
KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Professor Megan Crawford
Mr Tony Holland (appointed 16 July 2016)
Mrs Jane Miller (appointed 16 July 2016)
Mrs Pauline Purcell (appointed 16 July 2016)
Mr Mike Taylor (appointed 16 July 2016)

Trustees

Professor Megan Crawford, Chair¹
Mr Barry O'Neill, Vice Chair
Mr Peter Barnes, CEO and Accounting Officer (appointed 1 September 2016)¹
Mr Charles Clay¹
Mrs Linda Herrera (co-opted) (appointed 22 May 2017)
Mr Tony Holland
Ms Carol Howells¹
Dr Colin Parsloe¹
Mrs Rachel Roberts¹
Mr Mark Sim (co-opted) (appointed 14 September 2016)
Mrs Sam Summers¹
Mr Mike Taylor¹
Mr Ian Tett¹
Mr Paul Watts (co-opted) (appointed 22 May 2017)
Mrs Hannah Williams (co-opted 1 October 2017)

¹ Member of the Finance, Audit and HR Committee

Company registered number

09144847

Company name

Kingsbridge Educational Trust

Principal and registered office

Oakgrove School
Venturer Gate
Middleton
Milton Keynes
Buckinghamshire
MK10 9JQ

Senior management team

Mr Peter Barnes, Chief Executive Officer
Mr Paul Bowen, Chief Financial Officer
Mrs Jane Lear, HR Director
Mrs Alison Lunn, Finance Director

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Independent auditor

Hillier Hopkins LLP
Chartered Accountants
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Bankers

Lloyds Bank plc
PO Box 1000
BX1 1LT

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

KINGSBRIDGE EDUCATIONAL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The principal activities of the Multi-Academy Trust are to advance for the public benefit education in the United Kingdom, in particular developing and managing broad school curriculums. The Multi-Academy Trust will aim to ensure the highest standards of educational achievement by students and a wide range of appropriate and suitable qualifications. The Multi-Academy Trust will aim to provide a safe, secure and supportive school environment that supports students' well-being, care and future development as successful citizens.

Since the multi-academy trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

Constitution

The multi-academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Trust deed is the primary governing document of the multi-academy trust. The Trustees of Kingsbridge Educational Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as Kingsbridge Educational Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

On 1 September 2016 Oakgrove School and Middleton Primary School, both existing single academy trusts, transferred into the Kingsbridge Educational Trust. On 1 July 2017 Monkston converted to academy and joined the Kingsbridge Educational Trust.

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 £1, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Indemnity provision is in force for all Trustees of the company.

Method of recruitment and appointment or election of Trustees

The management of the multi-academy trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The majority of trustees are drawn from the local community being either parents or carers at one of the Trust schools or individuals who have shown an interest in the future of the Trust. Recruitment is through a combination of approaches to individuals with known skills set. Any new trustee will be appointed in accordance with the guidelines set out in the Articles of Association

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TRUSTEES' REPORT (continued)
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Policies and procedures adopted for the induction and training of Trustees

There is a commitment by the Trustees to ensure that new trustees are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of trustees. A *Trustees' Induction Pack* is made available for new Trustees, which provides a comprehensive guide to the Trust and its governance.

Organisational structure

The Kingsbridge Educational Trust is governed by five Members including two (a solicitor and former primary school headteacher) who are independent. Beneath them lies the Board of Directors that includes the CEO/Executive Headteacher and the Headteachers of each of the schools. There are, as of now, a further ten Directors bringing a wide range of business acumen and other management skills to the Board. Two of these Directors have responsibility for Outcomes and Safeguarding respectively and meet regularly with their counterparts on each Local Governing Body and with the respective Executive Function lead. The Board of Directors has its own Finance, Personnel and Audit Committee that includes the Chief Financial Officer and the Trust's Human Resources Director. A full review and evaluation of the work of the Board of Directors is carried out annually.

Each school is governed by its own Local Governing Body to whom is delegated a wide range of responsibilities and a high degree of autonomy. The Trust does not operate a franchise model. Instead we believe that decisions are best made at local level by individuals listening to, and reflecting the needs of, their communities. The Trust has an Executive Function that monitors performance across the schools. This includes the CEO, the CFO, HR Director and Admissions and Governor services personnel. The majority of people working in the Central Function have other roles within schools. This is likely to change as the Trust becomes larger. Each school has its own Headteacher and a senior leadership team to reflect the diversity, size and need of each organization. The Headteachers of each school report to the CEO/Executive Headteacher and are accountable to the Chair of Governors of each Local Governing Body. Job descriptions, at all levels, are carefully delineated, kept under regular review and reflect the Trust's belief that decision-making is a co-operative rather than individual responsibility.

The Academy Trust works with the Local Governing Bodies to ensure commonality in aims, values and vision. These are expressed through the MAT development plan and the annual development plans for each of the schools. The Local Governing Bodies review their effectiveness for each of their schools and regularly report to the Board of Directors who retain an overview of performance, HR issues, outcomes and safeguarding. The Board of Directors may ask the schools for more information and for updates on any issues/concern as they deem necessary. Each school has an External Review of its performance carried out annually and reported back to the Board of Directors. There is also an annual Safeguarding Review for each school. 5% of each school's budget is 'top sliced' to provide central services and any surplus returned to the individual school. The Scheme of Delegation is reviewed annually.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Members (5)

2 X Independent
3 x Further Members

Finance, Audit and HR Committee

Chair of the Board of Directors
4 further Directors
F&PC Chairs
CEO
CFO
HR Director

Directors (15)

Chair of the Board of Directors
CEO (ex-officio)
9 Directors
4 Co-opted Directors

Local Governing Body of each School

Headteacher
2x Parent Governors (elected by parents/carers of each academy)
2x Staff Governors
Minimum 4 further Governors

**Finance and Personnel Committee
(F&PC) of each School**

4 X Governors
Headteacher
Business Manager
Finance Director

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Pay policy for key management personnel

All senior pay is decided upon at an individual level dependent upon the extent of responsibility, skills required, performance and retention needs. The CEO/Executive Headteacher's performance and remuneration is decided either by the Board of Directors, or by the Chair and Vice Chair of Directors given the Board's delegated authority to carry out this task. Other pay in the Executive Function is decided by the CEO/Executive Headteacher who will seek approval from the Board of Directors if required. Individual Headteacher salaries reflect national pay scales and the size of the schools in their groups. This is decided by the Chair of each Local Governing Body in consultation with the Executive Headteacher/CEO and approved by each Local Governing Body. Arrangements for setting pay and remuneration of members of the Senior Leadership Team of each school is decided upon by the Headteacher of that school and then reviewed by the Finance and Personnel Committee of each Local Governing Body.

Related Parties and other Connected Charities and Organisations

Kingsbridge Educational Trust is a multi-academy trust, (a charitable company limited by guarantee, company number 09144847), with sponsorship accreditation from the DfE. It currently operates three schools: Oakgrove 'all-through' school, Middleton Primary school and Monkston Primary school. A further new 'all-through' school, Kents Hill Park, will join the Trust on September 1st 2018 subject to a funding agreement being signed with the DfE. This school has already been approved by the Regional Schools Commissioner and appropriate funding agreed with the Trust.

Objectives and Activities

Objects and aims

The principal object and activity of the charitable company is the operation of the Kingsbridge Educational Trust whose primary purpose is to advance the education for different pupils of all abilities between the ages of 4 and 19.

In accordance with the DfE approved model articles of association, the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. This specifies, amongst other things, the basis for admitting pupils into the schools, the admissions criteria and that the curriculum should be broad and balanced and promote British values.

Objectives, strategies and activities

To ensure outstanding learning opportunities are provided for each and every child regardless of age, gender, need, faith or background. To enrich lives socially, culturally, morally and spiritually and to ensure all children can take their place in a forward-thinking, enlightened democracy.

We do this by ensuring each school in the Trust:

- provides the very best in teaching and learning opportunities for every pupil;
- has the highest expectations of what pupils can achieve;
- promotes an ethos of high expectations, outstanding behaviour and care;
- has an enriching and enabling, broad and balanced curricular and extra-curricular programme that supports outstanding personal development;
- prepares and equips pupils well for the next stages of their school journey;
- promotes and sustains the very best of British values, including fairness, equality, honesty, justice and service;
- ensures pupils reach the highest possible standards in public examinations;

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- shares our vision, aims and values and actively promotes these at every opportunity.

Each school within the Trust has its own development plan that reflects the priorities of both that school and its local community and sits within the Trust's overall aims and objectives. This plan is monitored by each Local Governing Body and key headlines reported to the Board of Directors, as required. The Trust will be opening the new Kents Hill Park 'all-through' school in Milton Keynes in September 2018 and this will be a major focus of its work in 2017 - 2018.

Public benefit

Directors have complied with the duty to have due regard to public benefit guidance published by the Charities Commission in exercising their powers and duties. The Members and Directors also ensure that each school fully complies with the conditions of grant laid down in their funding agreements. Members and Directors will also pursue alternative sources of funding as appropriate, consistent with the MAT's core aims and values, fund capital investment as appropriate and further look to maintain and improve the Trust's shorter-term liquidity.

Strategic report

Achievements and performance

Results at Middleton and Monkston Primary schools improved further in 2016-2017 and Middleton Primary school was graded as 'outstanding' in all categories by Ofsted in June 2017, an improvement since it joined the Trust. Attainment results for Oakgrove have also improved this year.

Oakgrove 'all-through' school

KS4 students at Oakgrove achieved an Attainment 8 figure of 52.64, which is a significant improvement on the previous year's equivalent figure of 47.54. Given the changes to the grading system this year in English and Maths, pupils have performed well in both these subjects with 57% of pupils achieving a 9-5 grade in both subjects (Basics measure). Until the national figures are published the Progress 8 figure is not available. The Ebacc figure rose to 28% from 21% last year even with the new tougher measure. A* - C pass rates rose in most subjects and in particular in Geography and History which were a focus for the school. The school needs to look at increasing the percentage of pupils meeting target grades at KS4 and moving students from a grade 5 to a 6 in English and Maths. Headlines at KS5 show another strong year. A Level passes at A*-B stood at 53% which is particularly pleasing and Applied General courses now achieve an average of Distinction*. Again, progress figures will be available at the beginning of October.

Middleton Primary school

KS2 pupils achieved some exceptional results with 97% of pupils achieving the expected standard in Reading, Writing and Maths. Average scaled scores of 112 in all three areas were very high and well ahead of national figures. Progress measures were very strong (sig+) for Reading and Maths and positive for Writing. The challenge will be to improve the Writing progress score and the percentage of pupils achieving a higher standard in writing to be on the same level as reading. Results at KS1 and in the EYFS are in excess of national figures.

Monkston Primary school

82% of KS2 pupils achieved the expected standard in Reading, Writing and Maths combined - well ahead of National. The percentage achieving a high standard was also particularly high (37%) compared to the national 2016 figure. Average scaled scores increased from last year to 110, 110 and 113 for Reading, Writing and Maths. Progress measures are sig + for all three areas. The challenge for this year will be ensuring that pupils are meeting the expected standard in all three areas. Results at KS1 and in the EYFS are in excess of national figures.

Key performance indicators

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TRUSTEES' REPORT (continued)
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All schools in the Trust monitor performance using common systems and income is benchmarked against curriculum and staffing needs. Key examination and financial indicators are used to design the type and appropriateness of the curriculum offered. Examination outcomes are also used to make judgements about value for money and those curriculum models or subject areas that require refinement, change, or greater cost effectiveness.

Going concern

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

Financial review

The majority of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), capital grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2017, total expenditure of £12,901,540 was more than covered by recurrent grant funding from the ESFA together with other incoming resources and reserves.

At 31 August 2017 the net book value of fixed assets was £42,849,956 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

Reserves policy

When funding allows, the KET will endeavour to hold a free reserve (including brought-forward balance) that is equivalent to at least 5% of current General Annual Grant (GAG) as a contingency. Free reserves exclude fixed asset funds, other restricted and designated funds. The purpose of the free reserve is to provide sufficient working capital to provide resources to deal with unexpected costs such as urgent maintenance, or to cover delays in the receipt of grants.

No maximum overall reserve has been set as the KET is mindful of the likely impact of the town's expansion plans on provision of places and the need to extend and develop facilities to accommodate an anticipated increase in pupil numbers. It is therefore the Board of Directors' policy to retain as much of the funding as possible and to add to this reserve as funds allow, without compromising provision for existing pupils.

Investment policy

If balances in excess of one month's salary costs can be reliably foreseen, the FD will seek the CFO's authorisation to place the identified surplus on fixed term deposit with Lloyds Bank, if this would attract a higher rate of interest than is being earned in the current account.

The CFO will periodically compare rates and terms offered by other banks or building societies on instant access

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or short notice access (max. 3 months) deposit accounts and advise the FAHRCT accordingly. The FAHRCT has the authority to authorise the opening and closing of such accounts.

All balances have remained in the current account during the accounting year.

Principal risks and uncertainties

As Trustees, we acknowledge we have overall responsibility for the Trust's system of internal financial control and for reviewing its effectiveness. 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 mis-statement or loss.

The Board of Directors has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the School's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between Kingsbridge Educational Trust and Education and Skills Funding Agency (ESFA). The CEO is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of their Schools, and their finances. The Trustees have implemented a number of systems, including the Risk Register, to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Work during the year to further develop the system of internal control, including financial, operational and risk management is designed to protect the Trust's assets and reputation.

A risk register is maintained at the Trust level which is reviewed annually by Trustees' committees and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. The Trust's financial objectives are:

- to achieve an annual operating surplus when possible.
- to pursue alternative sources of funding, on a selective basis, consistent with the School's core competencies, and the need for a financial contribution to the School's overall finances.
- to generate sufficient levels of income to support the asset base of the School.
- to further improve the School's shorter term liquidity.
- to fund continued capital investment.

They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The Trust has an effective system of internal financial control that monitor risks and uncertainty on a half termly basis.

Plans for future periods

The Trust has a busy 2017-2018 ahead. Monkston Primary School joined on July 1st 2017 and The Trust will work to bring its systems up to date and in-line with its other schools. Centralisation of functions is on-going and

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work to bring its systems up to date and in-line with its other schools. Centralisation of functions is on-going and immediate work with Monkston on admissions and governance structures will take place. The Trust's 'menu' of school improvement activities continues to widen and we will introduce our new line management system where Board Directors and School Governors sharing similar responsibilities meet regularly. The Trust will continue to work with all its schools to maximise academic outcomes, and ensure all pupils achieve to the best of their ability, whilst ensuring outstanding opportunities for personal development are provided.

. The Trust successfully bid, through the government's free schools programme, for the new 'all-through' Kents Hill Park school in Milton Keynes. This is a £34 million new build scheduled to open in September 2018 and the Trust will be working closely with the DfE, Local Authority and Ofsted to get this open on time and to the highest specification.

We will also consider other opportunities for any schools looking to join the Trust at later dates. We will continue to review all our functions, to ensure maximum efficiency and value for money, and continue to invest fully in the professional development and training of all staff - one of our key assets. The Trust will ensure it is fully prepared for the introduction of the new Ofsted MAT inspection framework in September 2018.

Funds held as custodian

None.

Disclosure of information to auditor

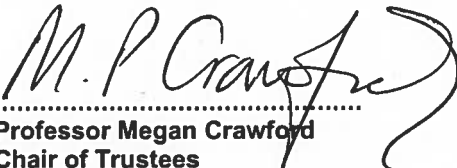
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, Hillier Hopkins LLP, has indicated its willingness to continue in office.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2017 and signed on its behalf by:


.....
Professor Megan Crawford
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Professor Megan Crawford, Chair	3	5
Mr Barry O'Neill, Vice Chair	4	5
Mr Peter Barnes, CEO and Accounting Officer	5	5
Mr Charles Clay	5	5
Mrs Linda Herrera (co-opted)	0	1
Mr Tony Holland	4	5
Ms Carol Howells	4	5
Dr Colin Parsloe	4	5
Mrs Rachel Roberts	5	5
Mr Mark Sim (co-opted)	2	4
Mrs Sam Summers	5	5
Mr Mike Taylor	2	5
Mr Ian Tett	4	5
Mr Paul Watts (co-opted)	0	1
Mrs Hannah Williams	0	0

Governance

The Board's performance has been effective throughout the year. The transition to a multi-academy trust has been a smooth one and there has been clear delineation of responsibilities between the Board and Local Governing Bodies. The Scheme of Delegation has been revised and revisited by the Board and changes made as appropriate. There has been increased centralisation of policies with a new system of link Directors/Governors put in place to support communication. There have been no particular challenges other than the need to review and streamline during this first year of operation: there has been some unnecessary duplication and the depth of information required at each level has required some clarification.

The Board uses a range of performance data to support its decision making. This includes information from the Inspection Dashboard, Raise Online and ALPS. It receives an 'Outcomes' report from each of the schools in the Trust at each Board meeting. This includes references to groups of pupils, attendance and current progress and is benchmarked against applicable national indicators. External and Safeguarding reviews of each school are shared with the Board and there is a school improvement briefing at each meeting. The Board receives a wide range of financial information to support its decision-making and works closely with the Finance, Audit and HR Committee (FAHRCT) to ensure information is presented in an accessible, user-friendly manner. An HR report is also presented at each Board meeting. Following the first year of operation, the Board feels the information it receives gives it an accurate oversight of each school's work and the work of the Trust. The only change that has been requested is that the attendance of staff is benchmarked on an annual basis. This will be incorporated

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GOVERNANCE STATEMENT (continued)

into the Summer HR report.

Governance Reviews

The Board has undertaken a self-evaluation review using its own self-evaluation tool that was developed from that produced by the Office of the Schools' Commissioner:

- Step 1 - strategic vision – embedding
- Step 2 – accountability framework – embedding
- Step 3 – Ofsted inspection of MATs and their findings – leading
- Step 4 – quality assurance systems – embedding
- Step 5 – clear delegated framework – leading
- Step 6 – Trust-wide improvement strategy – embedding
- Step 7 – School to school support – embedding
- Step 8 – skilled management of Trust-risk indicators – embedding
- Step 9 – succession plan – beginning
- Step 10 – Trust-wide commitment to supporting local/regional/national networks – developing

The findings from the above were used to inform the MAT development plan. The Local Governing Bodies also regularly carry out reviews – for example, Oakgrove school have recruited two new governors with specific skills sets following a review and Middleton Primary reviewed their governance effectiveness following their Ofsted inspection where leadership and management were graded 'outstanding'. In addition, the CEO of the Trust has met with the majority of Directors on an individual basis and issued evaluation questionnaires. These have also been sent to all governors of all schools joining the Trust. The purpose of this detailed evaluation is to gain a detailed understanding of the first year's work of the Trust – what has gone well and what could be improved. Detailed findings from this evaluation will be presented to the Board of Directors in the December meeting. However, the interim review has noted that generally it was felt the year had been overwhelmingly positive with all personnel clear about their new roles and responsibilities. Areas to be given further consideration included:

Review point 1: Some repetition between the work of the Board and FAHRCT committee.

Review point 2: Greater clarity about the level and depth of information needed at each level of governance.

Review point 3: Detailed breakdown of how the 5% is used and its effectiveness (addressed).

Review point 4: Mechanism to discuss new opportunities for schools to join the Trust outside of Board meetings (addressed).

Review point 5: New line management structure to link Directors with Outcomes and Safeguarding responsibilities with their counterparts in school (addressed).

Review point 6: More opportunities created to share school improvement work with Directors (addressed).

The Board of Directors regards Review and Evaluation as central to a culture of continuous improvement and will implement improvement changes throughout the year to facilitate the effective running of the Trust.

The Finance, Audit and HR Committee (FAHRCT) is a sub-committee of the main board of trustees. The main responsibilities of the FAHRCT are detailed in written terms of reference which have been authorised by the governing body. The main responsibilities include:

- The initial review and authorisation of the annual budget;
- The regular monitoring of actual expenditure and income against the budget;
- Ensuring the actual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued;
- Authorising the award of contracts within the terms of the Scheme of Delegation;
- Authorising changes to the school's personnel;

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GOVERNANCE STATEMENT (continued)

- To fulfil the responsibilities of an audit committee including review of risks to internal financial control, agreeing a programme of works for the internal auditor to carry out and reviewing the reports of the internal auditor on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body;
- Authorise the virement of funds within the terms of the Scheme of Delegation; and
- Write off debts within the terms of the Scheme of Delegation.

Attendance at FAHRCT meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Peter Barnes, CEO and Accounting Officer	5	5
Mr Charles Clay	5	5
Professor Megan Crawford	2	5
Ms Carol Howells	4	5
Dr Colin Parsloe	4	5
Mrs Rachel Roberts	1	1
Mrs Sam Summers	4	5
Mr Mike Taylor	4	5
Mr Ian Tett	1	1

Review of Value for Money

As Accounting Officer, the CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- **Probity:** it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the KET;
- **Accountability:** the KET is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness:** all those dealing with the KET are dealt with on a fair and equitable basis.

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 ongoing process designed to identify and prioritise the risks to the achievement of 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 Kingsbridge Educational Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Audit and HR Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Hillier Hopkins LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. Two visits to each of Middleton and Oakgrove Schools were carried out during the year followed up by a report to the Board of Trustees on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. In particular the checks carried out in the current period included:

- Reviewing bank reconciliations;
- Reviewing expenses to gain assurance that they are authorised and recorded correctly;
- Reviewing income, ensuring that appropriate controls are in place and operating effectively;
- Reviewing the systems and controls surrounding the preparation, authorisation and review of payroll; and
- Ensuring a fixed asset register is maintained.

The internal auditor's reports are reviewed in the first instance by the FAHRCT, who following discussion with the CFO and Finance Director, disseminate to the Academies' FPC Committees, making any recommendations for improvements to the control systems.

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

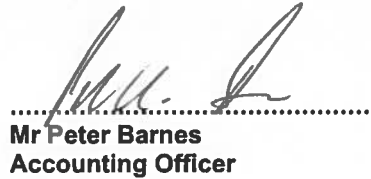
As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and HR Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 7 December 2017 and signed on their behalf, by:


.....
Professor Megan Crawford
Chair of Trustees


.....
Mr Peter Barnes
Accounting Officer

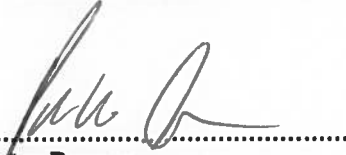
KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Kingsbridge Educational Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



.....
Peter Barnes
Accounting Officer

Date: 7 December 2017

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

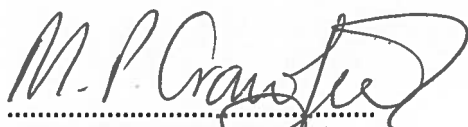
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 7 December 2017 and signed on its behalf by:



.....
Professor Megan Crawford
Chair of Trustees

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSBRIDGE EDUCATIONAL TRUST**

Opinion

We have audited the financial statements of Kingsbridge Educational Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 August 2017 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, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included

KINGSBRIDGE EDUCATIONAL TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSBRIDGE EDUCATIONAL TRUST**

in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSBRIDGE EDUCATIONAL TRUST**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts

WD17 1HP

Date: *14th December 2017*

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
KINGSBRIDGE EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 July 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingsbridge Educational Trust during the year 1 September 2016 to 31 August 2017 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 Kingsbridge Educational Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kingsbridge Educational Trust and the ESFA 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 Kingsbridge Educational Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kingsbridge Educational Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Kingsbridge Educational Trust's funding agreement with the Secretary of State for Education dated 1 December 2014, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
KINGSBRIDGE EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**
(continued)

- regime.
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hillier Hopkins LLP

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: *14th December 2017*

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion	2	104,900	(443,000)	5,504,098	5,165,998	-
Transfer of existing academies into the academy	2	1,422,851	(5,003,071)	30,844,826	27,264,606	-
Local authority donated buildings	2	-	-	7,320,000	7,320,000	-
Other donations and capital grants	2	8,736	-	38,735	47,471	-
Charitable activities	3	977,121	10,765,408	-	11,742,529	-
Other trading activities	4	88,822	-	-	88,822	-
Investments	5	7,582	-	-	7,582	-
Total income		2,610,012	5,319,337	43,707,659	51,637,008	-
Expenditure on:						
Charitable activities		786,847	11,360,080	754,613	12,901,540	3,687
Total expenditure	8	786,847	11,360,080	754,613	12,901,540	3,687
Net income / (expenditure) before transfers		1,823,165	(6,040,743)	42,953,046	38,735,468	(3,687)
Transfers between Funds	21	(58,475)	84,208	(25,733)	-	-
Net income / (expenditure) before other recognised gains and losses		1,764,690	(5,956,535)	42,927,313	38,735,468	(3,687)
Actuarial gains on defined benefit pension schemes	25	-	1,251,000	-	1,251,000	-
Net movement in funds		1,764,690	(4,705,535)	42,927,313	39,986,468	(3,687)
Reconciliation of funds:						
Total funds brought forward		2,625	-	-	2,625	6,312
Total funds carried forward		1,767,315	(4,705,535)	42,927,313	39,989,093	2,625

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09144847

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	15		2,007		-
Tangible assets	16		42,847,949		-
			<u>42,849,956</u>		<u>-</u>
Current assets					
Debtors	17	474,236		-	
Cash at bank and in hand		2,405,427		4,028	
		<u>2,879,663</u>		<u>4,028</u>	
Creditors: amounts falling due within one year	18	<u>(675,526)</u>		<u>(1,403)</u>	
Net current assets			<u>2,204,137</u>		<u>2,625</u>
Total assets less current liabilities			<u>45,054,093</u>		<u>2,625</u>
Defined benefit pension scheme liability	25	(5,065,000)			-
Net assets including pension scheme liabilities			<u><u>39,989,093</u></u>		<u><u>2,625</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	21	359,465		-	
Restricted fixed asset funds	21	42,927,313		-	
Restricted income funds excluding pension liability		<u>43,286,778</u>		-	
Pension reserve		<u>(5,065,000)</u>		-	
Total restricted income funds			<u>38,221,778</u>		-
Unrestricted income funds	21		<u>1,767,315</u>		<u>2,625</u>
Total funds			<u><u>39,989,093</u></u>		<u><u>2,625</u></u>

The financial statements on pages 23 to 53 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:


.....
Professor Megan Crawford
Chair of Trustees

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	19	<u>(25,939)</u>	<u>(3,203)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		7,582	-
Purchase of tangible fixed assets		(114,413)	-
Capital grants from DfE/ESFA		38,735	-
Purchase of intangible assets		(1,594)	-
Cash inherited on conversion		104,900	-
Cash inherited on transfer of existing academies		<u>2,392,128</u>	<u>-</u>
Net cash provided by investing activities		<u>2,427,338</u>	<u>-</u>
Change in cash and cash equivalents in the year		2,401,399	(3,203)
Cash and cash equivalents brought forward		<u>4,028</u>	<u>7,231</u>
Cash and cash equivalents carried forward	20	<u><u>2,405,427</u></u>	<u><u>4,028</u></u>

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kingsbridge Educational Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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.

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

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.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer Software	-	20% straight line
-------------------	---	-------------------

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

Freehold property	-	2% straight line
Long-term leasehold property	-	1-2% straight line
Motor vehicles	-	10-20% straight line
Fixtures and fittings	-	10-20% straight line
Computer equipment	-	20% straight line

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 incorporating income and expenditure account.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy 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.

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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1. Accounting Policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 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. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Monkston School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

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1. Accounting Policies (continued)

1.16 Fund accounting

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

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

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

1.17 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation, amortisation and residual values

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

Impairment

The Trustees have considered the valuation of investments in tangible and intangible fixed assets. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired requiring the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired or not requires a significant degree of judgement and may to a large extent depend on the assumptions made in its evaluation. The Trustees have concluded that the valuation of assets as at the year end are appropriate.

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2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Transfer from local authority on conversion	104,900	(443,000)	5,504,098	5,165,998	-
Transfer of existing academies into the academy	1,422,851	(5,003,071)	30,844,826	27,264,606	-
Local authority donated buildings	-	-	7,320,000	7,320,000	-
Subtotal detailed disclosure	<u>1,527,751</u>	<u>(5,446,071)</u>	<u>43,668,924</u>	<u>39,750,604</u>	<u>-</u>
Donations	8,736	-	-	8,736	-
Capital Grants	-	-	38,735	38,735	-
Grants	-	-	-	-	-
	<u>1,536,487</u>	<u>(5,446,071)</u>	<u>43,707,659</u>	<u>39,798,075</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General annual grant (GAG)	-	9,601,871	9,601,871	-
Pupil premium	-	353,447	353,447	-
Other DfE grants	-	223,099	223,099	-
Rates relief	-	56,764	56,764	-
	-	10,235,181	10,235,181	-
Other government grants				
SEN funding	-	199,106	199,106	-
Local authority grants	-	303,121	303,121	-
Other government grants	-	25,000	25,000	-
	-	527,227	527,227	-
Other funding				
Trip income	166,438	-	166,438	-
Catering income	447,477	-	447,477	-
Examination income	1,878	-	1,878	-
Music income	14,510	-	14,510	-
School club income	235,384	-	235,384	-
Other income	111,434	3,000	114,434	-
	977,121	3,000	980,121	-
	977,121	10,765,408	11,742,529	-
<i>Total 2016</i>	-	-	-	-

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings Income	74,531	-	74,531	-
Staff consultancy services	14,291	-	14,291	-
	88,822	-	88,822	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Bank interest	7,582	-	7,582	-

6. Direct costs

	Educational activities £	Total 2017 £	<i>Total 2016 £</i>
Educational supplies	195,138	195,138	-
Examination fees	124,093	124,093	-
Staff development	30,989	30,989	424
Technology costs	40,199	40,199	479
Educational consultancy	92,233	92,233	-
Legal and professional fees	12,120	12,120	-
School trips expenditure	174,599	174,599	-
Other costs	-	-	209
Transport	4,992	4,992	-
Wages and salaries	6,191,074	6,191,074	-
National insurance	566,921	566,921	-
Pension cost	830,765	830,765	-
	<u>8,263,123</u>	<u>8,263,123</u>	<u>1,112</u>
<i>At 31 August 2016</i>	<u>1,112</u>	<u>1,112</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Support costs

	Educational activities £	Total 2017 £	Total 2016 £
FRS102 pension costs (note 24)	116,000	116,000	-
Technology costs	26,931	26,931	-
Legal and professional fees	140,853	140,853	2,167
Recruitment	18,980	18,980	-
Maintenance of premises	221,920	221,920	-
Maintenance of equipment	41,390	41,390	-
Cleaning	246,455	246,455	-
Rent and rates	65,802	65,802	-
Energy	203,798	203,798	-
Insurance	76,842	76,842	-
Security	13,680	13,680	-
Catering	616,867	616,867	77
Bank interest and charges	243	243	-
Administration costs	192,231	192,231	332
Other staff costs	33,615	33,615	-
Governance costs	19,493	19,493	-
Amortisation	727	727	-
Wages and salaries	1,005,587	1,005,587	-
National insurance	73,117	73,117	-
Pension cost (note 24)	770,000	770,000	-
Depreciation	753,886	753,886	-
	<u>4,638,417</u>	<u>4,638,417</u>	<u>2,576</u>
<i>At 31 August 2016</i>	<u>2,576</u>	<u>2,576</u>	

During the year ended 31 August 2017, the academy incurred the following Governance costs: £19,493 (2016 - £NIL) included within the table above in respect of Educational activities.

8. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational activities:					
Direct costs	7,588,760	-	674,363	8,263,123	1,112
Support costs	1,964,704	1,582,383	1,091,330	4,638,417	2,576
	<u>9,553,464</u>	<u>1,582,383</u>	<u>1,765,693</u>	<u>12,901,540</u>	<u>3,688</u>
<i>Total 2016</i>	<u>-</u>	<u>-</u>	<u>3,688</u>	<u>3,688</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£	£
Amortisation of intangible assets	727	-
Depreciation of tangible fixed assets:		
- owned by the charity	753,886	-
Auditor's remunerations - audit	11,000	-
Auditor's remunerations - other services	2,250	-
	<u><u> </u></u>	<u><u> </u></u>

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10. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	7,058,696	-
Social security costs	640,038	-
Operating costs of defined benefit pension schemes	1,600,765	-
	9,299,499	-
Apprenticeship levy	15,815	-
Supply teacher costs	122,150	-
Other costs (note 14)	116,000	-
	9,553,464	-

The average number of persons employed by the Trust during the year was as follows:

	2017 No.	2016 No.
Teachers	146	0
Administration and support	132	0
Management	24	0
	302	0

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	6	0
In the band £70,001 - £80,000	2	0
In the band £90,001 - £100,000	1	0
In the band £120,001 - £130,000	1	0

Of the above employees, 9 participated in the Teachers Pension Scheme (2016: nil). During the year ended 31 August 2017, employer's pension contributions for these staff amounted to £112,436 (2016: £nil).

Of the above employees, 1 participated in the Local Government Pension Scheme (2016: nil). During the year ended 31 August 2017, employer's pension contributions for these staff amounted to £14,424 (2016: £nil).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £613,711 (2016: £nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

- School Improvement Support
- Human Resources Support
- Financial Management Services
- Admissions and Appeals Management
- Governor Services
- Outcomes Support
- Safeguarding Support
- Others as arising

The academy charges for these services on the following basis:

Central services are charged in proportion to 5% of GAG income of each school.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Oakgrove School	353,704	-
Middleton School	89,129	-
Monkston School	12,302	-
	455,135	-
Total	455,135	-

12. Trustees' remuneration and expenses

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

		2017	2016
		£	£
Mr P Barnes	Remuneration	125,000-130,000	-
	Pension contributions paid	20,000-25,000	-
Mr I Tett	Remuneration	90,000-95,000	-
	Pension contributions paid	15,000-20,000	-
Mr M Sim	Remuneration	65,000-70,000	-
	Pension contributions paid	10,000-15,000	-
Ms R Roberts	Remuneration	65,000-70,000	-
	Pension contributions paid	10,000-15,000	-

During the year ended 31 August 2017, expenses totalling £1,007 were reimbursed to 2 Trustees.

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13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Multi-Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £786 (2016 - £nil).

14. Other finance income

	2017 £	2016 £
Interest income on pension scheme assets	87,000	-
Interest on pension scheme liabilities	(203,000)	-
	(116,000)	-

15. Intangible fixed assets

	Computer Software £
Cost	
At 1 September 2016	-
Additions	1,594
Additions on transfer of existing academies	1,140
At 31 August 2017	2,734
Amortisation	
At 1 September 2016	-
Charge for the year	727
At 31 August 2017	727
Carrying amount	
At 31 August 2017	2,007
At 31 August 2016	-

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16. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 September 2016	-	-	-	-	-	-
Additions	-	7,320,000	-	58,360	56,053	7,434,413
Additions on transfer of existing academies	23,937,169	6,146,699	5,051	294,664	279,741	30,663,324
Additions on conversion	-	5,415,300	-	46,300	42,498	5,504,098
At 31 August 2017	<u>23,937,169</u>	<u>18,881,999</u>	<u>5,051</u>	<u>399,324</u>	<u>378,292</u>	<u>43,601,835</u>
Depreciation						
At 1 September 2016	-	-	-	-	-	-
Charge for the year	442,995	180,444	1,674	52,068	76,705	753,886
At 31 August 2017	<u>442,995</u>	<u>180,444</u>	<u>1,674</u>	<u>52,068</u>	<u>76,705</u>	<u>753,886</u>
Net book value						
At 31 August 2017	<u><u>23,494,174</u></u>	<u><u>18,701,555</u></u>	<u><u>3,377</u></u>	<u><u>347,256</u></u>	<u><u>301,587</u></u>	<u><u>42,847,949</u></u>
At 31 August 2016	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Included in freehold property is freehold land at valuation of £3,876,400, which is not depreciated.

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

- The acquisition of the freehold on transfer of Oakgrove School into the trust at the value detailed in Note 28.
- The acquisition of the long-term leasehold property on transfer of Middleton Primary School into the trust at the value detailed in Note 28.
- The acquisition of the long-term leasehold property on conversion of Monkston Primary School into the trust at the value detailed in Note 21.
- The acquisition of the long-term leasehold property relating to the new building for Oakgrove primary school. The building was donated by the local authority and the trust pays a peppercorn rent over a term of 125 years.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Debtors

	2017 £	2016 £
Trade debtors	80,736	-
VAT recoverable	58,947	-
Other debtors	524	-
Prepayments and accrued income	334,029	-
	<u>474,236</u>	<u>-</u>

18. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	124,192	503
Other taxation and social security	211,378	-
Other creditors	38,598	-
Accruals and deferred income	301,358	900
	<u>675,526</u>	<u>1,403</u>

At the balance sheet date the academy trust was holding grants received in advance for the autumn term 2017. The trust was also holding funds received in advance for trips, lessons and clubs booked for the autumn term.

	2017 £	2016 £
Deferred income		
Resources deferred during the year	<u>214,523</u>	<u>-</u>

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19. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	38,735,468	(3,687)
Adjustment for:		
Depreciation charges	753,886	-
Amortisation charges	727	-
Interest received	(7,582)	-
Increase in debtors	(248,273)	-
(Decrease)/increase in creditors	(826)	484
Capital grants from DfE and other capital income	(38,735)	-
Defined benefit pension scheme cost less contributions payable	414,000	-
Defined benefit pension scheme finance cost	116,000	-
Funds inherited on conversion	(5,165,998)	-
Funds inherited on transfer of existing academies	(27,264,606)	-
Donated building	(7,320,000)	-
Net cash used in operating activities	(25,939)	(3,203)

20. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	2,405,427	4,028
Total	2,405,427	4,028

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NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted fund	2,625	2,610,012	(786,847)	(58,475)	-	1,767,315
Restricted funds						
General Annual Grant (GAG)	-	9,601,871	(9,926,916)	404,412	-	79,367
Pupil Premium	-	353,447	(358,905)	7,035	-	1,577
NCTL/Teaching School	-	45,785	(49,298)	3,513	-	-
Other DfE	-	234,078	(231,984)	-	-	2,094
Other government grants	-	25,000	(32,407)	7,407	-	-
MK Council playground grant	-	-	-	256,150	-	256,150
SEN	-	199,106	(199,911)	805	-	-
LA Looked After Child Funding	-	17,027	(13,459)	13,709	-	17,277
Other LA income	-	286,094	(17,200)	(268,894)	-	-
Other restricted income	-	3,000	-	-	-	3,000
Transfers in from existing academies	-	339,929	-	(339,929)	-	-
Pension reserve	-	(5,786,000)	(530,000)	-	1,251,000	(5,065,000)
	-	5,319,337	(11,360,080)	84,208	1,251,000	(4,705,535)
Restricted fixed asset funds						
Tangible fixed assets	-	43,487,421	(753,886)	114,416	-	42,847,951
Intangible fixed assets	-	1,140	(727)	1,594	-	2,007
Primary school set up grant	-	180,363	-	(117,050)	-	63,313
Devolved Capital Grant	-	38,735	-	(24,693)	-	14,042
	-	43,707,659	(754,613)	(25,733)	-	42,927,313
Total restricted funds	-	49,026,996	(12,114,693)	58,475	1,251,000	38,221,778
Total of funds	2,625	51,637,008	(12,901,540)	-	1,251,000	39,989,093

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21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds						
Unrestricted fund	6,312	-	(3,687)	-	-	2,625
Total of funds	<u>6,312</u>	<u>-</u>	<u>(3,687)</u>	<u>-</u>	<u>-</u>	<u>2,625</u>

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

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion and future GAG funding agreed by the ESFA is expected to be sufficient to take the fund back into surplus.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education & Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy.

Milton Keynes Council capital grant is to be used to maintain and improve school buildings. School fund income is derived largely from contributions from parents for school trips and also funds raised from charity events at the school.

The other material restricted general funds represent incoming resources for the following specific purposes:

- (a) ESFA grant allocated to schools for the purpose of providing bursaries to 6th form pupils. For the year ended 31 August 2017, the academy treats the income and distribution of bursaries as an agency arrangement, as detailed in the accounting policies (note 1).
- (b) National College for Teaching and Leadership grants following Oakgrove School's designation as a Teaching School and the Chair of Governors designation as a National Leader of Governance, to fund research, coaching and mentoring costs.
- (c) Stated Pupil top up funding provided by the Local Authority to fund additional support for students with high level statements of special educational need.
- (d) Pupil premium grant allocated for students known to have been eligible for free school meals in any of the previous 6 years. The funding is provided to raise the attainment of disadvantaged pupils and to close the gap between them and their peers.

The restricted fixed asset fund includes the freehold land and buildings and all material items of fixtures, fittings and equipment. Depreciation charged on assets is allocated to the fund. Income to the fund is

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21. Statement of funds (continued)

comprised of the ESFA devolved capital grant (£38,735) and a amounts from existing academies transferred into the fund (£180,363) to the fit out of the new primary school.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Oakgrove School	1,230,819	-
Middleton School	829,473	-
Monkston School	58,706	-
Trust	7,782	2,625
Total before fixed asset fund and pension reserve	<u>2,126,780</u>	<u>2,625</u>
Restricted fixed asset fund	42,927,313	
Pension reserve	(5,065,000)	
Total	<u><u>39,989,093</u></u>	<u><u>2,625</u></u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	<i>Total 2016 £</i>
Oakgrove School	5,985,855	1,126,757	499,938	1,402,951	9,015,501	-
Middleton School	1,377,391	412,892	138,345	414,800	2,343,428	-
Monkston School	202,813	31,106	23,562	51,891	309,372	-
Kingsbridge Educational Trust	198,940	217,710	4,626	57,349	478,625	-
	<u><u>7,764,999</u></u>	<u><u>1,788,465</u></u>	<u><u>666,471</u></u>	<u><u>1,926,991</u></u>	<u><u>12,146,926</u></u>	

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22. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	2,007	2,007
Tangible fixed assets	-	-	42,847,949	42,847,949
Current assets	1,837,699	964,607	77,357	2,879,663
Creditors due within one year	(70,384)	(605,142)	-	(675,526)
Provisions for liabilities and charges	-	(5,065,000)	-	(5,065,000)
	<u>1,767,315</u>	<u>(4,705,535)</u>	<u>42,927,313</u>	<u>39,989,093</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i> 2016 £	<i>Restricted funds</i> 2016 £	<i>Restricted fixed asset funds</i> 2016 £	<i>Total funds</i> 2016 £
Current assets	4,028	-	-	4,028
Creditors due within one year	(1,403)	-	-	(1,403)
	<u>2,625</u>	<u>-</u>	<u>-</u>	<u>2,625</u>

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23. Transfer of existing academies into the Trust

On 1 September 2016, Oakgrove School and Middleton Primary School, both existing academy trusts, were transferred into the Kingsbridge Educational Trust. The assets and liabilities transferred to the Kingsbridge Educational Trust on that date are as follows:

Oakgrove School

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Intangible assets			
Computer software	1,140	-	1,140
Tangible fixed assets			
Freehold property	23,937,169	-	23,937,169
Fixtures and fittings	441,480	-	441,480
Debtors due within one year	158,145	-	158,145
Cash in bank and in hand	1,688,555	-	1,688,555
Liabilities			
Creditors due within one year	(572,035)	-	(572,035)
Pensions			
Pensions - pension scheme assets	2,824,000	-	2,824,000
Pensions - pension scheme liabilities	(7,066,000)	-	(7,066,000)
Net assets	<u>21,412,454</u>	<u>-</u>	<u>21,412,454</u>

Middleton Primary School

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Tangible fixed assets			
Long-term leasehold property	6,146,698	-	6,146,698
Fixtures and fittings	62,537	-	62,537
Computer equipment	75,439	-	75,439
Debtors due within one year	67,819	-	67,819
Cash in bank and in hand	703,573	-	703,573
Liabilities			
Creditors due within one year	(102,914)	-	(102,914)
Pensions			
Pensions - pension scheme assets	831,000	-	831,000
Pensions - pension scheme liabilities	(1,932,000)	-	(1,932,000)
Net assets	<u>5,852,152</u>	<u>-</u>	<u>5,852,152</u>

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24. Conversion to an academy trust

On 1 July 2017 Monkston Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kingsbridge Educational Trust from Milton Keynes Local Authority for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

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 incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	5,415,300	5,415,300
- Other tangible fixed assets	-	-	88,798	88,798
Budget surplus/(deficit) on LA funds	104,900	-	-	104,900
LGPS pension surplus/(deficit)	-	(443,000)	-	(443,000)
Net assets/(liabilities)	<u>104,900</u>	<u>(443,000)</u>	<u>5,504,098</u>	<u>5,165,998</u>

The above net assets include £104,900 that were transferred as cash.

25. Pension commitments

The academy'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 Buckinghamshire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

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.

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25. Pension commitments (continued)

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £830,765 (2016 - £nil).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £473,000 (2016 - £nil), of which employer's contributions totalled £359,000 (2016 - £nil) and employees' contributions totalled £114,000 (2016 - £nil). The agreed contribution rates for future years are 20% for employers and 5.5% -12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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25. Pension commitments (continued)

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.00 %	- %
Rate of increase in salaries	4.20 %	- %
Rate of increase for pensions in payment / inflation	2.70 %	- %

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

	2017	2016
Retiring today		
Males	23.9	n/a
Females	26.0	n/a
Retiring in 20 years		
Males	26.2	n/a
Females	28.3	n/a

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,739,000	-
Gilts	476,000	-
Corporate bonds	639,000	-
Property	362,000	-
Cash and other liquid assets	168,000	-
Investment funds	466,000	-
Alternative assets	54,000	-
Total market value of assets	<u>4,904,000</u>	<u>-</u>

The actual return on scheme assets was £501,000 (2016 - £nil).

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25. Pension commitments (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(770,000)	-
Admin expenses	(3,000)	-
Interest income	87,000	-
Interest cost	(203,000)	-
Employer contributions	359,000	-
	<hr/>	<hr/>
Total	(530,000)	-
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	501,000	-
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 £	2016 £
Upon conversion	845,000	-
Transferred in on existing academies joining the trust	8,998,000	-
Current service cost	770,000	-
Interest cost	203,000	-
Employee contributions	114,000	-
Actuarial gains	(945,000)	-
Benefits paid	(16,000)	-
	<hr/>	<hr/>
Closing defined benefit obligation	9,969,000	-
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 £	2016 £
Upon conversion	402,000	-
Transferred in on existing academies joining the trust	3,655,000	-
Interest income	87,000	-
Actuarial gains	306,000	-
Employer contributions	359,000	-
Employee contributions	114,000	-
Benefits paid	(16,000)	-
Admin expenses	(3,000)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	4,904,000	-
	<hr/> <hr/>	<hr/> <hr/>

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26. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	50,284	-
Between 1 and 5 years	49,108	-
Total	<u>99,392</u>	<u>-</u>

27. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

28. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

29. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £41,381 (2016: £nil) and disbursed £13,146 (2016: £nil) from the fund. An amount of £28,235 (2016: £nil) is included in other creditors relating to undistributed funds that may be repayable to the ESFA if requested.