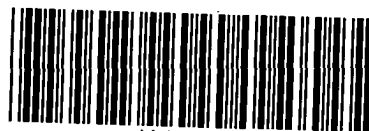


THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

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THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

| | |
|--|---|
| Trustees | John Atkins CBE, Executive Chairman Lesley Robins, Director Peter Wanless, Director (resigned 7 October 2014) Daniel Barber, Director (resigned 4 November 2014) Quentin Roper, Director Aruna Mehta, Director Karen Roberts, Chief Executive (appointed 1 September 2013) John Kelly OBE, Director (appointed 7 October 2014) Ian Armitage, Director (appointed 4 November 2014) |
| Company registered number | 07348231 |
| Principal and registered office | Atkins Conference Centre Kemnal Technology College Sevenoaks Way Sidcup Kent DA14 5AA |
| Company Secretary | Paul Allen |
| Chief Executive Officer | Karen Roberts |
| Auditors | Moore Stephens LLP 150 Aldersgate Street London EC1 4AB |
| Bankers | Coutts & Co 440 Strand London WC2R 0QS |
| Solicitors | Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB |
| Website | www.tkat.org |

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Directors (who are also Trustees of the charity for the purposes of the Charities Act) present their annual report together with the audited financial statements of The Kemnal Academies Trust (TKAT, the Company) for the year ended 31 August 2014.

The Directors confirm that the annual report and financial statements of the Company comply with the current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

Constitution

The Kemnal Academies Trust is a company limited by guarantee and is an exempt charity. The Company's articles of association are the primary governing document. Funding for educational activities is governed by a master funding agreement between the Company and the Secretary of State for Education.

Principal Activities

The principal object of the Company is the advancement for the public benefit of education in the United Kingdom through the operation of a group of academies.

The Company's accounts for 2014 include the operation of 39 academies (2013:33 academies).

The following Schools transferred prior to the 1st September 2013:

Kemnal Technology College
King Harold School
Orchards Academy
Rainham School for Girls
Debden Park High School
East Wickham Primary Academy
Welling Academy
Hylands School
Horizon Primary Academy
The Academy, Selsey
Smarden Primary School
Bewbush Academy
Havant Academy
Pluckley Church of England School
Seal Primary Academy
Tangmere Primary Academy
Northdown Primary School
Salmestone Primary School
Newlands Primary School
Hilltop Primary School
Broadfield East Junior School
Broadfield East Infants School and Nursery
Seymour Primary School
The Oaks Primary Academy
Portfield Primary Academy
Bridgemary School
Thomas Bennett Community College
Cleeve Park School
Heybridge Primary Academy
Dame Janet Primary Academy
Drapers Mills Primary Academy
Weyfield Primary Academy
Front Lawn Primary Academy

The following schools transferred on 1st September 2013:
Chichester High School for Boys

THE KEMNAL ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Chichester High School for Girls
Gray's Farm Primary Academy
Ore Village Primary Academy
The Mill Primary Academy

The following school transferred on 1st January 2014:
Pebsham Primary Academy

All the assets and liabilities of each predecessor school are transferred to the Company upon conversion.

Members

The current members of the Company are as follows:

a) The signatories to the memorandum:

John Atkins
Christian Markham

b) One person appointed by the Secretary of State for Education, if applicable:

No appointment made

c) The Chairman of the Directors:

John Atkins (also signatory to the memorandum)

d) Diocesan Member:

The Diocese of Canterbury Academy Company Limited represented by Quentin Roper

e) Additional members appointed by unanimous agreement of the above:

Christian Cavanagh
Diane Khanna
Raymond Vooght

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.

Directors' Indemnities

The Company's insurers indemnify against any claims in respect of any civil liability which arises out of the conduct of the insured in their personal capacity as a Director, Governor, Trustee or Officer of the Company.

Method of Recruitment and Appointment or Election of Directors

The articles of association require the appointment of at least three directors to the Company. There is no maximum number of directors. Members may appoint any number of directors, one director can be appointed by the Diocesan Member, at least one must be elected as an academy director, at least one shall be a parent director and the Chief Executive Officer will be a director. The Secretary of State has the power to appoint additional directors. A director is also a trustee of the charity. The directors delegate a number of functions to the local governing body of each academy.

Directors' Term of Office

The term of office for any director other than the Chief Executive Officer, is four years. Any director may be reappointed. The Chief Executive officer is an ex-officio director. New directors are appointed to the Board following a rigorous selection process undertaken by current directors and members.

Procedures Adopted for the Induction and Training of Directors

Training and induction is tailored to new directors appropriate to their requirements and previous experience. The directors have access to policies, procedures, minutes, budgets, accounts and other relevant plans and documents that they need to fulfil their role as directors.

THE KEMNAL ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Organisational Structure

The directors have delegated the day to day management of the Company to the Chief Executive supported by Educational and Operational Executives, a combined team comprising of 12 senior managers. Those managers meet on a regular basis to monitor the educational performance of pupils and the financial performance of the Company. The Chief Executive Officer is the Accounting Officer for the Company. Local accountability is delegated to each academy Head teacher supported by a local governing body established as a sub-committee of the Board. A structure of regional boards is being established where appropriate to support the operational management and working arrangements between academies within defined geographical areas.

Risk Management

The directors have assessed the major risks to which the Company is exposed, in particular those related to the charitable operations and principal activities and also finances of the Company, and are satisfied that systems and procedures are in place to mitigate its exposure to the major risks. The Board has established an Audit and Risk Committee to champion the identification and management of the significant risks faced by the organisation. It meets four times per year. The terms of reference from the Board provide appropriate delegated powers to the Audit and Risk Committee to fulfil this responsibility. Matters of significance at individual academies are escalated through appropriate procedures to this Committee.

Objectives and Activities

The Kemnal Academies Trust (TKAT) operates a network of Academies providing high quality publicly funded education for the benefit of students in their respective communities. The directors understand their responsibilities to deliver this public benefit. Students are at the heart of TKAT. They have the right to an outstanding education in order to give them the best chances in life. The foundation of the TKAT model is based on mutual support within the Academies to ensure that the very best standards of teaching and learning are developed and that Academies are equipped to enable all staff and students to make outstanding progress. Our aim is that every student at the end of Key Stage 5 will have achieved the required qualifications to move on to higher education or pursue the career of their choice.

Strategic Report

Academic Performance

The primary school sector has made significant progress during the year and since conversion. Of those Academies where we are able to measure level 4+, in reading, writing and maths combined performance, we have seen 18 out of 24 improve year on year and 17 performed better this year than the year immediately before conversion to TKAT.

Disappointingly for three Academies we have seen a decline in their Ofsted grade since conversion to Academy status. Through our internal quality control and monitoring TKAT has identified a total of eight Primary Academies including the three above that we consider to be vulnerable to a material decline in performance. We are working intensively with each respective Head Teacher to deliver improvements in the current year.

| Primary Academy | 2014 - Level 4+ combined | 2013 - Level 4+ combined | Level 4+ combined immediately prior to conversion | Ofsted Grade Aug 2014 | Ofsted Grade immediately prior to conversion | Date of Conversion |
|-------------------------------|--------------------------------|--------------------------------|---|--------------------------------|--|-----------------------|
| Bewbush Academy | 63% | 60% | 34% | 2 | 3 | Apr-12 |
| Broadfield East Infant School | N/A | N/A | N/A | 3 | 2 | Sep-12 |
| Broadfield East Junior School | 69% | 35% | 35% | 3 | 3 | Sep-12 |
| Dame Janet Primary Academy* | 72% | 46% | 60% | 3 | 4/3 | Dec-12 |
| Drapers Mills Primary Academy | 19% | 38% | 61% | 4 | 3 | Dec-12 |
| East Wickham Primary Academy | 66% | 66% | 72% | 3 | 4 | Apr-13 |
| Front Lawn Primary Academy* | 68% | 54% | 48% | 4/2 | 4/2 | Apr-13 |
| Gray's Farm Primary School | 61% | 56% | 56% | 4 | 4 | Sep-13 |
| Heybridge Primary Academy | 54% | 50% | 39% | 3 | 3 | Dec-12 |
| Hilltop Primary School | 71% | 77% | 66% | 2 | 3 | Sep-12 |

THE KEMNAL ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

| | | | | | | |
|-----------------------------|-----|-----|-----|---|---|--------|
| Horizon Primary Academy | 43% | 60% | 53% | 2 | 3 | Sep-11 |
| Newlands Primary School | 79% | 73% | 64% | 4 | 3 | Sep-12 |
| Northdown Primary Academy | 87% | 61% | 63% | 2 | 3 | Sep-13 |
| Ore Village Primary School | 80% | 62% | 62% | 3 | 3 | Sep-13 |
| Pebsham Primary Academy | 68% | 60% | 60% | 4 | 4 | Jan-14 |
| Pluckley CoE Primary School | 88% | 79% | 71% | 2 | 2 | Apr-12 |
| Portfield Primary Academy | 78% | 67% | 50% | 3 | 3 | Sep-12 |
| Salmestone Primary School | 71% | 60% | 61% | 3 | 3 | Sep-12 |
| Seal Primary School | 72% | 60% | 62% | 2 | 3 | Apr-12 |
| Seymour Primary School | 71% | 63% | 64% | 2 | 2 | Sep-12 |
| Smarden Primary School | 67% | 80% | 67% | 2 | 3 | Oct-11 |
| Tangmere Academy | 35% | 52% | 53% | 3 | 3 | Apr-12 |
| The Mill Primary Academy | 56% | 48% | 48% | 3 | 4 | Sep-13 |
| The Oaks Primary School | 64% | 70% | 89% | 2 | 2 | Sep-12 |
| Weyfield Primary Academy | 41% | 22% | 40% | 2 | 2 | Feb-13 |

* Ofsted graded the Infant School and Junior School separately prior to conversion.

The Secondary School sector has during the last two years had to deal with issues of inconsistent marking of GCSE examinations in both English and Maths. In addition for 2014 alone most year 11 students sat their GCSE examinations for the first time in the summer without having been entered for formal examinations earlier in the academic year. These changes have impacted league tables and the key performance indicator of 5 A* - C grades including English and Maths.

Notwithstanding the above seven of the 14 Secondary Academies achieved the same or better performance in the percentage of students achieving 5 A* - C grades including English and Maths when measured against the prior year and nine of the 14 improved results when compared to the data immediately prior to conversion to an Academy. Disappointingly three Academies did not achieve the floor targets for 2014 and these have been identified for intensive support in the current year.

| Secondary Academy | 2014 - A* - C inc. Maths and English | 2013 - A* - C inc. Maths and English | 5A* - C inc. Maths and English immediately prior to conversion | Ofsted Grade Aug 2014 | Ofsted Grade immediately prior to conversion | Date of Conversion |
|----------------------------------|--------------------------------------|--------------------------------------|--|-----------------------|--|--------------------|
| Bridgemary School | 36% | 35% | 40% | 4 | 3 | Sep-12 |
| Chichester High School for Boys | 49% | 66% | 66% | 3 | 3 | Sep-13 |
| Chichester High School for Girls | 62% | 74% | 74% | 3 | 3 | Sep-13 |
| Cleeve Park | 52% | 51% | 41% | 3 | 3 | Sep-12 |
| Debden Park High School | 74% | 74% | 63% | 2 | 4 | Apr-11 |
| Havant Academy | 46% | 41% | 22% | 4 | 4 | Sep-12 |
| Hylands Academy | 49% | 39% | 37% | 2 | 3 | Aug-11 |
| Kemnal Technology College | 53% | 68% | 57% | 2 | 1 | Sep-10 |
| King Harold Academy | 39% | 58% | 32% | 3 | 3 | Nov-10 |
| Orchards Academy | 55% | 44% | 37% | 2 | 3 | Nov-10 |
| Rainham School for Girls | 60% | 65% | 46% | 2 | 3 | Feb-11 |
| The Academy, Selsey | 42% | 51% | 39% | 3 | 2 | Sep-11 |
| Thomas Bennett Community College | 31% | 52% | 50% | 2 | 3 | Sep-12 |
| Welling School | 52% | 52% | 51% | 3 | 3 | May-12 |

Financial monitoring and control

In addition to the academic performance above, TKAT Board Members receive reports containing financial key performance indicators for each of the academies that includes ratios trends, forecasts and significant balances and the Central Support Service of the Trust. There are no financial key performance indicators for the group, though the Board reviews the level of Central Support Services charged to each academy and monitors academy reserves to ensure that for each academy they are neither excessive or in deficit as detailed below.

In the academic year ended 2013 - 2014 significant additional resources were secured and provided from the

THE KEMNAL ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Central Support Service not only to assist the improvement in academic results but also to ensure the Operations Executive structure was robust for a Trust with c. 40 Academies. An increase in the central cost contribution (CCC), from 1.8% to 3% of the total funding provided by EFA to Academies, was consulted upon with the respective Chairs of each Academy. This increase has been implemented for the first time in academic year 2014 – 2015. By deferring the increase in CCC for 12 months a deficit has arisen in the funding for the Central Support Service. This deficit is planned to be eliminated over the current and subsequent academic year. In the intervening period cash resources have temporarily been provided to the Central Support Service from a small number of secondary academies.

As disclosed in more detail in note 15 of the report and accounts, at the end of August 2014 one academy was also in modest deficit and is being supported and monitored carefully by the Trust. Longer term forecasts and budgets have been prepared to restore it to financial stability over the next 36 months. Conversely satisfactory income and expenditure reserves are maintained at the remaining Academies. Some eight Secondary Academies account for approximately 60% of the Income and Expenditure reserves of the Trust. The funds are being retained largely for the following purposes.

| Academy | Reserves at 31 August 2014 | Main purpose of retained reserves |
|----------------------------------|----------------------------|---|
| | £'000 | |
| Debden Park High School | 1,966 | New 6th form combined with King Harold Academy |
| Havant Academy | 527 | Anticipating reduced funding due to lower student numbers |
| Hylands Academy | 970 | Growth in pupil numbers - deferred funding and new building works |
| Kemnal Technology College | 1,263 | New community & school professional all weather football pitch |
| King Harold Academy | 1,883 | New 6th form combined with Debden Park High School |
| Thomas Bennett Community College | 1,003 | Planning for reduced funding due to lower student numbers |
| Welling School | 1,188 | Building works to expand 6th form block and i-brary |
| Total | 8,800 | |

Plans for future periods

The Trust will be focused upon improving the academic performance of existing academies over the next 12 month period. As previously noted plans are being established to invest significant amounts of the cumulative carried forward reserves to both enhance the academy environment, buildings and infrastructure and also the teaching and learning delivered to students.

Financial Review

The Company's principal income comes from the Education Funding Agency in the form of recurring grants for particular purposes. These grants and the relevant associated expenditure are shown under restricted funds in the Statement of Financial Activities.

The Company receives a grant of fixed assets in the form of land and buildings, largely from a Local Authority, when an academy converts to the trust and additionally cash grants from the Department for Education for the maintenance and improvement of fixed assets. New assets brought into use in the Company for the first time, and identifiable improvements to existing fixed assets, are capitalised at fair value or cost with an equivalent sum transferred to the restricted fixed asset fund. Fixed assets, other than freehold land, are depreciated over their expected useful lives and this charge is applied against the restricted fixed asset fund.

The Company makes contributions to the teachers' pension scheme (TPS) on behalf of teaching staff in the academies. The TPS is a contributory scheme to which teachers are automatically enrolled but is not compulsory. It is a national scheme managed by the Department for Education. Assets and liabilities are not assigned to individual employers. For staff members other than teachers the Company makes contributions to the respective Local Government Pension Scheme (LGPS). In the LGPS the assets and liabilities held within the scheme are subject to an actuarial valuation on a triennial basis and are attributable to individual

THE KEMNAL ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

employers. The Company balance sheet contains the net pension scheme deficit in respect of current employees. The existence of a deficit does not mean an immediate liability will become payable. The purpose of the actuarial valuations is to determine a contribution rate for the employer that over the long term will match liabilities and assets. The most recent actuarial valuation of LGPS schemes took place with an effective date of 31 March 2013 with the reports being published during 2014. The LGPS has been the subject of a number of amendments. The most recent change took effect on 1st April 2014 and since that date members have been accruing benefits under the terms of the LGPS 2014 scheme.

The principal risks and uncertainties faced by the Company have been identified as:

Government funding – the Company places considerable reliance on the continued government funding at levels that have been indexed to take account of pay and pension funding increases in the public sector and general inflation. The risk of mounting and unsustainable deficits is mitigated by careful budget planning and securing additional non-governmental income.

Safeguarding and child protection – the Company operates child protection, health and safety and disciplinary policies to deliver a safe and secure environment where children can be inspired to learn and thrive.

Governance and challenge – the academic progress and attainment of children may not meet the expectations of parents and the regulator. This is mitigated by the active involvement of Local Governing Bodies supported by intensive monitoring from the Educational Executive.

Internal control – the systems of internal control are designed to safeguard the Company's assets and ensure proper accounting records are maintained. Effective policies and procedures together with internal audit and management oversight minimise the potential of loss or misstatement.

Liquidity – the Company may not undertake borrowing without approval of the Secretary of State and so manages its cash resources to meet the needs of the academies investing surplus funds in readily accessible short term deposits with our principal bankers.

Investment Policy

Surplus cash balances at academy level are swept to a money market overnight account. Speculative investments are not made.

Reserves Policy

No formal reserves policy has been set by the Board. The level of reserves is kept under review by both the Board and the Education Funding Agency. The Board is conscious that it does not have the ability to borrow other than with the authority of the Secretary of State and holds sufficient unrestricted and restricted funds to meet unforeseen one off expenditure demands.

Going Concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason it has adopted the going concern basis to prepare these accounts.

Public Benefit

The Directors acknowledge the duty in Section 4 of the Charities Act 2011 to have regard to the general and specific guidance on public benefit issued by the Charities Commission. We have referred to this guidance when reviewing our aims, strategy and plans for the future. All activities undertaken by the Company are for the public benefit.

Employee Involvement

Where appropriate the Company consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trade unions.

The Company provides information to employees generally by way of email, memoranda and the intranet. Head office based conferences and workshops are provided to Governors, Headteachers and School Business Managers. In each of the academies, information is channelled via the senior leadership team meetings.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Employees are encouraged to familiarise themselves with Ofsted reports, pupil premium funding, sports or additional funding available from the academy website and student progress and attainment statistics when they are made available to the Company.

Equal Opportunities Policy

It is the Company's policy to ensure equality of opportunities are afforded to staff, students and other stakeholders. Training, career development and promotion opportunities are available to all employees.

Disabled Persons

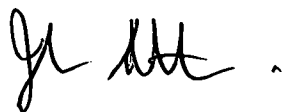
Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Company may continue.

Auditors

In so far as the Directors are aware:

There is no relevant audit information of which the Company's auditor is unaware, and the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditor, Moore Stephens LLP is willing to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.



John Atkins CBE
Executive Chairman

THE KEMNAL ACADEMIES TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that The Kemnal Academies 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 Directors has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Kemnal Academies Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. The Board of Directors has met formally 4 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

| Director | Meetings attended | Out of a possible |
|-------------------------------------|-------------------|-------------------|
| John Atkins CBE, Executive Chairman | 4 | 4 |
| Lesley Robins, Director | 3 | 4 |
| Peter Wanless, Director | 1 | 4 |
| Daniel Barber, Director | 3 | 4 |
| Quentin Roper, Director | 2 | 4 |
| Aruna Mehta, Director | 4 | 4 |
| Karen Roberts, Chief Executive | 4 | 4 |
| John Kelly OBE, Director | 0 | 0 |
| Ian Armitage, Director | 0 | 0 |

Details of appointments and resignations of the Directors are included in the Reference and Administration Details on page 1.

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 The Kemnal Academies Trust for the year to 31 August 2014 and up to the date of approval of the annual report and financial statements.

The Audit & Risk Committee is also a sub-committee of the main Board of Directors. Its purpose is to oversee the Company's finances and financial performance and also to supervise the Senior Executives' response to the management of risk. Attendance during the year at meetings of the committee was as follows:

| Director | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Karen Roberts, Chief Executive | 4 | 4 |
| Aruna Mehta, Director & Committee Chair | 3 | 4 |
| Daniel Barber, Director | 3 | 4 |
| Peter Wanless, Director | 3 | 4 |
| John Atkins, Executive Chairman | 4 | 4 |

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GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the Company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Company significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Risk and Control Framework

The Company 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 Directors;
- regular reviews by the Audit and Risk 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 Directors has considered the need for an internal audit function and has decided that the role should be undertaken by a specific internal audit team employed by The Company. The Directors have appointed Sabrina Bridges, as Responsible Officer. The role includes giving advice on financial matters and through internal audit performing a range of internal control checks on the Company's financial and operational systems. Internal Control reports are delivered in writing to the Headteacher and Chair of Governance/Chair of Finance at each academy. The Responsible Officer reports the findings of the internal audit team to the Audit and Risk Committee on a termly basis. A recurring weakness of internal control will be escalated to the Principal Finance Officer and Chair of Audit and Risk with consequential actions taken to mitigate the risks.

Review of Effectiveness

As Accounting Officer, the Chief Executive Officer 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 external auditors;
- the work of the executive managers within the Company who have responsibility for the development and maintenance of the internal control framework.
- the work of internal auditors
- self-assessment reports prepared by Local Governing bodies.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk 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 Directors on 19 December 2014 and signed on its behalf, by:


Aruna Mehta
Chair of Audit & Risk Committee


Karen Roberts
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Kemnal Academies Trust I have considered my responsibility to notify the Company Board of Directors and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Company Board of Directors are able to identify any material, irregular or improper use of funds by the Company, or material non-compliance with the terms and conditions of funding under the Company funding agreement and the Academies Financial Handbook (2013).

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 Directors and the EFA.



**Karen Roberts, Chief Executive
Accounting Officer**

Date: 19.12.2014

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DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Directors are responsible for preparing the Directors' report (including Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency; United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:


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

The Directors 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 Directors 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 Directors 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 Directors on 19 December 2014 and signed on its behalf by:



John Atkins, CBE
Executive Chairman

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF THE KEMNAL ACADEMIES TRUST

We have audited the financial statements of The Kemnal Academies Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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 may state to the charitable Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

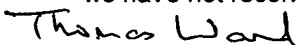
THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF THE KEMNAL ACADEMIES TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Thomas Ward, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

19 December 2014

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE KEMNAL ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 24 August 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Kemnal Academies Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE KEMNAL ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of The Kemnal Academies Trust's funding agreement with the Secretary of State for Education dated 31 August 2010, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that may 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 Company's income and expenditure.

Our procedures included, but not limited to the following:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by staff, head teachers or Trustees;
- Reviewing the procedures for identifying and declaring related parties and other business interests;

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
KEMNAL ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

- Obtaining formal representation from the Trustees and accounting officer acknowledging their responsibilities;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and making further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the Trust;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens LLP

Moore Stephens LLP

Chartered Accountants
London
EC1A 4AB

Date: *19 December 2014*

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

| | | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Restricted fixed asset funds 2014 £000 | Total funds 2014 £000 | Total funds 2013 £000 |
|---|------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| | Note | | | | | |
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Donated Assets from predecessor school | 2 | - | - | 52,378 | 52,378 | 87,225 |
| Predecessor school surplus | 2 | 574 | - | - | 574 | 2,667 |
| Predecessor school LGPS deficit | 2 | - | (2,157) | - | (2,157) | (8,543) |
| Other voluntary income | 2 | - | 1,650 | 6,212 | 7,862 | 725 |
| Activities for generating funds | 3 | 2,621 | 1,646 | - | 4,267 | 3,572 |
| Investment income | 4 | - | 70 | - | 70 | 98 |
| Incoming resources from charitable activities | 5 | - | 121,840 | 5,419 | 127,259 | 105,790 |
| TOTAL INCOMING RESOURCES | | 3,195 | 123,049 | 64,009 | 190,253 | 191,534 |
| RESOURCES EXPENDED | | | | | | |
| Costs of generating funds: | | | | | | |
| Costs of generating voluntary income | 6 | 3,147 | 1,519 | - | 4,666 | 3,506 |
| Charitable activities | 8 | - | 120,619 | 11,290 | 131,909 | 105,485 |
| Governance costs | 7 | - | 1,402 | - | 1,402 | 2,072 |
| TOTAL RESOURCES EXPENDED | 9 | 3,147 | 123,540 | 11,290 | 137,977 | 111,064 |
| NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS | | 48 | (491) | 52,719 | 52,276 | 80,470 |

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

| | | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Restricted fixed asset funds 2014 £000 | Total funds 2014 £000 | Total funds 2013 £000 |
|---|-------------|---|---|---|--|--|
| | Note | | | | | |
| Transfers between Funds | 20 | - | (686) | 686 | - | - |
| NET INCOME FOR THE YEAR | | 48 | (1,177) | 53,405 | 52,276 | 80,470 |
| Actuarial gains and losses on defined benefit pension schemes | | - | (1,397) | - | (1,397) | (722) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 48 | (2,574) | 53,405 | 50,879 | 79,748 |
| Total funds at 1 September 2013 | | 4,425 | (11,831) | 201,884 | 194,478 | 114,730 |
| TOTAL FUNDS AT 31 AUGUST 2014 | | 4,473 | (14,405) | 255,289 | 245,357 | 194,478 |

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

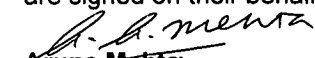
The notes on pages 21 to 46 form part of these financial statements.

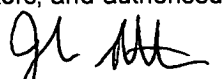
THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07348231

BALANCE SHEET
AS AT 31 AUGUST 2014

| | Note | £000 | 2014 £000 | 2013 £000 |
|--|------|-----------------|-----------------|--------------|
| FIXED ASSETS | | | | |
| Tangible assets | 16 | | 252,545 | 201,413 |
| CURRENT ASSETS | | | | |
| Debtors | 17 | 6,965 | | 4,587 |
| Cash at bank and in hand | | 19,157 | | 16,299 |
| | | 26,122 | | 20,886 |
| CREDITORS: amounts falling due within one year | 18 | (8,573) | | (8,008) |
| NET CURRENT ASSETS | | | 17,549 | 12,878 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 270,094 | 214,291 |
| CREDITORS: amounts falling due after more than one year | 19 | | (429) | - |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITY | | | 269,665 | 214,291 |
| Defined benefit pension scheme liability | 28 | | (24,308) | (19,813) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | 245,357 | 194,478 |
| FUNDS OF THE ACADEMY | | | | |
| Restricted funds: | | | | |
| Restricted funds | 20 | 9,903 | | 7,982 |
| Restricted fixed asset funds | 20 | 255,289 | | 201,884 |
| Restricted funds excluding pension liability | | 265,192 | | 209,866 |
| Pension reserve | | (24,308) | | (19,813) |
| Total restricted funds | | | 240,884 | 190,053 |
| Unrestricted funds | 20 | | 4,473 | 4,425 |
| TOTAL FUNDS | | | 245,357 | 194,478 |

The financial statements were approved by the Directors, and authorised for issue, on 19 December 2014 and are signed on their behalf, by:


Aruna Mehta
Chair of Audit & Risk Committee


John Atkins
Executive Chairman

The notes on pages 21 to 46 form part of these financial statements.

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

| | Note | 2014 £000 | 2013 £000 |
|---|-------------|----------------------------|----------------------------|
| Net cash flow from operating activities | 22 | 403 | 1,397 |
| Returns on investments and servicing of finance | 23 | 70 | 98 |
| Capital expenditure and financial investment | 23 | 1,824 | 4,342 |
| Acquisitions and disposals | 23 | 574 | 2,667 |
| CASH INFLOW BEFORE FINANCING | | 2,871 | 8,504 |
| Financing | 23 | (13) | - |
| INCREASE IN CASH IN THE YEAR | | 2,858 | 8,504 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

| | 2014 £000 | 2013 £000 |
|---|----------------------------|----------------------------|
| Increase in cash in the year | 2,858 | 8,504 |
| Cash outflow from the decrease in debt | 13 | - |
| CHANGE IN NET DEBT RESULTING FROM CASH FLOWS | 2,871 | 8,504 |
| Other non-cash changes | (535) | - |
| MOVEMENT IN NET FUNDS IN THE YEAR | 2,336 | 8,504 |
| Net funds at 1 September 2013 | 16,299 | 7,795 |
| NET FUNDS AT 31 AUGUST 2014 | 18,635 | 16,299 |

The notes on pages 21 to 46 form part of these financial statements.

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the statement of financial activities when the Company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Company being notified of an impending distribution or the legacy being received.

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 provided to the Company 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 it is measurable.

The value of donated services and gifts in kind provided to the Company are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Company 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 Company's policies.

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

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

School trips and activities - These transactions are included in restricted funds. Income is recognised when received and expenditure is recognised when paid, any surplus being carried forward within restricted funds until the trip or activity is completed.

1.4 Resources expended

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

Charitable activities are costs incurred in the Company's educational operations.

Governance costs include the costs attributable to the Company's compliance with constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses.

1.5 Going concern

The Directors 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 Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets with an expected useful life exceeding one year costing more than £5,000 are capitalised.

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 are 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 Company's depreciation policy.

Depreciation

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.

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.

Expected useful lives are on the following bases:

| | | |
|---------------------------|---|----------------------------|
| Freehold property | - | 1% - 10% |
| L/Term Leasehold Property | - | 2% - 25% |
| Leasehold land | - | over the life of the lease |
| Motor vehicles | - | 20% |
| Computer equipment | - | 25% |

1.7 Fixed asset transfers from predecessor schools

Where fixed assets are transferred to the charitable Company from the predecessor schools, these have been included at fair value determined in accordance with a professional valuation as at date of the transfer, conducted by the District Valuer Services.

1.8 Leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

In respect of PFI contracts where risk and rewards have transferred to the Company the arrangement is treated as a finance lease and the asset recognised within fixed assets and the liability recorded as a creditor. In all other cases the arrangement is recognised as an operating lease.

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

The Company 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 Company 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.

1.10 Pensions

Retirement benefits to employees of the Company 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 Company.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Company 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 28 the TPS is a multi-employer scheme and the Company 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 Company 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 the 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 vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits within direct costs. Actuarial gains and losses are recognised immediately in other gains and losses.

1.11 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 Schools to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Directors would expect to pay in an open market for an equivalent item. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details are included in note 26.

THE KEMNAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. VOLUNTARY INCOME

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | Total funds 2013 £000 |
|--|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Donated Assets from predecessor school | - | 52,378 | 52,378 | 87,225 |
| Predecessor school surplus | 574 | - | 574 | 2,667 |
| Predecessor school LGPS deficit | - | (2,157) | (2,157) | (8,543) |
| Voluntary income- transfer from Local Authority on conversion | 574 | 50,221 | 50,795 | 81,349 |
| Donations | - | 532 | 532 | 443 |
| Sponsorship | - | 426 | 426 | 160 |
| Donations- Fixed Assets | - | 6,212 | 6,212 | - |
| Government grants | - | 692 | 692 | 122 |
| Subtotal | - | 7,862 | 7,862 | 725 |
| Voluntary income | 574 | 58,083 | 58,657 | 82,074 |

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | Total funds 2013 £000 |
|----------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Hire of facilities | 1,016 | - | 1,016 | 1,097 |
| Letting | 503 | - | 503 | 429 |
| Academy's shop | 359 | - | 359 | 299 |
| Trips and Activities | - | 1,346 | 1,346 | 1,174 |
| Catering Income | 743 | - | 743 | 550 |
| Other income | - | 300 | 300 | 23 |
| | 2,621 | 1,646 | 4,267 | 3,572 |

4. INVESTMENT INCOME

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | Total funds 2013 £000 |
|---------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Bank interest | - | 70 | 70 | 98 |

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | Total funds 2013 £000 |
|---------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| DfE/EFA revenue grants | | | | |
| Dfe/ EFA Capital Devolved grant | - | 5,419 | 5,419 | 4,435 |
| General Annual Grants (GAG) | - | 107,384 | 107,384 | 89,743 |
| Start-up | - | 460 | 460 | 740 |
| Other DfE/ EFA grants | - | 11,512 | 11,512 | 7,056 |
| Local authority grants | - | 2,484 | 2,484 | 3,816 |
| | <u>-</u> | <u>127,259</u> | <u>127,259</u> | <u>105,790</u> |

6. COSTS OF GENERATING VOLUNTARY INCOME

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | Total funds 2013 £000 |
|------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Trips and Activities | - | 1,519 | 1,519 | 1,277 |
| Shop | 304 | - | 304 | 286 |
| Catering | 2,494 | - | 2,494 | 1,634 |
| Voluntary income staff costs | 349 | - | 349 | 309 |
| | <u>3,147</u> | <u>1,519</u> | <u>4,666</u> | <u>3,506</u> |

7. GOVERNANCE COSTS

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | Total funds 2013 £000 |
|-----------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Auditor's remuneration | - | 127 | 127 | 69 |
| Auditor's other services | - | 75 | 75 | 38 |
| Legal and Professional fees | - | 1,200 | 1,200 | 1,965 |
| | <u>-</u> | <u>1,402</u> | <u>1,402</u> | <u>2,072</u> |

THE KEMNAL ACADEMIES TRUST
(A company limited by guarantee)

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

8. CHARITABLE ACTIVITIES

| | Total funds 2014 £000 | Total funds 2013 £000 |
|---|--|--|
| DIRECT COSTS - EDUCATIONAL OPERATIONS | | |
| Wages and salaries | 66,847 | 54,524 |
| National insurance | 4,662 | 3,877 |
| Pension cost | 8,530 | 6,937 |
| Depreciation | 7,850 | 5,238 |
| Pension interest (see note 15) | 680 | 571 |
| Educational supplies | 4,589 | 3,264 |
| Examination fees | 1,190 | 1,169 |
| Staff development | 647 | 355 |
| Educational Consultancy | 1,096 | 499 |
| Other direct costs | 261 | 152 |
| | 96,352 | 76,586 |
| SUPPORT COSTS - EDUCATIONAL OPERATIONS | | |
| Wages and salaries | 9,788 | 7,682 |
| National insurance | 550 | 432 |
| Pension cost | 2,102 | 1,383 |
| Other indirect costs | 157 | - |
| Recruitment and support | 483 | 224 |
| Maintenance of premises and equipment | 5,898 | 6,719 |
| Furniture and equipment | 3,192 | 2,232 |
| ICT Equipment and licences | 3,169 | 2,593 |
| Cleaning | 151 | 124 |
| Rent & rates | 2,777 | 2,431 |
| Utilities | 3,261 | 2,381 |
| Insurance | 1,237 | 1,080 |
| Printing, postage, Stationery | 526 | 515 |
| Security & transport | 251 | 197 |
| Bank interest and charges | 50 | 36 |
| Other support costs | 1,077 | 870 |
| Fixed asset - loss on disposal (see note 16) | 888 | - |
| | 35,557 | 28,899 |
| | 131,909 | 105,485 |

THE KEMNAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

9. RESOURCES EXPENDED

| | Staff costs | Non Pay | Expenditure | Total | Total |
|--|---------------|--------------|---------------|----------------|----------------|
| | 2014 | Premises | Other costs | 2014 | 2013 |
| | £000 | 2014 | 2014 | £000 | £000 |
| | | £000 | £000 | | |
| Costs of generating voluntary income | 349 | - | 4,317 | 4,666 | 3,506 |
| Costs of generating funds | 349 | - | 4,317 | 4,666 | 3,506 |
| Educational Operations | 80,039 | 7,850 | 8,463 | 96,352 | 76,587 |
| Support costs - Educational Operations | 12,438 | - | 23,119 | 35,557 | 28,899 |
| Charitable activities | 92,477 | 7,850 | 31,582 | 131,909 | 105,486 |
| Governance | - | - | 1,402 | 1,402 | 2,072 |
| | 92,826 | 7,850 | 37,301 | 137,977 | 111,064 |

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

| | 2014 | 2013 |
|--|-------|-------|
| | £000 | £000 |
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 7,850 | 5,238 |
| Auditors' remuneration | 127 | 69 |
| Auditors' remuneration - non-audit | 75 | 38 |
| Operating lease rentals: | | |
| - plant and machinery | 623 | 357 |
| - other operating leases | 3,971 | 3,695 |
| Loss on disposal of fixed asset | 888 | - |

Other fees paid to auditors are in respect of other assurance reports relating to an EFA "Pilot" audit, regularity, teachers pension end of year certificates and VAT consultancy work.

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

11. STAFF

a. Staff costs

Staff costs were as follows:

| | 2014 | 2013 |
|---|---------------|-------------|
| | £000 | £000 |
| Wages and salaries | 73,348 | 60,413 |
| Social security costs | 5,220 | 4,316 |
| Other pension costs (Note 28) | 10,660 | 8,348 |
| | 89,228 | 73,077 |
| Supply teacher costs | 2,839 | 1,272 |
| Statutory, Contractual and Special Staff Severance Payments | 759 | 795 |
| | 92,826 | 75,144 |

b. Staff severance payments

The statutory, contractual and special staff severance payments totalling £759,000 (2013: £795,000) included 13 non-statutory/ non-contractual payments equal to £5,000 or more individually, and these are as follows:

| | £ |
|-----------|----------------|
| 1 | 5,000 |
| 1 | 6,413 |
| 1 | 7,345 |
| 1 | 10,348 |
| 1 | 11,507 |
| 1 | 14,708 |
| 1 | 14,898 |
| 1 | 15,000 |
| 1 | 15,604 |
| 1 | 16,328 |
| 1 | 19,438 |
| 1 | 25,000 |
| 1 | 30,229 |
| 13 | 191,818 |

THE KEMNAL ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

11. STAFF (continued)

c. Staff numbers

The average number of persons employed by the Company during the year expressed as full time equivalents was as follows:

| | 2014 | 2013 |
|----------------------------|--------------------------|--------------------------|
| | No. | No. |
| Teachers | 1,221 | 1,134 |
| Administration and support | 1,287 | 1,104 |
| Management | 99 | 89 |
| | <hr/> 2,607 <hr/> | <hr/> 2,327 <hr/> |

d. Higher paid staff

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

| | 2014 | 2013 |
|---------------------------------|-----------------------|-----------------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 36 | 20 |
| In the band £70,001 - £80,000 | 11 | 18 |
| In the band £80,001 - £90,000 | 4 | 1 |
| In the band £90,001 - £100,000 | 3 | 3 |
| In the band £100,001 - £110,000 | 1 | 2 |
| In the band £110,001 - £120,000 | 2 | 1 |
| In the band £130,000 - £140,000 | 1 | 0 |
| | <hr/> 58 <hr/> | <hr/> 45 <hr/> |

One of the above employees participated in the Local government Pension Scheme. During the year ended 31 August 2014, pension contributions for this staff member amounted to £22,132 (2013: £17,360). 55 employees participated in the Teachers' Pension Scheme, pension contributions amounted to £557,074 (2013: £448,272).

THE KEMNAL ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

12. CENTRAL SERVICES

The Company has provided the following central services to its academies during the year:

- Educational - Strategical direction and Intervention
- Non Education - Strategical direction and Intervention
- Human Resources
- Financial Services including Internal Audit
- Legal Services

The Company charges for these services on the following basis:

The 2013/14 flat percentage applied was 1.8% of EFA funding until January 2014, when it increased to 3% for new conversions.

The actual amounts charged during the year were as follows:

| | 2014 |
|---|-------------|
| | £000 |
| Kemnal Technology College | 146 |
| Orchards Academy | 49 |
| King Harold School | 61 |
| Rainham High School for Girls | 137 |
| Welling Academy | 151 |
| Debden Park High School | 84 |
| East Wickham Primary Academy | 56 |
| Hylands School | 72 |
| Horizon Primary Academy | 13 |
| The Academy, Selsey | 50 |
| Smarden Primary School | 8 |
| The Bewbush Academy | 37 |
| Tangmere Academy | 16 |
| Seal Primary Academy | 24 |
| Pluckley Church of England Primary School | 8 |
| Havant Academy | 57 |
| Newlands Primary School | 34 |
| Northdown Primary School | 30 |
| Salmestone Primary School | 35 |
| Cleeve Park School | 96 |
| Thomas Bennett Community College | 123 |
| Hilltop Primary Academy | 33 |
| Broadfield East Junior School | 23 |
| Broadfield East Infant School and Nursery | 27 |
| Seymour Primary School | 37 |
| The Oaks Primary School | 30 |
| Portfield Primary Academy | 17 |
| Bridgemary School | 76 |
| Heybridge Primary Academy | 16 |
| Drapers Mills Primary Academy | 44 |
| Dame Janet Primary Academy | 50 |
| Weyfield Primary Academy | 32 |
| Front Lawn Primary Academy | 35 |
| Chichester High School for Girls | 99 |
| Chichester High School for Boys | 84 |
| Gray's Farm Primary Academy | 29 |
| Ore Village Primary Academy | 25 |
| The Mill Primary Academy | 26 |

THE KEMNAL ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

Pebsham Primary Academy

| | |
|-------|---------------------|
| | 16 |
| Total | <u>1,986</u> |

13. DIRECTORS' REMUNERATION AND EXPENSES

In accordance with the Articles of Association, some staff may serve as directors. They receive their remuneration in their capacity as employees of the Company, but no remuneration is paid for acting as a director. Other directors did not receive any fees or remuneration for the performance of their role as directors but were reimbursed expenses necessarily incurred in that role. Related party transactions with Directors and Members are shown in note 31.

During the year travel and subsistence expenses totalling £3,158 (2013: £1,019) were reimbursed to two Directors.

14. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Company has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £500,000 on any one claim and the cost for the year ended 31 August 2014 was £2,111 (2013 - £2,111). The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

| | 2014 | 2013 |
|---|---------------------|---------------------|
| | £000 | £000 |
| Expected return on pension scheme assets | 1,453 | 702 |
| Interest cost on pension scheme liabilities | (2,133) | (1,273) |
| | <u>(680)</u> | <u>(571)</u> |

THE KEMNAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

16. TANGIBLE FIXED ASSETS

| | Freehold property £000 | L/Term Leasehold Property £000 | Computer equipment £000 | Motor vehicles £000 | Total £000 |
|------------------------|------------------------------|---|-------------------------------|---------------------------|---------------|
| Cost | | | | | |
| At 1 September 2013 | 68,061 | 142,626 | 138 | 33 | 210,858 |
| Additions | - | 7,449 | 19 | 25 | 7,493 |
| Disposals | - | (959) | - | - | (959) |
| Transfer on Conversion | - | 52,378 | - | - | 52,378 |
| At 31 August 2014 | 68,061 | 201,494 | 157 | 58 | 269,770 |
| Depreciation | | | | | |
| At 1 September 2013 | 4,275 | 5,090 | 73 | 7 | 9,445 |
| Charge for the year | 1,673 | 6,127 | 39 | 11 | 7,850 |
| On disposals | - | (70) | - | - | (70) |
| At 31 August 2014 | 5,948 | 11,147 | 112 | 18 | 17,225 |
| Net book value | | | | | |
| At 31 August 2014 | 62,113 | 190,347 | 45 | 40 | 252,545 |
| At 31 August 2013 | 63,786 | 137,536 | 65 | 26 | 201,413 |

The land and buildings transferred over from the Schools that converted during the year were valued in accordance with the RICS Valuation Standards Global and UK by DVS Property Specialist.

Land

Where land is owned (or occupied under terms of long term lease), subject to a legally binding restriction as to its use, it is included at a value determined by professional valuation, recognising restriction on use.

Buildings

In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor schools are recognised at their depreciated replacement cost at the time of the transfer and non-specialist buildings (such as a school cottage) are included at market value. Depreciation on transferred buildings is charged on a straight line basis over the estimated remaining useful life.

West Sussex County Council and Chichester High School for Boys had entered into an agreement for the construction by the Council of the "Richard Hibberd" building in lieu of the "Kingsham" Building that under the terms of the lease were to be handed back to the Council. In the current year fixed asset additions include £2,879,950 in respect of the "Richard Hibberd" building whilst the cost less accumulated depreciation of the "Kingsham" building handed back to the Council shows as a loss on disposal of £888,000.

Other Assets

Other assets transferred from the predecessor schools are also included at depreciated replacement cost (subject to the capitalisation limit set)

THE KEMNAL ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17. DEBTORS

| | 2014 | 2013 |
|--------------------------------|--------------|--------------|
| | £000 | £000 |
| Trade debtors | 26 | 149 |
| Other debtors | 5,819 | 3,615 |
| Prepayments and accrued income | 1,120 | 823 |
| | <u>6,965</u> | <u>4,587</u> |

18. CREDITORS:
Amounts falling due within one year

| | 2014 | 2013 |
|--|--------------|--------------|
| | £000 | £000 |
| Other loans | 93 | - |
| Trade creditors | 2,456 | 2,442 |
| EFA Creditor inc. abatement of GAG and deficit on transfer | 483 | 1,118 |
| Taxation and social security | 2,504 | 2,462 |
| Other creditors | 306 | 91 |
| Accruals and deferred income | 2,731 | 1,895 |
| | <u>8,573</u> | <u>8,008</u> |

Deferred Income

| | 2014 | 2013 |
|-------------------------------------|--------------|--------------|
| | £000 | £000 |
| Deferred Income at 1 September 2013 | 138 | 420 |
| Resources deferred in the year | 837 | 138 |
| Amounts released from previous year | <u>(138)</u> | <u>(420)</u> |
| Deferred Income at 31 August 2014 | <u>837</u> | <u>138</u> |

At the balance sheet date the trust was holding funds relating to Universal Infant Free School Meals for the academic year 1st September 2014 to 31st August 2015.

THE KEMNAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

19. CREDITORS:
Amounts falling due after more than one year

| | 2014 £000 | 2013 £000 |
|-------------|--------------|--------------|
| Other loans | 429 | - |

20. STATEMENT OF FUNDS

| | Brought Forward £000 | Incoming resources £000 | Resources Expended £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Carried Forward £000 |
|---|----------------------------|-------------------------------|-------------------------------|-----------------------------|----------------------------|----------------------------|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 4,425 | 3,195 | (3,147) | - | - | 4,473 |
| Restricted funds | | | | | | |
| Restricted | 6,526 | 121,840 | (119,677) | (1,451) | - | 7,238 |
| Other Income | 568 | 70 | (1,403) | 765 | - | - |
| Voluntary Funds | 888 | 3,296 | (1,519) | - | - | 2,665 |
| Pension reserve | (19,813) | (2,157) | (941) | - | (1,397) | (24,308) |
| | (11,831) | 123,049 | (123,540) | (686) | (1,397) | (14,405) |
| Restricted fixed asset funds | | | | | | |
| Restricted Fixed Asset Funds - all funds | 471 | 5,419 | (2,552) | (594) | - | 2,744 |
| DfE/ EFA Capital Grants | 3,023 | - | - | - | - | 3,023 |
| Donation | 198,390 | 52,378 | (8,671) | 1,280 | - | 243,377 |
| Fixed Asset Fund- Donation from Local Authority | - | 6,212 | (67) | - | - | 6,145 |
| | 201,884 | 64,009 | (11,290) | 686 | - | 255,289 |
| Total restricted funds | 190,053 | 187,058 | (134,830) | - | (1,397) | 240,884 |
| Total of funds | 194,478 | 190,253 | (137,977) | - | (1,397) | 245,357 |

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

Notes:

- (i) Restricted funds must be used for the normal running costs of the Company.
- (ii) Voluntary funds consists of income received from pupils for specific trips and activities.
- (iii) The Restricted Fixed Asset Fund relates to DfE/ EFA capital funding received for future capital expenditure.

THE KEMNAL ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

20. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the Company was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

| | Total £000 |
|---|-----------------------|
| Kemnal Technology College | 1,263 |
| Orchards Academy | 387 |
| King Harold School | 1,883 |
| Rainham High School for Girls | 200 |
| Welling School | 1,188 |
| Debden Park High School | 1,966 |
| East Wickham Primary Academy | 423 |
| Hylands School | 970 |
| Horizon Primary | 246 |
| The Academy, Selsey | 458 |
| Smarden Primary School | 65 |
| Bewbush Academy | 365 |
| Tangmere Academy | 112 |
| Seal Primary | 168 |
| Pluckley Church of England Primary School | 89 |
| Havant Academy | 527 |
| Newlands Primary School | 91 |
| Northdown Primary School | 112 |
| Salmestone Primary School | 190 |
| Cleeve Park School | 86 |
| Thomas Bennett Community College | 1,003 |
| Hilltop Primary Academy | 538 |
| Broadfield East Junior School | 220 |
| Broadfield East Infants School and Nursery | 557 |
| Seymour Primary School | 184 |
| The Oaks Primary School | 536 |
| Portfield Primary Academy | 15 |
| Bridgemary School | 74 |
| Heybridge Primary Academy | 53 |
| Drapers Mills Primary Academy | 368 |
| Dame Janet Primary Academy | (137) |
| Weyfield Primary Academy | 7 |
| Front Lawn Primary Academy | 297 |
| Chichester High School for Boys | 239 |
| Chichester High School for Girls | 268 |
| Grays Farm Primary Academy | 96 |
| The Mill Primary Academy | 196 |
| Ore Village Primary Academy | 203 |
| Pebsham Primary Academy | 30 |
| The Kemnal Academies Trust | (1,160) |
| Total before fixed asset fund and pension reserve | 14,376 |
| Restricted fixed asset fund | 255,289 |
| Pension reserve | (24,308) |
| Total | 245,357 |

THE KEMNAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

20. STATEMENT OF FUNDS (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

| | Teaching and educational support staff costs £000 | Other support staff costs £000 | Educational supplies £000 | Other costs excluding dep'n and loss on disposal £000 | Total £000 |
|---|--|---|---------------------------------|--|----------------|
| Kemnal Technology College | 3,828 | 635 | 110 | 1,572 | 6,145 |
| King Harold School | 2,169 | 387 | 154 | 1,242 | 3,952 |
| Orchards Academy | 1,910 | 339 | 142 | 1,043 | 3,434 |
| Rainham School for Girls | 5,923 | 918 | 289 | 1,723 | 8,853 |
| Welling School | 5,942 | 600 | 342 | 2,840 | 9,724 |
| Debden Park High School | 3,271 | 432 | 117 | 2,441 | 6,261 |
| East Wickham Primary Academy | 2,201 | 306 | 152 | 916 | 3,575 |
| Hylands School | 3,160 | 739 | 129 | 1,088 | 5,116 |
| Horizon Primary Academy | 590 | 108 | 37 | 216 | 951 |
| The Academy, Selsey | 1,943 | 349 | 117 | 750 | 3,159 |
| Smarden Primary School | 292 | 44 | 11 | 116 | 463 |
| Pluckley Church of England School | 463 | 104 | 18 | 137 | 722 |
| Havant Academy | 2,116 | 551 | 160 | 749 | 3,576 |
| Seal Primary Academy | 1,025 | 163 | 84 | 493 | 1,765 |
| Tangmere Primary Academy | 687 | 98 | 86 | 189 | 1,060 |
| Bewbush Academy | 1,629 | 252 | 112 | 517 | 2,510 |
| Newlands Primary School | 1,327 | 355 | 78 | 536 | 2,296 |
| Northdown Primary School | 1,265 | 270 | 61 | 469 | 2,065 |
| Salmestone Primary School | 1,508 | 236 | 168 | 420 | 2,332 |
| Drapers Mills Primary Academy | 1,621 | 381 | 123 | 623 | 2,748 |
| Dame Janet Primary Academy | 2,181 | 440 | 202 | 613 | 3,436 |
| Thomas Bennett Community College | 5,452 | 473 | 170 | 1,882 | 7,977 |
| Hilltop Primary Academy | 1,316 | 151 | 63 | 580 | 2,110 |
| The Oaks Primary School | 1,181 | 264 | 53 | 458 | 1,956 |
| Broadfield East Junior School | 985 | 181 | 24 | 200 | 1,390 |
| Broadfield East Infants School and Nursery | 1,004 | 124 | 36 | 234 | 1,398 |
| Front Lawn Primary Academy | 1,405 | 282 | 90 | 553 | 2,330 |
| Bridgemary school | 3,059 | 750 | 424 | 946 | 5,179 |
| Cleeve Park School | 3,922 | 535 | 156 | 1,489 | 6,102 |
| Heybridge Primary School | 696 | 204 | 24 | 245 | 1,169 |
| Seymour Primary School | 1,631 | 139 | 46 | 520 | 2,336 |
| Portfield Primary Academy | 742 | 91 | 36 | 230 | 1,099 |
| Weyfield Primary Academy | 1,338 | 263 | 96 | 547 | 2,244 |
| Chichester High School for Girls | 3,873 | 609 | 247 | 1,271 | 6,000 |
| Chichester High School for Boys | 3,045 | 373 | 209 | 1,270 | 4,897 |
| Gray's Farm Primary Academy | 1,203 | 199 | 57 | 482 | 1,941 |
| Ore Village Primary Academy | 906 | 111 | 100 | 512 | 1,629 |
| The Mill Primary Academy | 1,096 | 169 | 48 | 285 | 1,598 |
| Pebsham Primary Academy | 402 | 71 | 18 | 183 | 674 |
| The Kemnal Academies Trust | 1,732 | 91 | - | 1,244 | 3,067 |
| | 80,039 | 12,787 | 4,589 | 31,824 | 129,239 |

THE KEMNAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

SUMMARY OF FUNDS

| | Brought Forward £000 | Incoming resources £000 | Resources Expended £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Carried Forward £000 |
|---------------------------------|----------------------------|-------------------------------|-------------------------------|-----------------------------|----------------------------|----------------------------|
| General funds | 4,425 | 3,195 | (3,147) | - | - | 4,473 |
| Restricted funds | (11,831) | 123,049 | (123,540) | (686) | (1,397) | (14,405) |
| Restricted fixed asset funds | 201,884 | 64,009 | (11,290) | 686 | - | 255,289 |
| | <u>194,478</u> | <u>190,253</u> | <u>(137,977)</u> | <u>-</u> | <u>(1,397)</u> | <u>245,357</u> |

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Restricted fixed asset funds 2014 £000 | Total funds 2014 £000 | Total funds 2013 £000 |
|--|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| Tangible fixed assets | - | - | 252,545 | 252,545 | 201,413 |
| Current assets | 4,473 | 18,905 | 2,744 | 26,122 | 20,886 |
| Creditors due within one year | - | (8,573) | - | (8,573) | (8,008) |
| Creditors due in more than one year | - | (429) | - | (429) | - |
| Pension scheme liability | - | (24,308) | - | (24,308) | (19,813) |
| | <u>4,473</u> | <u>(14,405)</u> | <u>255,289</u> | <u>245,357</u> | <u>194,478</u> |

22. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2014 £000 | 2013 £000 |
|---|--------------|--------------|
| Net incoming resources before revaluations | 52,276 | 80,470 |
| Returns on investments and servicing of finance | (70) | (98) |
| Donation of buildings and equipment | (52,378) | (87,225) |
| Transfer of cash on conversion | (574) | (2,667) |
| Depreciation of tangible fixed assets | 7,850 | 5,239 |
| Disposal of tangible fixed assets | 889 | - |
| Capital grants from DfE | (5,419) | (4,435) |
| FRS 17 pension finance costs | 680 | 571 |
| FRS17 pension costs less contributions payable | 261 | (54) |
| Increase in debtors | (64) | (1,698) |
| Increase in creditors | 1,007 | 2,751 |
| Increase in provisions | - | - |
| Fixed asset donations | (6,212) | - |
| FRS 17 adjustments | - | - |
| Transfer of pension scheme liability | 2,157 | 8,543 |
| Net cash inflow from operations | <u>403</u> | <u>1,397</u> |

THE KEMNAL ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2014 | 2013 |
|---|----------------|--------------|
| | £000 | £000 |
| Returns on investments and servicing of finance | | |
| Interest received | 70 | 98 |
| | 2014 | 2013 |
| | £000 | £000 |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (1,281) | (93) |
| Capital grants from DfE | 3,105 | 4,435 |
| Net cash inflow capital expenditure | 1,824 | 4,342 |
| | 2014 | 2013 |
| | £000 | £000 |
| Transfers on Conversion to Academy | | |
| Surplus cash on Local Authority funds (including loans of £261,000) | 574 | 2,667 |
| | 2014 | 2013 |
| | £000 | £000 |
| Financing | | |
| Loans received | 89 | - |
| Repayment of other loans | (102) | - |
| Net cash outflow from financing | (13) | - |

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

24. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2013 £000 | Cash flow £000 | Other non-cash changes £000 | 31 August 2014 £000 |
|--|--------------------------------|-------------------|--------------------------------------|---------------------------|
| Cash at bank and in hand: | 16,299 | 2,858 | - | 19,157 |
| Debt: | | | | |
| Debts due within one year | - | - | (93) | (93) |
| Debts falling due after more than one year | - | 13 | (442) | (429) |
| Net funds | 16,299 | 2,871 | (535) | 18,635 |

25. OTHER NON-CASH TRANSACTIONS

Other non- cash changes represents:

| | £000 |
|---|------|
| (i) Loans transferred with new academies joining TKAT | £261 |
| (ii) Loans reclassified from sundry creditors | £274 |

26. CONVERSION TO AN ACADEMY TRUST

During the year the following Schools converted to academy trust status under the Academies Act 2010 and all the operations and assets were transferred to The Kemnal Academies Trust from the Local Authority for £nil consideration.

The following Schools transferred at 1 September 2013

Chichester High School for Boys
Chichester High School for Girls
Gray's Farm Primary Academy
The Mill Primary Academy

The following School transferred at 1 January 2014

Pebsham Primary Academy

Transfers have 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 transferred and an analysis of their recognition in the Statement of financial activities.

| | Unrestricted funds £000 | Restricted funds £000 | Restricted fixed asset funds £000 | Total funds £000 |
|---------------------------------------|-------------------------------|-----------------------------|--|------------------------|
| Freehold/leasehold land and buildings | - | - | 52,378 | 52,378 |
| Budget surplus/(deficit) on LA funds | 574 | - | - | 574 |
| LGPS pension surplus/(deficit) | - | (2,157) | - | (2,157) |
| Net assets/(liabilities) | 574 | (2,157) | 52,378 | 50,795 |

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FOR THE YEAR ENDED 31 AUGUST 2014**

26. CONVERSION TO AN ACADEMY TRUST (continued)

The above net assets/liabilities include £835,546 transferred as cash.

27. CAPITAL COMMITMENTS

At 31 August 2014 the Company had capital commitments as follows:

| | 2014 | 2013 |
|---|--------------|-------------|
| | £000 | £000 |
| Contracted for but not provided in these financial statements | 2,314 | 1,321 |

28. PENSION COMMITMENTS

The Company's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 8 different local authorities (Kent, Essex, West Sussex, East Sussex, Bromley, Bexley, Surrey, Hampshire County Councils). Both are defined benefit schemes.

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

Contributions amounting to £1,040,124 were payable to the schemes at 31 August 2014 (2013 - 1,212,000) 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard

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28. PENSION COMMITMENTS (continued)

contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

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

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28. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £5,253,000, of which employer's contributions totalled £4,110,000 and employees' contributions totalled £1,143,000.

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.

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

| | Expected return at 31 August 2014 % | Fair value at 31 August 2014 £000 | Expected return at 31 August 2013 % | Fair value at 31 August 2013 £000 |
|-------------------------------------|--|--|--|--|
| Equities | 6.50 | 20,693 | 7.00 | 12,669 |
| Bonds | 3.30 | 4,765 | 3.90 | 2,715 |
| Property | 5.20 | 2,506 | 5.50 | 1,395 |
| Other | 3.80 | 2,665 | 3.80 | 1,443 |
| Total market value of assets | | <u>30,629</u> | | <u>18,222</u> |
| Present value of scheme liabilities | | <u>(54,937)</u> | | <u>(38,035)</u> |
| (Deficit)/surplus in the scheme | | <u><u>(24,308)</u></u> | | <u><u>(19,813)</u></u> |

The amounts recognised in the Balance sheet are as follows:

| | 2014 £000 | 2013 £000 |
|-------------------------------------|------------------------|------------------------|
| Present value of funded obligations | (54,937) | (38,035) |
| Fair value of scheme assets | <u>30,629</u> | <u>18,222</u> |
| Net liability | <u><u>(24,308)</u></u> | <u><u>(19,813)</u></u> |

The amounts recognised in the Statement of financial activities are as follows:

| | 2014 £000 | 2013 £000 |
|----------------------------------|-----------------------|-----------------------|
| Current service cost | (4,302) | (2,796) |
| Interest on obligation | (2,133) | (1,273) |
| Expected return on scheme assets | 1,453 | 702 |
| Past service cost | (48) | - |
| Loss on curtailments | <u>(21)</u> | <u>-</u> |
| Total | <u><u>(5,051)</u></u> | <u><u>(3,367)</u></u> |
| Actual return on scheme assets | <u><u>2,167</u></u> | <u><u>2,046</u></u> |

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

28. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

| | 2014 | 2013 |
|--------------------------------------|---------------|-------------|
| | £000 | £000 |
| Opening defined benefit obligation | 38,035 | 17,076 |
| Current service cost | 4,302 | 2,796 |
| Interest cost | 2,133 | 1,273 |
| Contributions by scheme participants | 1,143 | 796 |
| Actuarial Losses | 3,869 | 2,068 |
| Past service costs | 48 | - |
| Losses on curtailments | 21 | - |
| Benefits paid | (469) | (359) |
| Transfer in of scheme | 5,855 | 14,385 |
| | <hr/> | <hr/> |
| Closing defined benefit obligation | 54,937 | 38,035 |
| | <hr/> | <hr/> |

Movements in the fair value of the Company's share of scheme assets:

| | 2014 | 2013 |
|-------------------------------------|---------------|-------------|
| | £000 | £000 |
| Opening fair value of scheme assets | 18,222 | 7,045 |
| Expected return on assets | 1,453 | 702 |
| Actuarial gains and (losses) | 2,472 | 1,346 |
| Contributions by employer | 4,110 | 2,850 |
| Contributions by employees | 1,143 | 796 |
| Benefits paid | (469) | (359) |
| Transfer in of scheme | 3,698 | 5,842 |
| | <hr/> | <hr/> |
| | 30,629 | 18,222 |
| | <hr/> | <hr/> |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £2,997,000 (2013 - £1,600,000).

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

| | 2014 | 2013 |
|--|---------------|-------------|
| Discount rate for scheme liabilities | 3.80 % | 4.60 % |
| Rate of increase in salaries | 4.10 % | 4.90 % |
| Rate of increase for pensions in payment / inflation | 2.60 % | 2.80 % |
| Inflation assumption (CPI) | 2.50 % | 2.80 % |

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28. PENSION COMMITMENTS (continued)

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

| | 2014 | 2013 |
|----------------------|-------------|-------------|
| Retiring today | | |
| Males | 22.2 - 24.4 | 21.9 - 24 |
| Females | 24.4 - 26.2 | 22.1 - 26.5 |
| Retiring in 20 years | | |
| Males | 24.2 - 26.9 | 22.3 - 25.7 |
| Females | 26.7 - 28.5 | 25.9 - 28.5 |

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

| | 2014 £000 | 2013 £000 | 2012 £000 | 2011 £000 |
|--|--------------|--------------|--------------|--------------|
| Defined benefit obligation | (54,937) | (38,035) | (17,076) | (4,600) |
| Scheme assets | 30,629 | 18,222 | 7,045 | 1,961 |
| Deficit | (24,308) | (19,813) | (10,031) | (2,639) |
| Experience adjustments on scheme liabilities | (3,869) | (2,068) | (1,616) | - |
| Experience adjustments on scheme assets | 2,472 | 1,346 | - | - |

29. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|-------------------------|--------------------|--------------|--------------|--------------|
| | 2014 £000 | 2013 £000 | 2014 £000 | 2013 £000 |
| Expiry date: | | | | |
| Within 1 year | - | - | 274 | 410 |
| Between 2 and 5 years | - | - | 343 | 386 |
| After more than 5 years | 3,938 | 3,775 | - | - |

The annual financial commitment in respect of Land & Buildings arises from the Company's PFI agreements at three of its Academies, Welling School, Debden Park High School and Thomas Bennett Community College.

Welling PFI annual commitment is based on RPI each year. The annual commitment included in the disclosure is based on estimated RPI changes from April 2014 to April 2015.

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30. RELATED PARTY TRANSACTIONS

Owing to the nature of the Company's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Company's financial regulations and normal procurement procedures. The following declarations have been made by Directors and Members:

| Director/Member | Declaration of Interest for TKAT Trust | Relationship | Commercial value/Annum |
|-----------------|---|--------------------------------|------------------------------|
| Mr J Atkins | Mrs S Atkins - Chair of Governors at Smarden School and Pluckley CoE Primary School | Spouse | Nil |
| Ms K Roberts | Ms D Roberts - School Health Co-ordinator at Rainham School for Girls | Sister | Standard terms of employment |
| Mr Q Roper | Commercial contract with Canterbury Christ Church University for granting PGCE awards to newly qualified teachers | Governor of CCCU | £38,864 |
| Ms A Mehta | Commercial contract with Ronald Ross School for the provision of Headteacher consultancy | Governor of Ronald Ross School | £700 |
| Mr R Vooght | Mrs N Vooght - Intervention Tutor at Kemnal Technology College | Spouse | Standard terms of employment |

Directors and Members received remuneration and employer pension contributions during the year totalling as follows:

| | 2014 £'000 | 2013 £'000 |
|------------|---------------|---------------|
| J. Atkins | 75 | 75 |
| K.Roberts | 160 | N/A |
| C.Cavanagh | 131 | 130 |
| D.Khanna | 118 | 114 |
| C.Markham | 113 | 107 |
| B.Hollyer | N/A | 88 |

The highest paid Director earned £140,000 (2013: £114,000) and their employer's pension contribution amounted to £19,740 (2013: £16,074)

31. POST BALANCE SHEET EVENTS

After the Balance Sheet date, the following schools converted into academies and joined The Kemnal Academies Trust.

1 September 2014
Napier Community Primary & Nursery Academy

1 November 2014
Miltoncross Academy

Asset valuations for these transferring schools have not yet been undertaken. Surpluses donated by the Local Authority on conversion have yet to be agreed. The value of Education Funding Agency grant for the coming year in aggregate amounts to £5.7m.