE ACADEMY

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

In accordance with the terms of our engagement letter dated 25 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kensington Aldridge Academy during the period 1 September 2013 to 31 August 2014 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 Kensington Aldridge Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Kensington Aldridge Academy 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 Kensington Aldridge Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kensington Aldridge Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kensington Aldridge Academy's funding agreement with the Secretary of State for Education dated 30 August 2011 and the Academies Financial Handbook, extant from 1 September 2013, 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 to 2014. 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 2013 to 31 August 2014 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 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.

KENSINGTON ALDRIDGE ACADEMY

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

As a firm we have taken the decision to use the Mercia work programme for regularity audit as approved by the ICAEW. The work undertaken to draw to our conclusion includes:

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the academy's charitable objects.
- Confirmed that the results of procedures throughout the audit did not provide any evidence that related party transactions and controlling party, if any, is incomplete.
- Considered whether the movements, including the level of disposals, and depreciation of fixed assets appear reasonable in view of our knowledge of the academy, its funding and consent received for disposals.
- Verified a sample of grants receivable to grant documentation, especially noting any restrictions as to timing or other recognition of the income, and any claw back clauses.
- Considered whether income appeared to be derived from activities outside of the academy's charitable objects and wider framework of authorities.
- Ensured that bank accounts are operated within the terms of the governing document, delegated powers, and the bank mandates.
- Considered the systems in place to ensure compliance with terms of funding and other relevant authorities (eg. terms of the Academies Financial Handbook or terms relevant to non-core funding streams).
- Ensured that the overall level of retained funds is acceptable in view of the academy's needs and plans, and that the accumulated funds are justifiable and permissible under the terms of funding.

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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy FKC

Reporting Accountant

Wilkins Kennedy FKC
Stourside Place
Station Road
Ashford
Kent
TN23 1PP

Dated: 19 December 2014

KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds £'000's	Restricted funds £'000's	Fixed Asset fund £'000's	Total 2014 £'000's	Total 2013 £000
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	-	132	-	132	-
<i>Resources from charitable activities</i>						
- Funding for educational operations	3	-	419	883	1,302	-
Total incoming resources		-	551	883	1,434	-
Resources expended						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	5	-	359	-	359	-
Governance costs	6	-	24	-	24	-
Total resources expended	4	-	383	-	383	-
Net incoming/(outgoing) resources before transfers		-	168	883	1,051	-
Gross transfers between funds		-	(91)	91	-	-
Net income/(expenditure) for the year		-	77	974	1,051	-
Fund balances at 1 September 2013		-	-	-	-	-
Fund balances at 31 August 2014		-	77	974	1,051	-

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

KENSINGTON ALDRIDGE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £'000's	2013 £000	2013 £000
Fixed assets				
Tangible assets	9		827	-
Current assets				
Debtors	10	1,093	-	-
Cash at bank and in hand		83	-	-
		<u>1,176</u>	-	-
Creditors: amounts falling due within one year	11	(952)	-	-
Net current assets			224	-
Total assets less current liabilities			<u>1,051</u>	-
Funds of the Academy Trust:				
Restricted income funds	12			
- Fixed asset funds			974	-
- General funds			77	-
Total restricted funds			<u>1,051</u>	-
Unrestricted funds	12		-	-
Total funds			<u>1,051</u>	-

The accounts were approved by order of the Governing Body and authorised for issue on 19 December 2014.



J Shiner

Chair of Governors

Company Number 07702460

KENSINGTON ALDRIDGE ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £'000's	2013 £000
Net cash inflow/(outflow) from operating activities	14	27	-
Capital expenditure and financial investments			
Capital grants received		883	-
Payments to acquire tangible fixed assets		(827)	-
		<u>56</u>	<u>-</u>
Net cash flow from capital activities		56	-
Increase/(decrease) in cash	15	<u>83</u>	<u>-</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

The accounts 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 Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, is set out below.

1.2 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 accounts.

1.3 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 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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

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 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 the Academy Trust's policies.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

1.4 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.

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 Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £500 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 Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Computer equipment	33% straight line
Fixtures, fittings & equipment	25% straight line

No depreciation has been provided in the year as the assets acquired have not been brought into use as the Academy Trust opened in September 2014.

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

1.7 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.

1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note , 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 are 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.

1.9 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/sponsor/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.

2 Voluntary income

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2014 £'000's	Total 2013 £000
Other donations	-	132	132	-
	=====	=====	=====	=====

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

2 Voluntary income

(Continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2014 £'000's	Total 2013 £000
DfE / EFA grants				
Capital grants	-	883	883	-
Other DfE / EFA grants	-	141	141	-
	-	1,024	1,024	-
Other government grants				
Local authority grants	-	278	278	-
Total funding	-	1,302	1,302	-

4 Resources expended

	Staff costs £'000's	Premises & equipment £'000's	Other costs £'000's	Total 2014 £'000's	Total 2013 £000
Academy's educational operations					
- Direct costs	294	-	8	302	-
- Allocated support costs	53	-	4	57	-
	347	-	12	359	-
Other expenditure					
Governance costs	-	-	24	24	-
Total expenditure	347	-	36	383	-

Incoming/outgoing resources for the year include:

	2014 £'000's	2013 £000
Fees payable to auditor		
- Audit	3	-
- Other services	1	-

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

5 Charitable activities

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2014 £'000's	Total 2013 £000
Direct costs				
Teaching and educational support staff costs	-	251	251	-
Recruitment costs	-	38	38	-
Technology costs	-	1	1	-
Educational supplies and services	-	2	2	-
Staff development	-	5	5	-
Other direct costs	-	5	5	-
	<u>-</u>	<u>302</u>	<u>302</u>	<u>-</u>
Allocated support costs				
Support staff costs	-	53	53	-
Insurance	-	2	2	-
Other support costs	-	2	2	-
	<u>-</u>	<u>57</u>	<u>57</u>	<u>-</u>
Total costs	<u>-</u>	<u>359</u>	<u>359</u>	<u>-</u>

6 Governance costs

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2014 £'000's	Total 2013 £000
Legal and professional fees	-	20	20	-
Auditor's remuneration				
- Audit of financial statements	-	3	3	-
- Other audit costs	-	1	1	-
	<u>-</u>	<u>24</u>	<u>24</u>	<u>-</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

7 Staff costs

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:

	2014 Number	2013 Number
Teachers	2	-
Administration and support	1	-
Management	1	-
	<u>4</u>	<u>-</u>

Costs included within the accounts:

	2014 £'000's	2013 £'000's
Wages and salaries	244	-
Social security costs	25	-
Other pension costs	35	-
	<u>304</u>	<u>-</u>
Staff development and other staff costs (including staff recruitment costs)	43	-
	<u>347</u>	<u>-</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
£60,001 - £70,000	2	-
£90,001 - £100,000	1	-
	<u>3</u>	<u>-</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	3	-
	£'000's	19	-
		<u>22</u>	<u>-</u>
Local Government Pension Scheme	Numbers	-	-
	£'000's	-	-
		<u>-</u>	<u>-</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

8 Governors' remuneration and expenses

The Principal and other 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 trust in respect of their role as Governors. During the year, travel and subsistence payments totalling £4,368 (2013: £Nil) were reimbursed to 2 Governors (2013: 0 Governors).

The value of Governors' remuneration, including pension contributions, was as follows:

D Benson (Principal) £110,001- £115,000

Other related party transactions involving the Governors are set out within the related parties note.

Governors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,500,000 on any one claim and the cost amounted to £530.

9 Tangible fixed assets

	Computer equipment £'000's	Fixtures, fittings & equipment £'000's	Total £'000's
Cost			
At 1 September 2013	-	-	-
Additions	736	91	827
	<u>736</u>	<u>91</u>	<u>827</u>
At 31 August 2014	736	91	827
	<u>736</u>	<u>91</u>	<u>827</u>
Depreciation			
At 1 September 2013 and at 31 August 2014	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 August 2014	736	91	827
	<u>736</u>	<u>91</u>	<u>827</u>

10 Debtors

	2014 £'000's	2013 £000
VAT recoverable	171	-
Other debtors	34	-
Prepayments and accrued income	888	-
	<u>1,093</u>	<u>-</u>
	<u>1,093</u>	<u>-</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

11 Creditors: amounts falling due within one year	2014 £'000's	2013 £000
Trade creditors	4	-
Amounts owed to undertakings in which the company has a participating interest	870	-
Taxes and social security costs	18	-
Other creditors	14	-
Accruals	46	-
	<u>952</u>	<u>-</u>

12 Funds	Balance at 1 September 2013 £'000's	Incoming resources £'000's	Resources expended £'000's	Gains, losses and transfers £'000's	Balance at 31 August 2014 £'000's
Restricted general funds					
Other DfE / EFA grants	-	141	(98)	-	43
Other government grants	-	278	(153)	(91)	34
Other restricted funds	-	132	(132)	-	-
	<u>-</u>	<u>551</u>	<u>(383)</u>	<u>(91)</u>	<u>77</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	883	-	(736)	147
General fixed assets	-	-	-	827	827
	<u>-</u>	<u>883</u>	<u>-</u>	<u>91</u>	<u>974</u>
Total restricted funds	<u>-</u>	<u>1,434</u>	<u>(383)</u>	<u>-</u>	<u>1,051</u>
Total funds	<u>-</u>	<u>1,434</u>	<u>(383)</u>	<u>-</u>	<u>1,051</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

12 Funds

(Continued)

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

EFA Grants

EFA grants include pre-opening funding to recruit staff, curriculum development, legal advice, and project management.

The capital grant is for the setting up of the academy trust with ICT equipment.

Other government grants

This includes funding from the Royal Borough of Kensington and Chelsea to assist with staffing costs. It also includes a grant to set up Kensington Creates, a unique coworking hub and business incubator designed to help young entrepreneurs start and grow their businesses. In addition SEN funding has been received from the Royal Borough of Kensington and Chelsea to enable the Academy Trust to recruit appropriate SEN staff.

Other restricted funds

This includes a grant from The Stanley Foundation to support Kensington Creates.

13 Analysis of net assets between funds

	Unrestricted funds £'000's	Restricted funds £'000's	Fixed asset funds £'000's	Total funds £'000's
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	827	827
Current assets	952	77	147	1,176
Creditors: amounts falling due within one year	(952)	-	-	(952)
	<u>-</u>	<u>77</u>	<u>974</u>	<u>1,051</u>

14 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £'000's	2013 £000
Net income	1,051	-
Capital grants and similar income	(883)	-
(Increase)/decrease in debtors	(1,093)	-
Increase/(decrease) in creditors	952	-
Net cash inflow/(outflow) from operating activities	<u>27</u>	<u>-</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

15	Reconciliation of net cash flow to movement in net funds	2014 £'000's	2013 £000
	Increase/(decrease) in cash	83	-
	Net funds at 1 September 2013	-	-
	Net funds at 31 August 2014	83	-

16	Analysis of net funds	At 1 September 2013 £'000's	Cash flows £'000's	Non-cash changes £'000's	At 31 August 2014 £'000's
	Cash at bank and in hand	-	83	-	83

17	Capital commitments	2014 £'000's	2013 £000
	At 31 August 2014 the company had capital commitments as follows:		
	Expenditure contracted for but not provided in the accounts	443	-

18 Related parties

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

The Aldridge Foundation

Sir R Aldridge is a trustee of The Aldridge Foundation

During the year The Aldridge Foundation managed the pre-opening funding and capital projects. At 31 August 2014 The Aldridge Foundation were owed £129,458 by Kensington Aldridge Foundation. In addition The Aldridge Foundation owed £34,220 to Kensington Aldridge Foundation.

Brailsford Rowe Ltd

R Brailsford, the company secretary and finance-director is the company secretary of Brailsford Rowe Ltd.

During the year, the academy trust paid Brailsford Rowe Ltd £17,445 for financial and accounting services. No monies were owing at the year end.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

19 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.