

Registration number: 08977173

The Kirkstead Education Trust

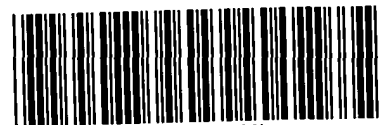
(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 3 April 2014 to 31 August 2015

Hallidays
Chartered Accountants
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

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The Kirkstead Education Trust

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Reference and Administrative Details

Members	R Benton (appointed 3 April 2014) D Boxall (appointed 3 April 2014) C Trask (appointed 3 April 2014)
Governors and Trustees (Directors)	R Benton, (Chair) (appointed 3 April 2014) D Boxall (appointed 3 April 2014) F Haskayne (appointed 7 April 2014) S Kashyap (appointed 7 April 2014) E Losse, (Head Teacher & Accounting Officer) (appointed 7 April 2014) C Trask (appointed 3 April 2014)
Governors	L Ashworth (appointed 1 June 2014) V Jones, (staff trustee) (appointed 1 September 2015) C Howe (appointed 1 July 2015) R Jarman, (staff trustee) (appointed 1 June 2014 and resigned 31 August 2015) L Powner (appointed 1 January 2015) G Theobald (appointed 1 June 2014) M Tonge (appointed 1 June 2014)
Senior Management Team	E Losse, Head Teacher T Kendrick, Deputy Head Teacher C Potter, Assistant Head Teacher H Walker, Assistant Head Teacher A Powell, Senior Teacher A Proffitt, Senior Teacher
Principal and Registered Office	Kirkstead Road Cheadle Hulme Cheadle Cheshire SK8 7PZ
Company Registration Number	08977173
Auditors	Hallidays Chartered Accountants Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD
Bankers	Royal Bank of Scotland 50 Bramhall Lane South Bramhall Stockport SK7 1AJ

The Kirkstead Education Trust

Trustees' Report for the period from 3 April 2014 to 31 August 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 June 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 7 to 11 serving a catchment area in Cheadle Hulme. Hursthead Junior School has a pupil capacity of 360 and had a roll of 351 in the school census in January 2015.

Structure, Governance and Management

The incorporation date of The Kirkstead Education Trust was 3 April 2014, and conversion to Academy status took place on 1 June 2014. 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. A number of the governors of Hursthead Junior School are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Kirkstead Education Trust. Hursthead Junior School is currently the only school in the Multi Academy Trust.

Details of the trustees 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.

Trustees' Indemnities

Governors benefit from indemnity cover purchased at the Academy Trust's expense as part of the Risk Protection Arrangement provided by the Department for Education. This covers defence costs and legal liability of the Governors, Officers and Trustees to pay damages but not fines, penalties, punitive or exemplary damages. The limit of this indemnity is £5,000,000 for each and every loss.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association state that the Trust shall have at least three directors, and shall not be subject to any maximum, which include the Head Teacher of the school and the three signatories to the Memorandum of Association. The usual term of office is a period of four years, with the exception of the Head Teacher who shall serve for as long as they are in post.

The school also has a local Governing Body, which must include two parent governors. Parent Governors are elected by the parents and appointed by the Directors, who will give consideration to the skills and experience of the current Governing Body, appointing those thought to bring suitable knowledge and expertise to contribute fully to the development of the School.

Governors regularly receive Head Teacher reports, policies, newsletters, minutes, financial information school improvement plans and have access to both the school website and Virtual Learning Environment.

The Kirkstead Education Trust

Trustees' Report for the period from 3 April 2014 to 31 August 2015 (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

New Governors and Trustees are encouraged to take part in a programme of induction training, which is bought back by the School from the Local Authority. A skills audit is undertaken to identify any areas where further training may be necessary and Governors and Trustees are invited to take advantage of a full range of training opportunities provided by the Local Authority and other external providers. Staff Governors are elected by school staff.

Governors and Trustees are always welcomed into the School to meet staff and pupils. 'Governor Thursdays' (the first Thursday in every month) allow regular opportunities for Governors to spend time in school joining in with school activities and liaising informally with staff and pupils.

Organisational Structure

The Full Governing Body meets termly. It has established a number of sub-committees, and determined the membership and terms of reference of these committees. Usually, the committees meet termly in advance of the Governing Body meeting and the subsequent reports and activities of each committee are presented to and ratified by the Governing Body.

The committees currently in place are:

- Resources (incorporating Health & Safety, Premises, Finance and the Audit Committee)
- Teaching & Learning
- Standards
- Personnel (incorporating Performance Management)
- Pay

The Governing Body has devolved responsibility for monitoring, decision making and policy formulation to these committees, however responsibility for approval of the annual budget plan still lies with the Governing Body.

The Governing Body has devolved responsibility for the day to day running of the school to the Head Teacher and Senior Leadership Team (SLT). The SLT comprises the Head Teacher, Deputy Head Teacher, Assistant Head Teachers, and Senior Teachers.

The Head Teacher is also the Accounting Officer.

Related Parties and other Connected Charities and Organisations

The Hursthead Junior School Parents' Association run events and fundraising activities throughout the year to raise additional funds for the school.

The School shares the Kirkstead Road site with Hursthead Infant School, from which it receives the majority of its pupils. A shared use agreement is in place with the Infant school which came into effect at the point of conversion. The two schools work closely together on all aspects of school life, and ensure a smooth transition for pupils moving from KS1 to KS2.

The School is part of the Altius Alliance (formerly Atticus Alliance), led by Cheadle Hulme High School, our main feeder secondary school.

The Kirkstead Education Trust

Trustees' Report for the period from 3 April 2014 to 31 August 2015 (continued)

We also work closely with the University of Manchester in training the teachers of the future. We offer placements to students pursuing the PGCE qualification, and from September 2016 will be a School Direct provider, leading an alliance of primary schools in the local area including Hursthead Infant School, Bradshaw Hall Primary, Oak Tree Primary, Didsbury Road and Wilmslow Grange.

Objectives and Activities

Objectives and Aims

Hursthead Junior School endeavours to lay the foundations for children to develop into happy, secure and confident young people well equipped to achieve their maximum potential.

We aim to do this by –

- giving a wealth of opportunities from which to learn
- encouraging teamwork and a partnership between home and school
- offering a range of teaching and learning styles to enhance the children's development
- providing a commitment to the highest standards of assessment and learning underpinned by a continuing programme of staff development
- providing a safe, supportive and stimulating learning environment
- enabling children to achieve their maximum potential whilst enjoying their learning experiences
- promoting pupils' spiritual, moral, social and cultural development
- following an established code of behaviour which fosters self-esteem, self-respect, and respect for others
- placing pupils' rights and responsibilities at the heart of everything we do

The directors, governors and staff of the Kirkstead Education Trust at Hursthead Junior School strive to develop the necessary values, knowledge, skills and understanding for both pupils and adults to become REAL citizens.

- Responsible
- Enthusiastic
- Aspirational
- Leaders

Our vision is for children to become well-equipped for life with the skills to learn and to be good citizens representing their school community. We put the children at the heart of our decision-making process.

Responsibility

Staff at Hursthead Junior School take the responsibility to ensure that the rich, broad curriculum provided for all learners is an exciting, engaging process to be worked through rather than a set model. At Hursthead Junior School, everyone is a learner and expected to take responsibility for developing their knowledge, skills and understanding through a range of challenging opportunities that take place both in and out of the classroom. Children take responsibility for their own behaviour and, through our buddy system, are encouraged to care for each other and promote high standards. Teaching, learning and assessment are tailored to meet the needs of the individual – promoting children's strengths while recognising and taking active steps to address their areas for development.

Our unique combination of lesson observations, teaching triads and pupil progress meetings and high quality professional dialogue puts children - and their progress - at the heart of everything we do and ensures that all children are provided with outstanding teaching and learning opportunities within a safe, supportive environment.

The Kirkstead Education Trust

Trustees' Report for the period from 3 April 2014 to 31 August 2015 (continued)

Enthusiasm

Children and adults are encouraged to embrace life at Hursthead Junior School and take advantage of everything it has to offer. Staff provide a wide and varied programme of enrichment, from Scrabble to Cross Country, which support children in developing positive relationships within school and in having fun.

We recognise that happy children make better learners and put enjoyment at the centre of our curriculum, encouraging children to be inquisitive and ask questions about the world around them. Staff promote a love of learning for its own sake and actively teach children the skills to become good learners and citizens – collaboration, teamwork, compromise and the ability to articulate their opinions whilst being respectful of the views and beliefs of others. Successes are celebrated and children are taught to understand that some of our best learning comes from the mistakes we make.

Our vision is for Hursthead Junior School to be a model of best practice for learning behaviours.

Aspiration

Staff embed a sense of ambition for all children. Teachers and pupils articulate and embed high expectations of both learning and behaviour and promote an attitude of resilience and perseverance at an age appropriate level, preparing children for the next stage of their education. All children are given opportunities to experience success, whilst understanding the benefits of challenge.

Children are encouraged to think beyond their primary school years and are provided with inspirational role models through academic pursuit, sport, music and creative activity. These include visitors to school, parents and community leaders as well as historical figures who have played a role in shaping society. Staff work with children and their families to promote standards of attainment that are consistently above national averages and strive to ensure that children make the very best progress possible.

Leadership

Hursthead Junior School's vision is for outstanding distributive leadership from children and adults. Right from Year 3 children are given opportunities to develop the qualities of leadership, whether that be through group work, as a school councillor or a member of club. As children progress through the school they are encouraged to lead in everything from sport to working with younger children.

Our RRSA steering group, School Council and Family system enable children to influence the direction and decision making within the school. Children learn how democracy works and stand for election. All staff in school are considered leaders – whether that be through a club, subject, area of responsibility or through the Senior Leadership team who work closely with the Governing Body and Directors to achieve the best possible outcomes for all children.

Through our endeavours, Hursthead Junior School will be the flagship school for the Kirkstead Education Trust.

The Kirkstead Education Trust

Trustees' Report for the period from 3 April 2014 to 31 August 2015 (continued)

Objectives, Strategies and Activities

The principal object and activity of the Kirkstead Education Trust is the operation of Hursthead Junior School to provide free education and care for pupils of different abilities between the ages of 7 and 11 years.

Key priorities for the year are laid out in the School Development Plan. The November 2014 SDP identified the following foci:

- The development of assessment procedures and practices to reflect the new National requirements.
- The implementation of the new National Curriculum
- Apply the school behaviour policy, systems and procedures consistently to further develop positive attitudes to learning and pride in the school.
- Develop the roles of the Senior Leadership team and subject leaders to improve the quality of teaching and learning across the school.
- To continue to develop home/school links and foster high levels of parental engagement
- Redefining the Values, Vision and mission statement of Hursthead Junior School within the Academy Trust
- To ensure the facilities are fit for purpose, provide good value for money and meet the needs of the users.

See School Development Plan 2015 for key priorities for the forthcoming year.

Public Benefit

The trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by the Trust is the provision of high quality education for its pupils. The School catchment is designated by the Local Authority and has remained unchanged since academy conversion. Hursthead Junior School is non-selective.

The admission arrangements are handled on the School's behalf by the Local Authority and a public consultation process is currently underway to determine admission arrangements for the 2019-20 academic year onwards prioritising children who are pupils at Hursthead Infant School.

Strategic Report

Achievements and Performance

The School recruited a Deputy Head in September 2014, following the promotion of the former deputy to the position of Head Teacher with the school. In September 2015, 2 full time teachers (both NQTs) were appointed to replace two long standing staff members. One of these had completed his teacher training at Hursthead Junior School as part of the School Direct programme in partnership with the University of Manchester.

Standards are monitored and key priorities identified through a programme of lesson observations, teaching triads and pupil progress meetings as well as through a rigorous appraisal process. All teachers, with the exception of NQTs, are subject leaders. They carry out work scrutiny, pupil interviews and their reports feed into the School Development Plan.

The Kirkstead Education Trust

Trustees' Report for the period from 3 April 2014 to 31 August 2015 (continued)

The Parents' Association organised numerous fundraising events throughout the year, and donated funds to enable the purchase of three classroom touch-screens, along with funding the transport for the annual Christmas theatre visits, and sporting events. DT resources are also subsidised by the PA.

Key Performance Indicators

Roll – 353 Pupils were on roll at the end of the 2014-15 academic year.

Attendance – attendance during 2014-15 was 97.9%.

Exclusions – There were no exclusions during this period.

Summary of Key Stage 2 results:

	Level 4+		Level 5+		Level 6	
	2014	2015	2014	2015	2014	2015
Maths School	93%	95%	59%	52%	14%	16%
Maths National	86%	87%	42%	41%	9%	9%
SPAG School	90%	92%	66%	77%	2%	6%
SPAG National	76%	80%	52%	55%	4%	4%
Reading School	95%	95%	72%	67%	0%	0%
Reading National	89%	89%	49%	48%	0%	0%
Writing (TA)	93%	95%	36%	52%	2%	5%

These results are in line with the 3 year trend and are well above national. There was a significant increase in Level 5 SPAG from 2014 to 2015 and in Level 5 writers. The school uses this data to identify strengths and areas for continued development across the school.

Progress:

	Expected Progress		Above expected progress	
	2014	2015	2014	2015
Reading School	92%	93%	27%	27%
Reading National	91%	91%	35%	33%
Writing School	94%	99%	15%	38%
Writing National	93%	94%	33%	36%
Maths School	88%	92%	30%	32%
Maths National	89%	90%	35%	34%

Percentages of pupils making expected progress are in line with national figures. It remains challenging for pupils to make above expected progress, from their high starting points. In 2015, the school significantly improved the percentage of pupils making above expected progress in their writing, from the 2014 measure.

The Kirkstead Education Trust

Trustees' Report for the period from 3 April 2014 to 31 August 2015 (continued)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The Majority of the School's income is received in monthly instalments from the Education Funding Agency (EFA), according to the Local Authority's Funding Formula.

The School also receives an annual Devolved Formula Capital (DFC) grant comprising a lump sum and a per-pupil supplement for capital improvements.

For the year 2014-15, the School was successful in securing a Condition Improvement Fund (CIF) grant of £174,804 from the EFA. This grant allowed the school kitchen to be extended and improved and the ageing external concrete cladding on the building to be replaced. The school also contributed £15,000 towards this project. The school bank balance appeared artificially high at 31 August 2015, as a large proportion of the CIF grant was still held by the school, awaiting invoicing in early September.

The land, building and other assets were transferred to the School upon conversion. The land was professionally valued on 17 April 2014 at £384,000. The valuation of the building was provided by the Local Authority, and was stated to be £2,946,374.74. Other assets, including IT, were included at their original purchase price.

The School has taken on the deficit in the Local Government Pension Scheme in respect of the non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity.

The Governors have appointed Chris Trask (BA FCA) as Responsible Officer, to carry out a termly programme of internal check on the School's financial controls. This programme has been set by the Audit committee, and the findings of each termly check are reported to the Audit Committee at the next scheduled Resources Committee meeting. Checks carried out throughout 2014-15 showed no matters of significance.

Reserves Policy

The School intends to use allocated funding to provide for the children currently on roll, whilst maintaining a prudent level of balances for future use. The school is mindful of anticipated funding reductions in future years, and this situation is kept under review. The projected budgets allow for increasing staffing costs.

Investment Policy

The school keeps its cash balances between a current account, and an interest-bearing deposit account. The Trustees are committed to minimising financial risk and therefore have not entered into any external investment of school balances.

The Kirkstead Education Trust

Trustees' Report for the period from 3 April 2014 to 31 August 2015 (continued)

Principal Risks and Uncertainties

The School has an agreed programme of internal controls designed to minimise and manage risk in all areas.

The principal risks and uncertainties facing the School are as follows:

Financial – The school relies on Government funding through the EFA. Reducing budgets and changes to the funding formula make future funding levels uncertain. Frequent budget reviews take place, a prudent level of balances are maintained and staffing reviews are undertaken prior to any appointments being made.

Legal / regulatory – The risks in this area arise from potential failure (knowingly or unknowingly) to comply with legislation in areas such as Health and Safety, employment, statutory returns etc. The School purchases the services of professionals in each area of specialism to ensure compliance with all statutory requirements.

Fraud / Misappropriation of Funds – The school has appointed a Responsible Officer to regularly check the level of internal controls used during financial activity. The Academies Financial Handbook provides the start point for the schools financial procedures and strict segregation of duties lessens the opportunity for fraudulent activity to take place.

Social – A free school is due to open in 2017 in the local area, and dependent upon the exact location this may have an effect on pupil numbers and / or the catchment of pupils attending Hursthead Junior School. A proposed change to admission criteria for the main feeder high school may also affect parents' choice of primary school.

The School has put in place a risk register during 2014, which is reviewed and updated on a regular basis.

Plans for Future Periods

The School will continue to challenge and support pupils to achieve their potential, whilst aiming to attract the highest calibre teaching and non-teaching staff.

Current Year SDP - See SDP 2015 for details

Leadership

- To support staff to develop the skills and understanding to deliver the new curriculum to lower ability and SEN children with maximum impact on progress and attainment
- Using effective Assessment for Learning Strategies (AfL) strategies to move learning on for the class, groups and individuals
- Review and develop systems to monitor the impact of interventions
- Continue to develop profile and responsibilities of subject leaders and ensure that effective feedback is provided to staff following monitoring and evaluation
- To develop the role of the Family Leaders as a Junior School Improvement team
- To recruit School Direct trainees and devise an effective training programme across the alliance for 2016/2017 (Hursthead Juniors, Hursthead Infants, Oak Tree, Bradshaw Hall, Didsbury Road, Wilmslow Grange)

The Kirkstead Education Trust

Trustees' Report for the period from 3 April 2014 to 31 August 2015 (continued)

Teaching, Learning and Assessment

- To further enhance and develop the knowledge and understanding of the teaching of mathematics across the school
- To support teachers in understanding how to plan learning that deepens understanding and shows pupils' mastery of curriculum
- To ensure all teachers are confident in being able to deliver the new Computing curriculum and use IT effectively to enhance teaching and learning
- To continue to develop collaborative work amongst staff to improve teaching and learning
- To develop a strong learning ethos across school

Personal Development, Behaviour and Welfare

- To ensure that all staff are aware of current safeguarding priorities including PREVENT, FGM and CSE
- To review and develop the PSHE curriculum
- To continue to implement the Restorative Approaches training as a whole school behaviour management strategy
- To continue to develop a Growth Mindset culture in school to encourage: resilience, perseverance, collaboration, confidence and risk-taking within a supportive environment

Outcomes for Pupils

- To develop effective intervention groups and Pupil Premium groups that enhance learning for all pupils and leads to improved progress
- To develop teachers' understanding of 'working at greater depth'
- To develop staff knowledge of year group expectations in foundation subject areas
- To develop a portfolio of evidence to support teachers in making judgments for children who are meeting and exceeding AREs in reading, writing and mathematics in all year groups
- To set and review effective targets for all pupils

The School Development plan also identifies priorities for: Home/ School Links; the Development of the Kirkstead Education Trust and Premises.

Funds Held as Custodian Trustee on Behalf of Others

The School does not act as the Custodian Trustee of any other charity.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees 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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on **20 November 2015** and signed on the board's behalf by:

Dr R Benton
Trustee



The Kirkstead Education Trust

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher 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 The Kirkstead Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 5 times during the period. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Dr R Benton	5	5
Mr D Boxall	5	5
Ms E Losse	5	5
Mrs F Haskayne	5	5
Mrs C Howe	4	4
Mr M Tonge	5	5
Mrs L Ashworth	3	5
Mrs G Theobald	5	5
Mr R Jarman	5	5
Mrs L Pownor	1	2

C Trask joined the Governing Body in September 2015

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to plan the budget and monitor spending, to ensure that pupils receive the best possible education in the best possible environment.

The committee will monitor:

- projected numbers of pupils in the coming years and the effect on the budget
- the adequacy of resources
- the lettings policy
- the financial implications of the SDP and Post Ofsted Action Plan
- the major expenses that school will be facing over the next 3 - 5 years
- the school's action taken to meet H & S requirements
- any bids for additional funding
- the issues faced in regard to provision with regard to space/layout/decoration/ vandalism etc.
- the working conditions for the staff

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Governance Statement (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Dr R Benton	3	4
Mr D Boxall	4	4
Ms E Losse	4	4
Mrs F Haskayne	3	4
Mrs C Howe	3	4
Mr M Tonge	2	4

C Trask, who is a qualified accountant, joined the committee in September 2015.

The Resources Committee also assumes the role and responsibilities of the Audit Committee.

Its purpose is to:

- investigate any activity within its terms of reference.
- seek any information it requires from the internal audit service, the financial statements auditor, Governors, Committees and school employees, plus relevant information from subcontractors and other third parties.
- obtain external professional advice.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Dr R Benton	2	3
Mr D Boxall	3	3
Ms E Losse	3	3
Mrs F Haskayne	3	3
Mrs C Howe	3	3
Mr M Tonge	2	3

Review of Value for Money

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

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

- Reviewing staffing arrangements to ensure best use of staff resources following the retirement / resignation of two long serving teachers
- Successfully applying for a Condition Improvement Fund grant to replace the external cladding of the building, increase capacity and improve conditions in the school kitchen
- Academy conversion enabling the school to access all of its allocated funding for the benefit of pupils, without the automatic 'de-delegation' of a proportion by the Local Authority

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Governance Statement (continued)

- The introduction of a competitive tendering policy to ensure best value is achieved with high value purchases / contracts

Areas for development:

- Investigation into improving purchasing power through local groups
- Consideration to be given to letting school premises as a means of income generation
- Continuous review of staffing structures, including the use of supply teachers
- Move towards BACS payments to reduce costs and improve efficiency

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 Hursthead Junior School for the period 1 June 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees 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 trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 June 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 board of trustees;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Chris Trask, a trustee, to carry out a programme of internal checks. Mr Trask is referred to as the Responsible Officer.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

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Governance Statement (continued)

- Review of payroll to ensure all changes have been appropriately authorised and actioned
- Review of salary reports and corresponding FMS transactions
- Check a sample of orders from PO, invoice, cheque processing
- Review of bank reconciliation process, including a review of the validity of reconciling items
- Review of Cashflow
- Review of Petty Cash process and supporting documentation
- Review a sample of expense claims to ensure there is appropriate documentation to support the claims
- Review of asset register
- Review of insurance arrangements
- Review of control accounts
- Tendering policy – review of transactions ensuring appropriate procedures have been followed with regard to quotations
- AOB as agreed at previous Resources / Audit Committee meeting

On a termly basis, the Responsible Officer reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As accounting officer the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question the review has been informed by:

- the work of the Responsible Officer
- the work of the external auditor
- the financial management and governance self-assessment process
- the financial management and governance validation visit in April 2015

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 20 November 2015 and signed on its behalf by:



Dr R Benton
Trustee



Ms E Losse
Accounting Officer

The Kirkstead Education Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Hursthead Junior School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 board of trustees 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 board of trustees and EFA.



Ms E Losse
Accounting Officer
20 November 2015

The Kirkstead Education Trust

Statement of Trustees' Responsibilities

The trustees (some of whom act as governors of Hursthead Junior School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 20 November 2015 and signed on its behalf by:



Dr R Benton
Trustee

The Kirkstead Education Trust

Independent Auditor's Report on the Financial Statements to the Members of The Kirkstead Education Trust

We have audited the financial statements of The Kirkstead Education Trust for the period from 3 April 2014 to 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. 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). The financial statements have been prepared under the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 trustees 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 Statement of Trustees' Responsibilities (set out on page 17), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

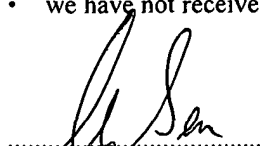
Matters on which we are required to report by exception

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

The Kirkstead Education Trust

Independent Auditor's Report on the Financial Statements to the Members of The Kirkstead Education Trust (continued)

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



Anna Bennett (Senior Statutory Auditor)
For and on behalf of Hallidays , Statutory Auditor

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 20-11-15

The Kirkstead Education Trust

Independent Reporting Accountant's Report on Regularity to The Kirkstead Education Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 22 January 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 The Kirkstead Education Trust during the period 3 April 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body 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 Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 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 from 3 April 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 Education Funding Agency. 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.

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy's framework of authorities. As identified by review of minutes, management accounts, discussion with accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy are within the academy's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy and extended the procedures required for the financial statements to include regularity.

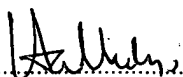
The Kirkstead Education Trust

Independent Reporting Accountant's Report on Regularity to The Kirkstead Education Trust and the Education Funding Agency (continued)

- We have assessed and tested a sample of specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy's delegated authorities and that the internal delegations have been approved by the governing body and conform to the limits set by the Department for Education.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations and other matters where direct evidence is not available.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

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 from 3 April 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.

.....


Hallidays , Chartered Accountants

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 20-11-15

The Kirkstead Education Trust

Statement of Financial Activities for the Period from 3 April 2014 to 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Fund £	Restricted Fixed Asset Funds £	Total 2015 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income						
Transfer on conversion	2	133,787	-	(74,000)	3,544,518	3,604,305
Other voluntary income	2	-	42,352	-	-	42,352
Activities for generating funds	3	90,039	-	-	-	90,039
Investment income	4	1,024	-	-	-	1,024
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	1,614,073	-	186,045	1,800,118
Total incoming resources		<u>224,850</u>	<u>1,656,425</u>	<u>(74,000)</u>	<u>3,730,563</u>	<u>5,537,838</u>
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations		-	1,575,691	15,000	62,338	1,653,029
Governance costs	8	-	23,318	-	-	23,318
Total resources expended	6	<u>-</u>	<u>1,599,009</u>	<u>15,000</u>	<u>62,338</u>	<u>1,676,347</u>
Net incoming/(outgoing) resources before transfers		224,850	57,416	(89,000)	3,668,225	3,861,491
Gross transfers between funds		<u>-</u>	<u>(64,446)</u>	<u>-</u>	<u>64,446</u>	<u>-</u>
Net income/(expenditure) for the period		224,850	(7,030)	(89,000)	3,732,671	3,861,491
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	24	-	-	(26,000)	-	(26,000)

The Kirkstead Education Trust

Statement of Financial Activities for the Period from 3 April 2014 to 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Fund £	Restricted Fixed Asset Funds £	Total 2015 £
Net movement in funds/(deficit)	<u>224,850</u>	<u>(7,030)</u>	<u>(115,000)</u>	<u>3,732,671</u>	<u>3,835,491</u>
Reconciliation of funds					
Funds/(deficit) carried forward at 31 August 2015	<u><u>224,850</u></u>	<u><u>(7,030)</u></u>	<u><u>(115,000)</u></u>	<u><u>3,732,671</u></u>	<u><u>3,835,491</u></u>

All of the Academy's activities derive from acquisitions in the current financial period.

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

The Kirkstead Education Trust
(Registration number: 08977173)
Balance Sheet as at 31 August 2015

	Note	31 August 2015 £
Fixed assets		
Tangible assets	12	3,638,562
Current assets		
Debtors	13	51,704
Cash at bank and in hand		447,392
		499,096
Creditors: Amounts falling due within one year	14	(187,167)
Net current assets		311,929
Total assets less current liabilities		3,950,491
Net assets excluding pension liability		3,950,491
Pension scheme liability	24	(115,000)
Net assets including pension liability		3,835,491
Funds of the Academy:		
Restricted funds		
Restricted general fund		(7,030)
Restricted fixed asset fund		3,732,671
Restricted pension fund		(115,000)
		3,610,641
Unrestricted funds		
Unrestricted general fund		224,850
Total funds		3,835,491

The financial statements on pages 22 to 46 were approved by the Trustees, and authorised for issue on 20.11.15 and signed on their behalf by:

Eleanor R. Losse
E Losse
Governor and trustee

The Kirkstead Education Trust

Cash Flow Statement for the Period from 3 April 2014 to 31 August 2015

	Note	31 August 2015 £
Net cash inflow from operating activities	19	282,920
Cash transferred on conversion to an academy trust		133,787
Returns on investments and servicing of finance	20	1,024
Capital expenditure and financial investment	21	<u>29,663</u>
Increase in cash in the period	22	<u><u>447,394</u></u>
Reconciliation of net cash flow to movement in net funds		
Increase in cash in the period		447,394
Net funds at 3 April 2014		<u>-</u>
Net funds at 31 August 2015		<u><u>447,394</u></u>

All of the cash flows are derived from acquisitions in the current financial period.

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

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

Going concern

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

Incoming resources

All incoming resources are recognised when the Academy 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.

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

1 Accounting policies (continued)

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 Academy Trust's policies.

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

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

Governance costs

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

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy 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 over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Asset class	Depreciation method and rate
Buildings Leashold	125 years Straight Line
Fixtures & Fittings	10% Reducing Balance
Computer Equipment	33.33% Straight Line

Leased assets

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted pension fund £	Restricted fixed asset funds £	Total 2015 £
Transfer on conversion	133,787	-	(74,000)	3,544,518	3,604,305

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

2 Voluntary income (continued)

	Unrestricted funds £	Restricted funds £	Restricted pension fund £	Restricted fixed asset funds £	Total 2015 £
Other voluntary income					
Educational trips and visits	-	26,592	-	-	26,592
Other donations	-	15,760	-	-	15,760
	-	42,352	-	-	42,352
Total voluntary income	<u>133,787</u>	<u>42,352</u>	<u>(74,000)</u>	<u>3,544,518</u>	<u>3,646,657</u>

3 Activities for generating funds

	Unrestricted funds £	Total 2015 £
Catering income	77,671	77,671
School shop sales	1,346	1,346
Other sales	11,022	11,022
	<u>90,039</u>	<u>90,039</u>

4 Investment income

	Unrestricted funds £	Total 2015 £
Bank Interest	<u>1,024</u>	<u>1,024</u>

5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
DfE/EFA capital grants			
DfE Capital Grants	-	11,241	11,241
Conditional Improvement fund	-	174,804	174,804
	-	186,045	186,045

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

5 Funding for Academy's educational operations (continued)

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	1,497,901	-	1,497,901
Other DfE/EFA Grants	62,211	-	62,211
Start Up Grant	25,000	-	25,000
	<u>1,585,112</u>	<u>-</u>	<u>1,585,112</u>
Other government grants			
Other Government Grants	28,961	-	28,961
Total grants	<u>1,614,073</u>	<u>186,045</u>	<u>1,800,118</u>

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £
Academy's educational operations				
Direct costs	1,029,217	53,399	118,260	1,200,876
Allocated support costs	178,833	96,597	176,723	452,153
	<u>1,208,050</u>	<u>149,996</u>	<u>294,983</u>	<u>1,653,029</u>
Governance costs including allocated support costs				
	-	-	23,318	23,318
	<u>1,208,050</u>	<u>149,996</u>	<u>318,301</u>	<u>1,676,347</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

6 Resources expended (continued)

Net incoming/outgoing resources for the period include:

	31 August 2015 £
Operating leases:	
Operating leases - other leases	2,935
Fees payable to auditor - audit	3,500
- other audit services	<u>4,090</u>

7 Charitable activities

	Total 2015 £
Direct costs - educational operations	
Teaching and educational support staff costs	1,029,217
Depreciation	53,399
Educational supplies	38,876
Staff development	12,524
Educational consultancy	23,079
Other direct costs	<u>43,781</u>
	<u>1,200,876</u>
Support costs - educational operations	
Support staff costs	163,833
FRS 17 service cost adjustment	15,000
Depreciation	8,939
Maintenance of premises and equipment	31,584
Cleaning	2,599
Rent, rates and utilities	34,171
Insurance	19,304
Recruitment and support	8,454
Security and transport	20,892
Catering	75,602
Bank interest and charges	1,740
Professional fees	46,945
Other support costs	<u>23,090</u>
	<u>452,153</u>
Total direct and support costs	<u><u>1,653,029</u></u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

8 Governance costs

	Total 2015 £
Legal and professional fees	15,728
Auditors' remuneration	
Audit of financial statements	3,500
Other audit services	4,090
	<u>23,318</u>

9 Staff

Staff costs

	2015 £
Staff costs during the period were:	
Wages and salaries	895,600
Social security costs	58,828
Pension costs	151,539
Supply teacher costs	102,083
	<u>1,208,050</u>

Staff numbers

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

	31 August 2015 No
Charitable Activities	
Teachers	12
Administration and support	11
Management	2
	<u>25</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

9 Staff (continued)

	31 August 2015 No
£70,001 - £80,000	<u>1</u>

1 of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £10,422.

The figures above represent those paid for the extended 15 month period from the date of conversion to the 31 August 2015.

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

E Losse (Principal):

Remuneration: £70,000 - £75,000

Employer's pension contributions: £10,000 - £15,000

The figures above represent those paid for the extended 15 month period from the date of conversion to the 31 August 2015.

Other related party transactions involving the trustees are set out in note 25.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period is included in the total insurance cost.

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
Additions	137,316	8,744	10,322	156,382
Inherited assets	<u>3,394,003</u>	<u>111,234</u>	<u>39,281</u>	<u>3,544,518</u>
At 31 August 2015	<u>3,531,319</u>	<u>119,978</u>	<u>49,603</u>	<u>3,700,900</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

12 Tangible fixed assets (continued)

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Depreciation				
Charge for the year	<u>30,522</u>	<u>14,589</u>	<u>17,227</u>	<u>62,338</u>
At 31 August 2015	<u>30,522</u>	<u>14,589</u>	<u>17,227</u>	<u>62,338</u>
Net book value				
At 31 August 2015	<u>3,500,797</u>	<u>105,389</u>	<u>32,376</u>	<u>3,638,562</u>

The trust's transactions relating to land and buildings included:

- A 125 year lease which was entered into between the Trust and Stockport Metropolitan Borough Council on 1 June 2014. The transfer value of the leasehold property was ascertained by the use of the insurance valuation obtained from Stockport Metropolitan Borough Council.
- Fixtures, fittings and computer equipment transferred at written down value as advised to the Trust by Stockport Metropolitan Borough

13 Debtors

	31 August 2015 £
Trade debtors	3,069
Prepayments	26,544
Accrued grant and other income	9,560
VAT recoverable	<u>12,531</u>
	<u>51,704</u>

14 Creditors: amounts falling due within one year

	31 August 2015 £
Trade creditors	80,598
Other taxation and social security	79,943
Accruals	7,715
Deferred income	<u>18,911</u>
	<u>187,167</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

14 Creditors: amounts falling due within one year (continued)

	31 August 2015 £
Deferred income	
Resources deferred in the period	<u>18,911</u>

Deferred income represents £14,255 received from parents in advance of school trips taking place in 2015/16 and £4,656 of Devolved Formula Capital.

15 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds				
Other Dfe/EFA Grants	62,211	(62,211)	-	-
General Annual Grant (GAG)	1,497,901	(1,440,485)	(64,446)	(7,030)
Other Government Grants/Income	28,961	(28,961)	-	-
Restricted Other Voluntary Income	42,352	(42,352)	-	-
Start Up Grant	25,000	(25,000)	-	-
	<u>1,656,425</u>	<u>(1,599,009)</u>	<u>(64,446)</u>	<u>(7,030)</u>
Restricted fixed asset funds				
DFC Grant	11,241	(185)	-	11,056
Assets transferred on conversion	3,544,518	(58,223)	-	3,486,295
CIF Funding	174,804	(2,871)	-	171,933
Capital Expenditure from GAG	-	(1,059)	64,446	63,387
	<u>3,730,563</u>	<u>(62,338)</u>	<u>64,446</u>	<u>3,732,671</u>
Restricted pension funds				
Restricted Pension Fund	-	(115,000)	-	(115,000)
Total restricted funds	5,386,988	(1,776,347)	-	3,610,641
Unrestricted funds				
Unrestricted general funds	224,850	-	-	224,850
Total funds	<u>5,611,838</u>	<u>(1,776,347)</u>	<u>-</u>	<u>3,835,491</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

15 Funds (continued)

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

Restricted General Funds

Other voluntary income of £42,352 includes £15,500 donated by the PTA and £26,852 received from parents for educational visits during the year.

Restricted Fixed Asset Funds

The Trust received CIF funding (Conditional Improvement Funding) for external fabric repairs and kitchen alterations.

All other funds are statutory funding streams arising from the operation of the Academy.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,638,562	3,638,562
Current assets	224,852	180,137	94,109	499,098
Current liabilities	-	(187,167)	-	(187,167)
Pension scheme liability	-	(115,000)	-	(115,000)
Total net assets	<u>224,852</u>	<u>(122,030)</u>	<u>3,732,671</u>	<u>3,835,493</u>

17 Capital commitments

	31 August 2015 £
Contracted for, but not provided in the financial statements	<u>98,350</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

18 Financial commitments

Operating leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	31 August 2015 £
Other	
Within one year	140
Within two to five years	720
	<u>860</u>

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

	31 August 2015 £
Net income	3,861,491
Depreciation	62,338
Cash transferred on conversion to an academy trust	(133,787)
Donated capital and capital grants	(3,730,563)
Interest receivable	(1,024)
FRS17 service cost adjustment	15,000
Increase in debtors	(51,704)
Increase in creditors	187,167
Pension deficit transferred on conversion	74,000
Net cash inflow from operating activities	<u>282,918</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

20 Returns on investments and servicing of finance

	31 August 2015 £
Interest received	1,024
Net cash inflow from returns on investments and servicing of finance	<u>1,024</u>

21 Capital expenditure and financial investment

	31 August 2015 £
Purchase of tangible fixed assets	(156,382)
Capital grants from DfE	186,045
Net cash inflow from capital expenditure and financial investment	<u>29,663</u>

22 Analysis of changes in net funds

	At 3 April 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	<u>-</u>	<u>447,394</u>	<u>447,394</u>

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

24 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. 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 of the LGPS 31 March 2013.

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

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

24 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £105,048.

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

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

Local government pension scheme

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

24 Pension and similar obligations (continued)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £56,000, of which employer's contributions totalled £43,000 and employees' contributions totalled £13,000. The agreed contribution rates for future years are 19.7 per cent for employers and between 5.5% and 12.5% per cent for employees banded based on salary.

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

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.

Principal actuarial assumptions

	At 31 August 2015 %
Rate of increase in salaries	3.90
Rate of increase for pensions in payment/inflation	2.70
Discount rate for scheme liabilities	<u>3.80</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.5%	0.0%	- 0.5%
Adjustment to discount rate	£	£	£
Present value of total obligation	-	-	48,000
	<u>+ 0.5%</u>	<u>0.0%</u>	<u>- 0.5%</u>
	£	£	£
Adjustment to rate of inflation			
Present value of total obligation	21,000	-	-
	<u>+ 0.5%</u>	<u>0.0%</u>	<u>- 0.5%</u>
	£	£	£
Adjustment to rate of salary growth			
Present value of total obligation	25,000	-	-
	<u>+ 1 Year</u>	<u>None</u>	<u>- 1 Year</u>
	£	£	£
Adjustment to mortality age rating assumption			
Present value of total obligation	25,000	-	-

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

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

24 Pension and similar obligations (continued)

	At 31 August 2015
Retiring today	
Males retiring today	21.00
Females retiring today	24.00
Retiring in 20 years	
Males retiring in 20 years	24.00
Females retiring in 20 years	<u>27.00</u>

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

	At 31 August 2015 £	At 2 April 2014 £
Equities	183,000	140,000
Corporate bonds	46,000	30,000
Property	15,000	9,000
Cash	<u>10,000</u>	<u>9,000</u>
Total market value of assets	<u>254,000</u>	<u>188,000</u>
Surplus in the scheme	<u>254,000</u>	<u>188,000</u>

The expected rates of return were:

	At 31 August 2015 %	At 2 April 2014 %
Equities	4.00	7.00
Corporate bonds	4.00	4.00
Property	4.00	5.00
Cash	<u>4.00</u>	<u>4.00</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £10,000.

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	31 August 2015 £
Current service cost	58,000
Total operating charge	<u>58,000</u>

Analysis of pension finance income/(costs)

	31 August 2015 £
Expected return on pension scheme assets	16,000
Interest on pension liabilities	<u>(16,000)</u>
Pension finance income/(costs)	<u>-</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£26,000).

Movements in the present value of defined benefit obligation

	31 August 2015 £
At 3 April	262,000
Current service cost	58,000
Interest cost	16,000
Employee contributions	13,000
Actuarial losses	<u>20,000</u>
At 31 August	<u>369,000</u>

Movements in the fair value of academy's share of scheme assets

	31 August 2015 £
At 3 April	188,000
Expected return on assets	16,000
Actuarial losses	(6,000)
Employer contributions	43,000
Employee contributions	<u>13,000</u>
At 31 August	<u>254,000</u>

The estimated value of employer contributions for next period is £35,000.

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

24 Pension and similar obligations (continued)

History of experience adjustments

Amounts for the current period are as follows:

	31 August 2015
	£
Present value of scheme liabilities	(369,000)
Fair value of scheme assets	254,000
	<hr/>
Deficit in the scheme	(115,000)
	<hr/>
	31 August 2015
	£
Experience adjustments arising on scheme assets	(6,000)
Experience adjustments arising on scheme liabilities	-
	<hr/>

Comparative figures have not been restated as permitted by FRS 17.

25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the period the academy made the following related party transactions:

Mrs C. Howe

HCSS Education Limited, a company in which Mrs C. Howe is a Company Secretary, supplied computer software to the value of £1,290 in the period to 31st August 2015. At the balance sheet date the amount due to Mrs C. Howe was £Nil.

26 Conversion to an academy trust

On 1 June 2014 the Hursthead Junior School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Kirkstead Education Trust from the Stockport MBC Local Authority for £Nil consideration.

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

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

The Kirkstead Education Trust

Notes to the Financial Statements for the Period from 3 April 2014 to 31 August 2015 (continued)

26 Conversion to an academy trust (continued)

	Unrestricted fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets			
Leasehold land and buildings	-	3,394,003	3,394,003
Other tangible fixed assets	-	150,515	150,515
Budget surplus on other school funds	<u>133,787</u>	<u>-</u>	<u>133,787</u>
Net assets	<u><u>133,787</u></u>	<u><u>3,544,518</u></u>	<u><u>3,678,305</u></u>

The above net assets include £133,787 that were transferred as cash.