

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 2015

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KENSINGTON ALDRIDGE ACADEMY

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KENSINGTON ALDRIDGE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

M May (Chair of Governors) (Appointed 1 September 2015)
Sir R Aldridge *
A Balon *
D Benson (Accounting Officer) *
J Brown (Appointed 1 September 2015)
Cllr Sir M Cockell (RBKC Co-Sponsor) *
D Hadley (Chair Education Committee)
L Morris *
C Rampersaud (Chair Business Committee) *
C Shaw
J Shiner (Resigned 31 August 2015)
S Tyrer (Appointed 1 May 2015)
Cllr E Will (RBKC Co-Sponsor)

* members of the Business Committee

Members

Sir R Aldridge
H Wilson-Fletcher - Resigned 31 August 2014)
Cllr E Will
J Shiner - (Resigned 31 August 2015)
J Sporle - (Resigned 31 August 2014)

Senior leadership team

D Benson - Principal
A Jordan - Vice Principal
E Boyle (resigned 31 August 2015) - Vice Principal
B Malik - Assistant Principal
R Spalding (appointed 29 June 2015) - Assistant Principal
D Newman - Finance Director

Company secretary

D Newman

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 2015

The Governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. 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.

It will have a pupil capacity of 1250 when full but these financial statements cover the first year of operation with 184 on roll in the October 2015 census, this includes 4 students in our autism unit.

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 partners: 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 with no share capital (registration no. 7702460) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Governors act as the directors of the limited company known as Kensington Aldridge Academy and are also the trustees for the charitable company.

The Academy Trust opened in 2014 and its first student intake was on 1 September 2014.

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 £1,000,000 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 Royal Borough of Kensington & Chelsea as Co-Sponsor may appoint up to two Governors. Up to 2 staff governors may be appointed. Up to 1 LA governor may be appointed. Up to 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.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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. Appointments are made based on skills and competencies aligned to the Academy's requirements. All governors are given an induction plan which includes the online GEL training and additional training as required.

Organisational structure

The Board of Governors has ultimate responsibility for the Academy's finances and delegates elements of these to the Business Committee and Education Committee as set out in the Academy Financial Regulations and Scheme of Delegation and Terms of Reference of the different committees.

The Business Committee terms of reference include consideration of strategic direction of the Academy and advises the Board accordingly. It also responsible for monitoring the financial performance and operational plans of the Academy.

The Education Committee terms of reference includes monitoring the quality of the curriculum delivery, safeguarding and educational outcomes for pupils.

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 Finance Manager who is responsible to the Principal. The Finance Manager will advise senior and middle leaders on the financial systems operating within their departments and has the authority to delegate operational processes to the finance team.

All key decisions concerning the strategic development of the school are made at Senior Leadership Team (SLT) meetings and, wherever necessary as stipulated in the academy and governance policies, then reported to the Board of Governors directly (or via sub-committees) for approval. The Senior Leadership Team (SLT) consists of the Principal, one Vice Principal, two Assistant Principals and The Finance Manager. The Extended Senior Leadership includes the Director of Creates, the Directors of Learning for Y7 and Y8, and the Director of Science. The Leadership team has, over the course of the last two years, planned and implemented the full range of internal systems and structures which are now leading to the very high standards which can be seen in the school.

Related parties and other connected charities and organisations

The Academy is connected to The Aldridge Foundation by virtue of the Trust's sponsorship of the Academy as well as the Royal Borough of Kensington & Chelsea who are co-sponsors.

Objectives and activities

Objects and aims

KAA is a new school with very high ambitions. We aim to become one of the top academies in the UK by delivering an outstanding education to all our students so that, irrespective of their starting points, they can go on to excellent achievement at GCSE and post-16.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

Our specific aims include:

- 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

Furthermore, at KAA we are committed to providing 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 2015

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.

The Academy is supporting the Local Authority / local community by making its building available for lettings particularly during the summer holiday when the play scheme took place for the full holiday. The Notting Hill Carnival also used the Academy as one of the control bases for the police.

Strategic report

Achievements and performance

Immediately before opening KAA went through a 'Readiness for Opening' inspection led by the DfE and Ofsted and was rated green on all indicators except the building which was amber / green (though in the end was completed in time for opening as plan). The DfE noted that KAA was "one of the best new academies they had ever seen" in terms of our planning and preparation.

Since opening we have commissioned several external reviews from experienced teams of Ofsted inspectors which have shown that currently KAA is on track to achieve an overall judgement of "outstanding" in our first full inspection which will be in our third full year of operations. One report, from November 2014, was led by Miriam Rosen, former HMCI, and noted: "*KAA has got off to a remarkable start and is already securing highly positive outcomes for students.*"

Key performance indicators

The key performance indicators reviewed at Governing Body meetings include Financial and Quality metrics. The Business Committee monitors income from the EFA, budgets, forecasts, cash flow and capital expenditure. Financial KPI's form part of the monthly management accounts. Educational KPIs are monitored on an ongoing basis by the SLT and the Education Committee. These include: student attainment & progress across all subjects (but with a particular focus on English & Maths); the quality of teaching; behaviour statistics; attendance and exclusions.

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.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the EFA during the year 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 EFA. 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 expected useful life of the assets concerned.

During the year ended 31 August 2015, all expenditure was authorised to enable the pupils to meet their targets, this includes support for our pupils in the Autism Unit and additional resources for our high level of SEN students. The total expenditure for the year was £3,040k (2014: £383k).

The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £194k (2014: £1,051k).

At 31 August 2015 the net book value of fixed assets was £40,909k (2014: £827k) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Royal Borough of Kensington and Chelsea Pension Fund, in which the Academy participates, showed a deficit of £12k (2014: £Nil) at 31 August 2015.

The Academy held fund balances at 31 August 2015 of £41,114k (2014: £1,051k) comprising £40,930k of restricted funds (2014: £1,051k) and £184k of unrestricted general funds (2014: £Nil). Of the restricted funds, £40,909k is represented by tangible fixed assets (2014: £974k).

The pension reserve which is considered part of restricted funds was £12k in deficit (2014: £Nil).

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. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified. The Academy are looking to establish relevant reserves to ensure that we can maintain educational outcomes for pupils and the infrastructure if the Academy including the quality of our building and specialist equipment.

The Governors have determined that the appropriate level of free reserves should be equivalent to four week's expenditure, approximately £190k (2014: £142k). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants, to provide for future capital investment and to provide for unexpected emergencies such as urgent maintenance. The Academy's current level of reserves is £184k (2014: £nil). The Academy will continually review their reserves on an annual basis.

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.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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, financial sustainability and other operational areas of the Academy. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas including quality of teaching, financial management, safeguarding, health and safety, and bullying). The Governors have introduced systems, including operational procedures and internal controls in order to minimise risk. Where significant risk still remains they have ensured they have adequate systems and processes in place to mitigate these including 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 11. The main risks identified by the governing body include:

- Funding changes,
- education/ qualification reforms,
- talent recruitment and retention,
- prevent and safeguarding,
- financial viability and income generation

Change of Government Policy – the Academy revises the 3 Year Academy Development Plan (ADP) regularly to cope with changes in Government Policy:

Funding - The main risk identified is the future level of funding per pupil in particularly the level of funding available for 16-18's which has not been ring- fenced by the DFE

Qualification Reforms

KAA has, in line with curriculum reforms, implemented a "No-Levels" approach to assessment in KS3. We have established an innovative model which is now being adopted by other schools and have led CPD on this through the Tri-Borough network and at national conferences. On A-Level reform, we are launching our sixth form next year and all subject leaders are undertaking exam board training in preparation. We do not currently teach GCSEs but have of course looked carefully at the new specifications to ensure our KS3 planning is aligned.

Safeguarding and Prevent

KAA, its staff and governors, are committed to safeguarding the welfare of our pupils and to providing a safe environment with robust systems to ensure the safety and healthy development of all our pupils within the academy and on related academy trips and other activities. We recognise that some children may be especially vulnerable to abuse. We are committed to doing our best to identify such children and to working with the appropriate authorities to support and safeguard them. We are committed to providing all our pupils with a safe learning environment, free of bullying and other forms of harassment, and to teaching pupils to act safely in and outside Academy and on the internet. We will always take a considered and sensitive approach in order to support all our pupils.

Protecting our young people from radicalisation has always been top of our agenda. The academy leadership team and Governing Body have robust strategies in place through the KAA Prevent Policy to protect our students and their families. It is our responsibility to ensure that young people at KAA are not influenced by radicalisation but develop a deep understanding of the key positive values in British society. The guidance in our Promoting British Values policy aims to actively promote the fundamental British values of democracy, the rule of law, individual liberty, and mutual respect and tolerance of those with different faiths and beliefs.

Fraud – 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 2015

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 visits in year one (one each term).. The academy improvement plan (AIP) has set clear priorities for the year ahead and has been agreed by the governing body. Progress towards AIP 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.

The planned student numbers in Sept 2016 of 610 including the opening of the Sixth Form – we are planning for 70 students in our first year, with extensive number of subjects offered including utilisation of our partnerships with Godolphin and Latymer where some subjects will be delivered.

We have 8 main strategic priorities for the academic year 2015/2016:

- 1) All students are stretched and challenged academically and achievement is well above national expectations, and no significant gaps in achievement occur (e.g. PP / Non-PP).
- 2) Teaching and Learning remains the main thing in the academy, our 'core business', and we stay focused on continuously improving our classroom practice, so that 90% of all lessons are judged 'good' or above across the school.
- 3) Our whole-school approach to literacy is further embedded and KAA continues to be a school that loves to read, celebrates language and develops articulate, confident communicators.
- 4) All students, especially those with SEN, are supported and nurtured in their learning, so that we stay an inclusive school where students feel safe, happy, and that there are no barriers to achievement which cannot be overcome.
- 5) Our core value of INTREPIDUS evolves and strengthens even further and continues to be powerful and meaningful to all students, staff, parents and governors.
- 6) We develop as an entrepreneurial academy and move beyond an 'awareness' of entrepreneurship towards a structured, seven year programme for all students.
- 7) Academy finances remain robust and in surplus over the long term.
- 8) We continue as 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 and governors are supported in their learning and curiosity and our training and development programme become the foundation of all that we do.

KENSINGTON ALDRIDGE ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

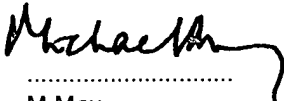
Auditor

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 governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 10 Dec 2015 and signed on its behalf by:



M May

Chair of Governors

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

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 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governors	Meetings attended	Out of possible
M May (Chair of Governors) (Appointed 1 September 2015)	0	0
Sir R Aldridge	4	4
A Balon	4	4
D Benson (Accounting Officer)	4	4
J Brown (Appointed 1 September 2015)	0	0
Cllr Sir M Cockell (RBKC Co-Sponsor)	4	4
D Hadley (Chair Education Committee)	4	4
L Morris	4	4
C Rampersaud (Chair Business Committee)	4	4
C Shaw	4	4
J Shiner (Resigned 31 August 2015)	4	4
S Tyrer (Appointed 1 May 2015)	1	1
Cllr E Will (RBKC Co-Sponsor)	4	4

The Chair of Governors resigned and left 31 August 2015, a new Chair has been appointed and has taken up his post from 1 September 2015.

We have carried out both internal and external reviews of governance via our sponsor and consultants we have commissioned to provide training and report. A full skills audit of the board is taking place this year.

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The Business Committee is a sub-committee of the main Governing Body. Its purpose is to:

- Receive and review management accounts
- Set and monitor budgets
- Look at ways of increasing income
- Receive and review the statutory financial accounts
- Receive and review the internal audit reports

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Sir R Aldridge	0	3
A Balon	3	3
D Benson (Accounting Officer)	3	3
Cllr Sir M Cockell (RBKC Co-Sponsor)	2	3
L Morris	1	3
C Rampersaud (Chair Business Committee)	3	3

Review of value for money

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

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

- Negotiating discounts with regular suppliers
- Skeleton support staffing in the first year of operation
- Utilisation of partnerships through shared training and resources
- Tight budget control for all budget holders

The Academy, as a start-up academy, have been allocated RM to deliver all ICT Capital equipment. This has proven not to fit within the principles of Best Value. It has given us limited choice of suppliers of equipment who in our view are not the best quality, and at a higher price that could be sourced from existing contacts from our experienced staff.

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 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. The board of Governors will monitor and review the key risks.

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, 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. One internal audit visit has taken place in the year.

Wilkins Kennedy FKC reports to the Governing Body through the Business Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Governing Body.

A full work programme was undertaken during the period with no significant issues being highlighted.

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.

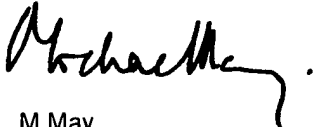
KENSINGTON ALDRIDGE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 10 Dec 2015 and signed on its behalf by:



M May
Chair of Governors



D Benson
Accounting Officer

KENSINGTON ALDRIDGE ACADEMY

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

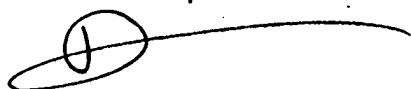
FOR THE YEAR ENDED 31 AUGUST 2015

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 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 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 16/12/15. and signed by:



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 2005;
- 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 10 Dec 2015 and signed on its behalf by:



M May
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 2015 set out on pages 21 to 41. 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 2014 to 2015 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 16, 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 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, and 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 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.

Michelle Wilkes FCA

Michelle Wilkes FCA (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy FKC

Chartered Accountants

Statutory Auditor

Stourside Place

Station Road

Ashford

Kent

TN23 1PP

Dated: 14 December 2015

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 2014 to 2015, 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 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 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 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 Academy Trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

KENSINGTON ALDRIDGE ACADEMY

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

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.

Wilkins Kennedy FKC

Reporting Accountant

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

Dated: 14 December 2015

KENSINGTON ALDRIDGE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £'000's	Restricted funds £'000's	Fixed Asset funds £'000's	Total 2015 £'000's	Total 2014 £'000's
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	3	66	35	40,388	40,489	132
- Activities for generating funds	4	160	33	-	193	-
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	17	2,404	-	2,421	1,302
Total incoming resources		243	2,472	40,388	43,103	1,434
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	59	2,409	519	2,987	359
Governance costs	8	-	53	-	53	24
Total resources expended	6	59	2,462	519	3,040	383
Net incoming/(outgoing) resources before transfers		184	10	39,869	40,063	1,051
Gross transfers between funds		-	(66)	66	-	-
Net income/(expenditure) for the year		184	(56)	39,935	40,063	1,051
Fund balances at 1 September 2014		-	77	974	1,051	-
Fund balances at 31 August 2015		184	21	40,909	41,114	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.

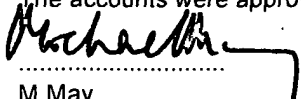
KENSINGTON ALDRIDGE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2015

		2015	2014
	Notes	£'000's	£'000's
Fixed assets			
Tangible assets	11	40,909	827
Current assets			
Debtors	12	514	1,093
Cash at bank and in hand		31	83
		545	1,176
Current liabilities			
Creditors: amounts falling due within one year	13	(328)	(952)
Net current assets		217	224
Net assets excluding pension liability		41,126	1,051
Defined benefit pension liability	17	(12)	-
Net assets		41,114	1,051
Funds of the Academy Trust:			
Restricted funds	15		
- Fixed asset funds		40,909	974
- General funds		33	77
- Pension reserve		(12)	-
Total restricted funds		40,930	1,051
Unrestricted income funds	15	184	-
Total funds		41,114	1,051

The accounts were approved by order of the Governing Body and authorised for issue on 10 Dec 2015


M May
Chair of Governors

Company Number 07702460

KENSINGTON ALDRIDGE ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £'000's	2014 £'000's
Net cash inflow from operating activities	18	161	27
Capital expenditure and financial investments			
Capital grants received	-		883
Payments to acquire tangible fixed assets	(213)		(827)
Net cash flow from capital activities		(213)	56
Increase/(decrease) in cash	19	(52)	83

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

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 2015

1 Accounting policies

(Continued)

Transfer of lease

On 1 September 2014 the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at 1 September 2014, the date of transfer. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

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

Individual assets or a group of assets costing £3,000 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 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 other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	Land not depreciated; buildings 2%
Computer equipment	33%
Fixtures, fittings & equipment	25%

1.6 Leasing 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 2015

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 17, 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 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2015.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

3 Voluntary income

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2015 £'000's	Total 2014 £'000's
Donated fixed assets	-	40,388	40,388	-
Other donations	66	35	101	132
	<u>66</u>	<u>40,423</u>	<u>40,489</u>	<u>132</u>

4 Activities for generating funds

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2015 £'000's	Total 2014 £'000's
Hire of facilities	74	-	74	-
Catering income	59	-	59	-
Music tuition	6	-	6	-
Parental contributions	21	-	21	-
Kensington Creates	-	33	33	-
	<u>160</u>	<u>33</u>	<u>193</u>	<u>-</u>

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2015 £'000's	Total 2014 £'000's
DfE / EFA grants				
General annual grant (GAG)	-	1,597	1,597	-
Start up grants	-	305	305	-
Capital grants	-	-	-	883
Other DfE / EFA grants	-	130	130	141
	<u>-</u>	<u>2,032</u>	<u>2,032</u>	<u>1,024</u>
Other government grants				
Local authority grants	-	332	332	278
Other grants	-	40	40	-
	<u>-</u>	<u>372</u>	<u>372</u>	<u>278</u>
Other funds				
Other incoming resources	17	-	17	-
	<u>17</u>	<u>2,404</u>	<u>2,421</u>	<u>1,302</u>
Total funding	<u>17</u>	<u>2,404</u>	<u>2,421</u>	<u>1,302</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs £'000's	Premises & equipment £'000's	Other costs £'000's	Total 2015 £'000's	Total 2014 £'000's
Academy's educational operations					
- Direct costs	1,287	194	173	1,654	302
- Allocated support costs	461	361	511	1,333	57
	<u>1,748</u>	<u>555</u>	<u>684</u>	<u>2,987</u>	<u>359</u>
Other expenditure					
Governance costs	-	-	53	53	24
	<u>-</u>	<u>-</u>	<u>53</u>	<u>53</u>	<u>24</u>
Total expenditure	<u>1,748</u>	<u>555</u>	<u>737</u>	<u>3,040</u>	<u>383</u>
Net income/(expenditure) for the year includes:				2015	2014
				£'000's	£'000's
Fees payable to auditor					
- Audit				6	3
- Other services				-	1
				<u>6</u>	<u>1</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2015 £'000's	Total 2014 £'000's
Direct costs				
Teaching and educational support staff costs	-	1,238	1,238	289
Recruitment costs	-	38	38	-
Depreciation	-	194	194	-
Technology costs	-	8	8	1
Educational supplies and services	-	102	102	2
Examination fees	-	3	3	-
Staff development	-	11	11	5
Educational consultancy	-	35	35	-
Other direct costs	-	25	25	5
	-	1,654	1,654	302
Allocated support costs				
Support staff costs	-	461	461	53
Depreciation	-	325	325	-
Maintenance of premises and equipment	-	36	36	-
Cleaning	-	61	61	-
Energy costs	-	81	81	-
Rent and rates	-	104	104	-
Insurance	-	41	41	2
Security and transport	-	13	13	-
Catering	59	18	77	-
Interest and finance costs	-	(1)	(1)	-
Other support costs	-	135	135	2
	59	1,274	1,333	57
Total costs	59	2,928	2,987	359

8 Governance costs

	Unrestricted funds £'000's	Restricted funds £'000's	Total 2015 £'000's	Total 2014 £'000's
Legal and professional fees	-	46	46	20
Auditor's remuneration				
- Audit of financial statements	-	6	6	3
- Other audit costs	-	-	-	1
Governors' reimbursed expenses	-	1	1	-
	-	53	53	24

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 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:

	2015 Number	2014 Number
Teachers	15	2
Administration and support	15	1
Management	4	1
	<u>34</u>	<u>4</u>

Costs included within the accounts:

	2015 £'000's	2014 £'000's
Wages and salaries	1,394	244
Social security costs	119	25
Other pension costs	181	35
	<u>1,694</u>	<u>304</u>
Supply teacher costs	21	-
Compensation payments	21	-
Staff development and other staff costs (including staff recruitment costs)	12	43
	<u>1,748</u>	<u>347</u>

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

	2015 Number	2014 Number
£60,001 - £70,000	2	2
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-
	<u>3</u>	<u>3</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

(Continued)

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

		2015	2014
Teachers' Pension Scheme	Numbers	3	3
	£'000's	19	19
Local Government Pension Scheme	Numbers	-	-
	£'000's	-	-

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £21,000 (2014: £Nil). Individually, the payments were: £20,000 and £1,000.

10 Governors' remuneration and expenses

The Principal only receives remuneration in respect of services he provides undertaking his role of Principal and not in respect of his services as governor. 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 £1,616 (2014: £4,368) were reimbursed to 3 Governors (2014: 2 Governors).

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

David Benson (Principal):

- Remuneration £110,001 - £115,000 (2014: £95,001-£100,000)
- Employer's pension contributions £10,001 - £15,000 (2014: £10,001-£15,000)

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 £1m on any one claim and the cost for the year ended 31 August 2015 was £536 (2014: £536).

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000's	£'000's	£'000's	£'000's
Cost				
At 1 September 2014	-	736	91	827
Additions	25	138	55	218
Transfers from local authority	40,383	-	-	40,383
	<u>40,408</u>	<u>874</u>	<u>146</u>	<u>41,428</u>
At 31 August 2015				
Depreciation				
At 1 September 2014	-	-	-	-
Charge for the year	194	288	37	519
	<u>194</u>	<u>288</u>	<u>37</u>	<u>519</u>
At 31 August 2015				
Net book value				
At 31 August 2015	40,214	586	109	40,909
	<u>40,214</u>	<u>586</u>	<u>109</u>	<u>40,909</u>
At 31 August 2014	-	736	91	827
	<u>-</u>	<u>736</u>	<u>91</u>	<u>827</u>

Transactions relating to land and buildings during the year include:

- the donation of leasehold land and buildings valued at £40,383,000 over a term of 125 years;
- property improvements to the building costing £25,286.

Land, valued at £30,708,000 has not been depreciated.

12 Debtors

	2015 £'000's	2014 £'000's
VAT recoverable	67	171
Other debtors	34	34
Prepayments and accrued income	413	888
	<u>514</u>	<u>1,093</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

13 Creditors: amounts falling due within one year	2015 £'000's	2014 £'000's
Trade creditors	165	4
Amounts owed to undertakings in which the company has a participating interest	-	870
Taxes and social security costs	39	18
Other creditors	24	14
Accruals	45	46
Deferred income	55	-
	<u>328</u>	<u>952</u>
14 Deferred income	2015 £'000's	2014 £'000's
Deferred income is included within:		
Creditors due within one year	55	-
	<u>55</u>	<u>-</u>
Total deferred income at 1 September 2014	-	-
Amounts credited to the Statement of Financial Activities	-	-
Amounts deferred in the year	55	-
	<u>55</u>	<u>-</u>
Total deferred income at 31 August 2015	55	-

At the balance sheet date the Academy Trust was holding funds received in advance for rates.

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014 £'000's	Incoming resources £'000's	Resources expended £'000's	Gains, losses & transfers £'000's	Balance at 31 August 2015 £'000's
Restricted general funds					
General Annual Grant	-	1,597	(1,502)	(66)	29
Start up grants	-	305	(305)	-	-
Other DfE / EFA grants	47	130	(177)	-	-
Other government grants	-	372	(372)	-	-
Other restricted funds	-	35	(35)	-	-
Kensington Creates	30	33	(59)	-	4
	<u>77</u>	<u>2,472</u>	<u>(2,450)</u>	<u>(66)</u>	<u>33</u>
Funds excluding pensions	77	2,472	(2,450)	(66)	33
Pension reserve	-	-	(12)	-	(12)
	<u>77</u>	<u>2,472</u>	<u>(2,462)</u>	<u>(66)</u>	<u>21</u>
Restricted fixed asset funds					
General fixed assets	974	40,388	(519)	66	40,909
	<u>974</u>	<u>40,388</u>	<u>(519)</u>	<u>66</u>	<u>40,909</u>
Total restricted funds	<u>1,051</u>	<u>42,860</u>	<u>(2,981)</u>	<u>-</u>	<u>40,930</u>
Unrestricted funds					
General funds	-	243	(59)	-	184
	<u>-</u>	<u>243</u>	<u>(59)</u>	<u>-</u>	<u>184</u>
Total funds	<u>1,051</u>	<u>43,103</u>	<u>(3,040)</u>	<u>-</u>	<u>41,114</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

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

General Annual Grant

General funding provided by EFA to support the running of the school.

Pupil Premium

Funding provided to support underachieving children within the school.

SEN Funding

Funding for students with learning needs and for the support mechanisms in place for these students.

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.

Kensington Creates

This funding is lettings income and sundry other income to fund Kensington Creates, a unique coworking hub and business incubator designed to help young entrepreneurs start and grow their businesses.

Transfer between funds

Transfers between funds represents the purchase of capital assets from GAG funding.

16 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 2015 are represented by:				
Tangible fixed assets	-	-	40,909	40,909
Current assets	512	33	-	545
Creditors falling due within one year	(328)	-	-	(328)
Defined benefit pension liability	-	(12)	-	(12)
	<u>184</u>	<u>21</u>	<u>40,909</u>	<u>41,114</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Royal Borough of Kensington and Chelsea. Both are multi-employer 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 that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £23k (2014: £14k) were payable to the schemes at 31 August 2015 and are included within creditors.

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 the TPS in the period amounted to £117k (2014: £27k).

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.8% for employers and 5.5 to 7.5% for employees. The estimated value of employer contributions for the forthcoming year is £53k.

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.

Contributions made	2015 £'000's	2014 £'000's
Employer's contributions	48	-
Employees' contributions	19	-
	<hr/>	<hr/>
Total contributions	67	-
	<hr/>	<hr/>

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.5	-
Rate of increase for pensions in payment	2.7	-
Discount rate for scheme liabilities	4.0	-
Inflation assumption (CPI)	2.7	-
	<hr/>	<hr/>

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

	2015 Years	2014 Years
Retiring today		
- Males	22.4	-
- Females	25.7	-
Retiring in 20 years		
- Males	24.6	-
- Females	28.0	-
	<hr/>	<hr/>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £'000's	2014 Expected return %	2014 Fair value £'000's
Equities	6.0	55	-	-
Cash	6.0	3	-	-
Absolute return portfolio	6.0	8	-	-
Property	6.0	4	-	-
Total market value of assets		70		-
Present value of scheme liabilities - funded		(82)		-
Net pension asset / (liability)		(12)		-

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore we are not required to disclose an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 6.6% per annum, which has been used to determine the profit and loss charge for the year ended 31 August 2015.

Amounts recognised in the statement of financial activities

	2015 £'000's	2014 £'000's
Operating costs/(income)		
Current service cost (net of employee contributions)	61	-
Past service cost	-	-
Total operating charge	61	-
Finance costs/(income)		
Expected return on pension scheme assets	(2)	-
Interest on pension liabilities	1	-
Net finance costs/(income)	(1)	-
Total charge/(income)	60	-

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £'000's	2014 £'000's
Actuarial (gains)/losses on assets: actual return less expected	-	-
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	-	-
	<u>-</u>	<u>-</u>
Total (gains)/losses	-	-
	<u>-</u>	<u>-</u>
Cumulative (gains)/losses to date	-	-
	<u>-</u>	<u>-</u>

Movements in the present value of defined benefit obligations

	2015 £'000's	2014 £'000's
Obligations at 1 September 2014	(3)	-
Current service cost	(59)	-
Interest cost	(1)	-
Contributions by employees	(19)	-
	<u>(82)</u>	<u>-</u>
At 31 August 2015	(82)	-
	<u>(82)</u>	<u>-</u>

Movements in the fair value of scheme assets

	2015 £'000's	2014 £'000's
Assets at 1 September 2014	1	-
Expected return on assets	2	-
Contributions by employers	48	-
Contributions by employees	19	-
	<u>70</u>	<u>-</u>
At 31 August 2015	70	-
	<u>70</u>	<u>-</u>

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (Continued)

History of experience gains and losses

	2015 £'000's
Present value of defined benefit obligations	(82)
Fair value of share of scheme assets	70
Surplus / (deficit)	(12)
Experience adjustment on scheme assets	-
Experience adjustment on scheme liabilities	-

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

	2015 £'000's	2014 £'000's
Net income	40,063	1,051
Capital grants and similar income	(40,388)	(883)
Defined benefit pension costs less contributions payable	13	-
Defined benefit pension finance costs/(income)	(1)	-
Depreciation of tangible fixed assets	519	-
(Increase)/decrease in debtors	579	(1,093)
Increase/(decrease) in creditors	(624)	952
Net cash inflow/(outflow) from operating activities	161	27

19 Reconciliation of net cash flow to movement in net funds

	2015 £'000's	2014 £'000's
Increase/(decrease) in cash	(52)	83
Net funds at 1 September 2014	83	-
Net funds at 31 August 2015	31	83

20 Analysis of net funds

	At 1 September 2014 £'000's	Cash flows £'000's	Non-cash changes £'000's	At 31 August 2015 £'000's
Cash at bank and in hand	83	(52)	-	31

KENSINGTON ALDRIDGE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

21 Capital commitments

	2015 £'000's	2014 £'000's
At 31 August 2015 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	302	443

22 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 and J Shiner are trustees of The Aldridge Foundation.

During the year The Aldridge Foundation have provided support services to the academy as the academy sponsor. During the financial year Kensington Aldridge Academy paid £30,000 to The Aldridge Foundation. At 31 August 2015 The Aldridge Foundation were owed £15,000 (2014: £129,458) by Kensington Aldridge Foundation. In addition The Aldridge Foundation owed £34,077 (2014: £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. She provided financial consultancy but ceased to do so 31 January 2015.

During the year, the academy trust paid Brailsford Rowe Ltd £21,387 (2014: £17,445) for financial and accounting services. No monies were owing at the year end.

Portslade Aldridge Community Academy (PACA)

During the year £20,504 (2014: £Nil) was paid to Portslade Aldridge Community Academy, a company in which Sir Rodney Aldridge is a director, for shared services. At 31 August 2015 PACA were owed £10,669.

23 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.