
CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Trustees

A R Johnson, Chair of Governors^{1,2,3,4}
G A Cannon³
A N Christopher, Chair of Finance Committee^{1,4}
M W Derrick³
G Eaton³
V J Hindson^{1,3}
L Huxtable³
J D Leigh^{1,4}
C S Oates, Headteacher^{1,2,3,4}
C S O'Hare^{2,4}
M R Pauling (resigned 6 July 2016)³
A M Percival (resigned 1 October 2015)³
E A O Reed^{2,3}
M Richards^{2,3}
L G Rowley¹
C C Rubinstein (resigned 6 October 2015)³
J M Saunders (resigned 6 October 2015)^{1,3}
K Day (appointed 17 March 2016)¹
N P Robbins (appointed 5 May 2016)²

¹ Finance

² Staffing

³ Curriculum and Pastoral

⁴ Buildings and Health & Safety

Company registered number

07686390

Company name

Cirencester Kingshill School

Principal and registered office

Kingshill Lane
Cirencester
Gloucestershire
GL7 1HS

Company secretary

S Gardiner

Headteacher

C S Oates

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Advisers (continued)

Senior management team

C S Oates, Headteacher
D J Christopher, Senior Assistant Headteacher
S Hastings, Assistant Headteacher
S Gardiner, Business Manager
A Thomas, Deputy Headteacher
J J Morland, Senior Assistant Headteacher
T Lee, Assistant Headteacher

Independent auditors

Randall & Payne LLP
Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Bankers

Lloyds Bank Plc
14 Castle Street
Cirencester
Gloucestershire
GL7 1QJ

Solicitors

Harrison Clark Rickerbys LLP
Ellenborough House
Wellington House
Cheltenham
Gloucestershire
GL50 1YD

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the audited financial statements and auditor's report of Cirencester Kingshill School (the Academy) for the period from 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a directors' report, including a strategic report, under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in the South Cotswolds. It has a pupil capacity of 825 and had a roll of 807 in the School Census on 19 May 2016. Following completion of the new building work and refurbishment programme in 2014-15, the academy applied to the Secretary of State for Education to increase the net capacity to 912 and this was approved by the Education Funding Agency on 30 August 2016.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Cirencester Kingshill School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Cirencester Kingshill School.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

b. MEMBERS' LIABILITY

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Regard is given to the qualifications and experience of the Trustees/Governors to ensure that the Trust/Governing Body has all the necessary skills required to contribute fully to the Academy's management and development.

In accordance with the Academy's Articles of Association, the Trust/Governing Body of Cirencester Kingshill School has resolved to have the following categories of Governor:

- General Governors (up to 9)
- Parent Governors (up to 4)
- Staff Governors (1 teaching staff; 1 support staff)
- Co-opted Governors (up to a maximum of 3)
- Headteacher (ex officio)

The agreed term of office for all Governor categories is four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected. Governors are recruited and elected as follows:

General Governor: Candidates are nominated by a current Governor (Member). Nominations must be seconded by another serving member of the Governing Body. If the nomination is not contested (there is only one candidate), a vote is given by a show of hands. In the case where a vacancy is contested, voting is by secret ballot. Governors must be present at the meeting at which the voting takes place in order to cast their vote.

Parent Governor: Parent Governors shall be elected by parents of registered pupils at the Academy. The Governing Body takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given the opportunity to do so.

A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected; parents may self-nominate. If the nomination is not contested (there is only one candidate), the Clerk to Governors will send a letter to the parents of all registered pupils confirming the name of the candidate and their appointment as Parent Governor. If there is more than one nominee ballot papers are sent to registered pupils' parents outlining candidate credentials. Completed ballot papers are returned to the Clerk to Governors by midday on a set date (approximately 2 calendar weeks from the day ballot papers are distributed) and the nominee polling the majority of votes is duly elected. The Clerk to Governors publishes the results.

Staff Governor: Teaching Staff Governors are elected by staff employed as teachers by the Academy; Support Staff Governors are elected by non-teaching staff employed by the Academy. Only staff currently employed by the Academy may act as Staff Governors.

The Governing Body takes such steps as are reasonably practical to secure that every person who is known to them to be a current employee (as appropriate) of the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given the opportunity to do so. Staff may self-nominate. If the nomination is not contested (there is only one candidate), the Clerk to Governors will issue notice to the Academy employees confirming the name of the candidate and their appointment as Staff Governor. If there is more than one nominee, the outcome of the election is to be determined by secret ballot. The Clerk to Governors publishes the results.

Co-opted Governor: Current Governors who are themselves Co-opted Governors are not entitled to be part of the process to appoint additional Co-opted Governors. Candidates are nominated by a current Governor

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

(Member). Nominations must be seconded by another serving member of the Governing Body. If the nomination is not contested (there is only one candidate), a vote is given by a show of hands. In the case where a vacancy is contested, voting is by secret ballot. Governors must be present at the meeting at which the voting takes place in order to cast their vote.

Election of the Chair and Vice Chair of Governors

The Governors elect a Chair and Vice Chair from among their number at the first full Governing Body meeting of each school year. A Governor who is employed by the Academy Trust is not eligible for the office of Chair or Vice Chair. The Company Secretary chairs the meeting for the item to elect the Chair of Governors. Once elected, the Chair takes over the meeting, including the item to elect the Vice Chair.

Governors may submit written nominations, prior to the meeting of the full Governing Body at which the election will take place, and verbal nominations at the meeting if no written nominations have been submitted. A Governor can nominate him/herself for office and does not need to be present at the meeting to be considered.

During an election, nominees may be asked to leave the room while the voting takes place. If the nomination is not contested (there is only one candidate), a vote is given by a show of hands. If there is more than one nominee, the remaining Governors will vote by secret ballot, with the nominee polling the majority of votes being duly elected.

If there is a tie, each candidate will be given the opportunity to speak to the Governors about their nomination and a further vote by secret ballot will be taken. If there is still a tie, Governors should discuss the strengths of the nominees further, and another vote will be taken. This process will repeat until a nominee polls a majority of the votes.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

One member of the Trust Board / Governing Body has been nominated as the Link Governor for Induction and Training.

Training and induction of new Trustees/Governors is tailored to the individual and arranged according to their qualifications and experience, with regard to educational, legal, charity and financial matters.

Trustees/Governors are encouraged to attend training sessions provided by external providers, including the Academy's solicitors and Gloucestershire County Council Governor Services. As part of their induction, new Trustees/Governors have the opportunity to undertake a tour of the Academy and meet staff and pupils. All Trustees/Governors are provided with copies of policies, procedures, minutes, accounts, budgets, strategic plans and other documents that they will need to undertake their role as Trustees/Governors.

Training for the whole Governing Body is provided as necessary to address particular issues that have been identified.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Trustees of the academy receive no remuneration.

The Trustees are responsible for making major decisions about the senior staff appointments and remuneration. The setting of pay and remuneration of key management personnel is determined by the School's Pay Policy, which, for teaching staff, is reviewed annually based on the recommendations of the School Teachers' Review Body and the School Teachers' Pay and Conditions Document.

f. ORGANISATIONAL STRUCTURE

The full Governing Body meets once a term to receive reports from its committees and manage its strategic objectives.

The Governing Body has established a number of sub-committees which review policies and performance of the School in all areas:

- Finance Committee (meets six times a year)
- Staffing Committee (meets four times a year)
- Buildings and Health & Safety Committee (meets four times a year)
- Curriculum and Pastoral Committee (meets four times a year)
- Chairs Committee (meets three times a year)

Additional meetings are held to address urgent issues. Every member of the Governing Body sits on at least one sub-committee. The Headteacher attends every sub-committee meeting along with other members of the School's senior leadership team (as appropriate). A report from each of the sub-committees is discussed at five out of the six meetings of the full Governing Body.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

Day-to-day management of the Academy is delegated to the Headteacher. The Headteacher is the Accounting Officer. The Governors have appointed a senior leadership team comprising the Headteacher, a Deputy Headteacher, two Senior Assistant Headteachers, two Assistant Headteachers and the School Business Manager. The senior leadership team manages the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Friends of Cirencester Kingshill School is a parent, staff and friends Association which raises funds to support Cirencester Kingshill School.

Powell's Educational Trust provides an annual grant together with a prize grant for the School to use for education purposes and to provide three annual awards to pupils, the Elliott Prize, Frank Miles Memorial Prize and the Powell's Educational Foundation Prize.

h. TRUSTEES' INDEMNITIES

Cirencester Kingshill School has not taken out any indemnity cover for work undertaken by the Trustees on a personal basis.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

a. OBJECTIVES AND ACTIVITIES - Objects and Aims

Cirencester Kingshill School's object is specifically restricted to the following: to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on and developing a school offering a broad and balanced curriculum (Articles of Association, Article 4). Furthermore, Cirencester Kingshill School is defined by the characteristics set down in Section 1(6) of the Academies Act 2010 and quoted in the Academy's Funding Agreement, which are:

The School has a curriculum satisfying the requirements of section 78 of Education Act 2002 (balanced and broadly based curriculum).

In providing secondary education, the school curriculum has an emphasis on areas specified in the Funding Agreement: Science, Mathematics, English, and Sports.

The Academy provides education for pupils of different abilities. The Academy provides education for pupils who are wholly or mainly drawn from the area in which the Academy is situated.

The Academy's aims are:

- To raise the standard of educational achievement for all pupils;
- To ensure that every child enjoys the same high quality education in terms of resources, tuition and care;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide a sustainable programme of extended curriculum activities for all pupils;
- To provide value for money for funds expended;
- To comply with all appropriate statutory and curriculum requirements and ensure Academy policies are in accordance with legislative requirements and good practice;
- To conduct the business of the Academy in accordance with the highest standards of integrity, probity and openness;
- To set realistic educational targets that maintain and develop the Academy's excellent academic progress, and ensure those targets are met; and
- To establish and maintain procedures for monitoring, evaluating and reviewing the quality of teaching, learning, pupil development and achievement.

With specific reference to pupils, the aims of the School, as set out in the prospectus, are:

- To develop those skills which are necessary for life – in reading, writing, speaking, comprehension, computing, in physical and manual dexterity, and in study methods such as individual research and co-operating with others.
- To help pupils derive pleasure and fulfilment from work in its widest sense, and to enable them to obtain those formal qualifications, within the limits of their abilities, which are necessary for employment and further education.
- To develop an understanding of the world of work with all its implications.
- To enrich the lives of pupils by stimulating their interests, widening their horizons, and giving scope for creative activities in anticipation of increased leisure time.
- To help pupils understand themselves, those around them, and the natural and man-made environment in which they live.
- To help pupils grow into mature, moral people who are able to discuss what is good, true and of value, who will appreciate spiritual as well as material matters, and who will strive to make the world they inherit a better one

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Each academic year, specific objectives and strategies are identified within the School Development Plan. For the academic year 2015/16 these were as follows:

Achievement of Pupils:

Achieve the examinations targets agreed with the School Improvement Partner
Track pupil progress towards appropriately challenging targets, implementing the new system, Assessment without Levels, for Y7 from September 2015

Teaching and Learning:

Develop and share good practice on differentiation
Improve opportunities for independent learning
Use assessment and marking to improve feedback to all pupils
Monitor and support the progress of "Pupil Premium" pupils
Continue to develop the Special Educational needs in line with the new SEN code
Further develop the use of the VLE to improve teaching and learning
Review and develop the School's new Homework Policy to create independent learners

Pupil Behaviour, Welfare and Attendance:

Monitor pupil behaviour, both positive and negative incidents and develop a wider range of strategies to support pupils with emotional and behavioural difficulties
Review the School's anti-bullying policy, achieve the Bullying Intervention Group award and develop the sense of community throughout the School
Further embed the School's attendance policy, continue to develop the Attendance Officer's role and develop strategies to support pupils with attendance issues

Leadership and Management:

Target professional development and develop working parties to develop the teaching and learning community
Further embed monitoring of teaching through SLT observations and faculty monitoring
Further development of the School Development Cycle and Accountability Plan, and accountability of middle management
Ongoing consideration of alternative qualifications and educational pathways to meet the needs of individual pupils
Develop the delivery and impact of specialisms in sport, English, Maths and Science

Learning Beyond the Classroom:

Review careers guidance and work-related learning to ensure statutory guidance is met and pupils are aware of the range of vocational and academic courses available
Further develop a varied menu of extra-curricular and partnership activities
Continued development of primary liaison working

The Wider School:

Continue to review the expansion programme in line with the proposed local building developments
Continued development of a refurbishment / redecoration programme
Develop the marketing strategy for the School including the development of the website
ICT development for the School community
Budget review to ensure the School can meet its educational goals and achieve value for money

The School has seen some success in many of these areas, see the Achievements and Performance section.

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FOR THE YEAR ENDED 31 AUGUST 2016

c. PUBLIC BENEFIT

The Trustees' confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. The Trust/Governing Body acts to further the principal purpose of the Academy, as defined in its Articles of Association and Funding Agreement: to advance, for the public benefit, secondary education for pupils of different abilities that are wholly or mainly drawn from the area in which the Academy is situated, offering a balanced and broadly based curriculum.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

Financial Performance

The key financial performance indicator is the net revenue for the year compared to budget. The School aims to run a balanced budget each financial period unless there are operational reasons that impact on this. In 2015/16 95% of the School's income was funded by Government funds. Staffing costs accounted for 77% of expenditure. During the financial period there have been financial changes to funding of education together with increased staffing expenditure costs. Further changes to funding are expected in the coming years as National Funding consultations continue into 2018. The School continues to strategically plan to manage these changes in funding with the aim of setting a balanced budget.

Academic Performance

In Summer 2016, 76% of pupils achieved 5 or more GCSE's at A* - C (68% including Mathematics and English). 24% of all grades awarded were at A* or A. 29.3% of pupils met the criteria for the English Baccalaureate (A* - C passes in English, Mathematics, two Sciences, a Humanity and a Foreign Language).

Pupil attendance for the academic year 1 September 2015 to 31 May 2016 was 95.03%.

Site Development

During 2015/16 the School finished the development of additional parking facilities and scheduled maintenance works to the Sports Hall were completed on target in October 2015. The Schools alarm systems were reviewed and upgraded in summer 2016. These works were funded from the School reserves.

Financial review

a. 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.

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FOR THE YEAR ENDED 31 AUGUST 2016

b. FINANCIAL REVIEW

The majority of the Academy's funding came from the Department for Education (DfE), via the Education Funding Agency (EFA). Specific pupil funding for special educational needs was received from the local authority. The grants received from the EFA/local authority during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy was very grateful to receive donations in the year, totalling £26,137.60 as follows:

- Mr and Mrs Juniper £100 to the School
- Thomas Legal Group £500 donation to PE faculty
- Bosch £200 donation to the school production
- Earl and Lady Bathurst £1,000 donation to the school production
- Charlotte Jackson (pupil) £102.60 donation to the school production
- Watson Fuels (£25), The Phoenix Surgery (£25), Phoenix Charitable Trust (£25) and Jesses Smiths of Cirencester (£25) donations to the Year 11 Yearbook.
- Powell's Educational Trust donation of £15,000 to the Drama faculty for new staging, £9,000 to support the school's development for whole school and community projects and £135 for prize.

An amount of £74,610 was drawn down against Section 106 funds held by the Local Authority for the benefit of the School, to support the payment for the building works, to develop a Learning resource Centre and Science Labs, completed in May 2014. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such 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 year under review, total expenditure of £4,802,005 was more than covered by recurrent grant funding from the EFA and local authority together with other incoming resources, with the excess of income over expenditure being covered from the School's reserves. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £114,980 after transfers.

At 31 August 2016 the net book value of fixed assets was £11,867,343; movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for the provision of education to the pupils of the Academy and associated support services.

The Local Government Pension Scheme has a negative balance. Hymans Roberts LLP, the scheme's actuaries, has provided a valuation report which shows at 31 August 2016 the scheme has assets of £1,439,000 and liabilities of £2,686,000 with a pension deficit of £1,247,000. The effect of this deficit position of the pension scheme means that the Academy Trust will be paying higher employers pension contributions over a period of years, met from the Academy's budgeted income. The deficit on the Local Government Pension Scheme, taken on at conversion to Academy, is shown within in the Statement of Financial Activity.

The School's Finance Policy and Procedure that lays out the framework for financial management was reviewed and adopted. This sets out the financial responsibilities of the Governing Body, the Headteacher, the School Business Manager, budget holders and other staff, including the delegated authority for spending. Other finance policies reviewed and adopted in the year included Charging and Remissions, Lettings, Anti-Fraud, Investment, Whistleblowing and Best Value.

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TRUSTEES' REPORT (continued)
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c. RESERVES POLICY

The Governing Body reviews the level of reserves at each year end and as part of its medium-term budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves held. The aim is to provide sufficient additional resources to ensure sustainability of the School, to meet any shortfall that cannot be met out of regular funding streams, and provide a cushion against unexpected emergencies such as urgent maintenance.

As part of its monitoring of in-year financial performance, the Governors review the forecast impact on reserves and consider this as part of its medium-term financial planning. During 2015/16 the Governing Body continued to establish a relatively low level of restricted general reserves at year end and continue to maintain a high level of unrestricted reserves (largely brought in on conversion) to retain maximum flexibility in future use of reserves. The total amount of reserves held by the School at 31 August 2016 is £11,298,884, with free reserves of £430,149.

In addition, at 31 August 2016, the Academy held restricted Fixed Asset funds. These reflect the fixed assets brought forward from the prior year; funding received for capital investment; and the depreciation charge for the year. The balance, after allowing for future year depreciation charge, is available for future capital expenditure.

d. INVESTMENTS POLICY

The Academy adopts a conservative approach to investing cash surpluses. Monies are invested in bank treasury deposits in UK financial institutions that are registered and authorised by the Financial Conduct Authority for periods not exceeding 9 months duration. Careful review is undertaken to ensure that funds needed to service the regular needs of the Academy are not tied up in deposits of too long duration. Cash flow forecasts are used to identify and invest surplus cash balances for appropriate periods of time, to obtain more favourable rates of interest while ensuring that accessible balances are sufficient to cover running costs. All investments are authorised by the Finance Committee based on advice from the School Business Manager. During 2015/16 the academy had rolling investments totalling £150,000 made with Lloyds Bank.

FUNDS HELD AS CUSTODIAN

Cirencester Kingshill School holds funds on behalf of the Stroud & Cotswold Association for PE (SCAPE). SCAPE exists to promote, support and develop all aspects of teaching and learning in PE in each secondary school and to share good practice across all schools.

The funds are included within deferred income and amount to £3,284 at 31 August 2016 (2015: £2,354).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The objectives for managing risk across the School are:

- To comply with risk management best practice
- To ensure risks facing the School are identified and appropriately documented
- To provide assurance to Trustees/Governors that risks are being adequately controlled and identify areas for improvement
- To ensure action is taken appropriately with regards to accepting, migrating, transferring and avoiding risk

Financial and Risk Management Objectives and Policies

The Academy has developed a Risk Register that is regularly reviewed in which Trustees/Governors have identified the major risks to which the Academy is exposed. In 2015/16 the School bought into the DfE's Risk Protection Arrangement and separate cover was put in place with regard to insurable risks and steps taken to mitigate those which cannot be covered by insurance or for which the cost of cover would be uneconomic.

In the review and grading of potential risks faced by the Academy, the principal risks have been identified as follows:

Income Risk:

The vast majority of funding for the Academy comes from central government, through the EFA. Although such government funding can be expected to continue, government policy can change and the quantum and structure of future funding is uncertain during a period when education funding nationally is being reformed. However, as a large portion of funding is directly linked to pupil numbers, the risk can be mitigated by ensuring that the Academy continues to attract high numbers of pupils. The Governors monitor announcements concerning future government funding so that mitigating action can be taken if it appears that the Academy's income is likely to decrease. At a time when pupil numbers locally has fallen, the academy is aware of the financial impact of a fall in pupil numbers and continues to put in place strategies to help reduce the risk, including the continued delivery of high quality education, marketing and financial planning strategies. The School continues to look to mitigate the risk by increasing funding from other sources including lettings income, ensuring value for money is a factor on all purchasing decisions.

Long Term Demand/Competition Risk:

A decrease in pupil numbers would have a direct negative impact on the Academy's income. The number of secondary age pupils in Gloucestershire has fallen and local demographics indicate that this trend will continue for a number of years. Additionally, the local area is well served with a number of Ofsted-graded "Good" schools. There is also the risk of other local schools increasing their Planned Admission Number (PAN). The School's PAN increased with effect from September 2013 to accommodate an increased demand for places from local housing developments as these developments are completed. The Academy is a popular and highly regarded school, with strong academic performance, and attracts pupils from outside the catchment area. The Governors are aware that deterioration in academic performance could adversely affect the School's attractiveness to parents and pupils, and continue to closely monitor the actions taken within the Academy to fully support pupils and ensure that results meet expectations.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Safeguarding and Child Protection Risk:

The Governors continue to ensure that the highest standards are maintained in areas of recruitment, selection and monitoring of staff through its rigorous safeguarding policies and procedures. The School has an appointed Designated Safeguarding Lead and Deputy Designated Safeguarding Lead with a nominated Trustee/Governor for Safeguarding. Included in the operational procedures, the School has a programme of safer recruitment training and whole staff safeguarding training in place.

Staffing Risk:

The success of the School is reliant on the quality of staff and so the Governors monitor and review the policies and procedures to ensure safer recruitment and selection, continued professional development and training for all staff and succession planning to attract high quality staff.

Pension Deficit Risk:

On conversion, the Academy Trust assumed liability for the element of the LGPS pertaining to its employees who are members of the scheme. The Academy's share of the pension scheme deficit is reported in the balance sheet in line with FRS 102. Actuarial assessment of the Academy's share of the LGPS shows a deficit of £1,247,000 at 31 August 2016. It should be noted, however, that this does not present the Academy with a current liquidity problem and employer contribution rates have been set to reduce the deficit over time.

Plans for Future Periods

Priority objectives for the academic year 2016/17, as identified within the School Development Plan, are as follows:

Outcomes for pupils:

- Achieve school examinations targets as agreed with the School Improvement Partner
- Track pupil progress towards appropriately challenging targets

Teaching, Learning and Assessment:

- Differentiation
- Independent learning
- Assessment
- Pupil Premium
- Special Educational Needs
- Literacy across the School
- Homework

Pupil Behaviour, Welfare and Attendance:

- Behaviour
- Welfare
- Attendance
- Parental Engagement

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Leadership and Management:

- Targeted professional development
- Monitoring of teaching
- Accountability of middle management team
- Consider qualifications and educational pathways as appropriate to meet the needs of individual pupils

Learning Beyond the Classroom:

- Careers guidance and work-related learning
- Develop a varied menu of in extra-curricular and partnership activities including accreditation where appropriate
- Primary liaison

The Wider School:

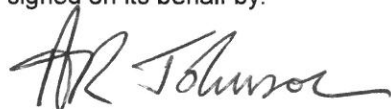
- Review of School Uniform
- Refurbishment / redecoration programme
- Marketing of the School (include website)
- ICT Development
- Budget Review

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has 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 auditors are aware of that information.

This report was approved by order of the board of trustees as the company directors, on 8 December 2016 and signed on its behalf by:



A R Johnson
Trustee

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Cirencester Kingshill School 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 Headteacher, 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 Cirencester Kingshill School 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 6 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
Gill Cannon, Staff Trustee	5	6
Andrew Christopher	5	6
Kevin Day, (Appointed as Parent Governor on 15.03.2016)	3	3
Mary Derrick	5	6
Gerald Eaton	5	6
Valerie Hindson	6	6
Leanne Huxtable (Term of office ended as Parent Governor on 03.11.2015)	1	1
Leanne Huxtable	5	5
Andy Johnson	6	6
David Leigh	5	6
Christine Oates	6	6
Colin O'Hare	5	6
Matt Pauling (Resigned 06.06.2016)	4	5
Angela Percival (Resigned 05.10.2015)	0	0
Libby Reed	5	6
Maureen Richards	5	6
Nigel Robbins (Appointed as a General Governor 16.04.2016)	1	2
Lee Rowley	6	6
Clemency Rubinstein (Resigned 06.10.2015)	0	0

During the year the following changes took place: Leanne Huxtable was appointed as a Staff Governor on 2 December 2015. Kevin Day was appointed as a Parent Governor on 15 March 2016. Nigel Robbins was appointed as a General Governor on 16 April 2016. Angela Percival resigned as a Parent Governor on 5 October 2015. Clemency Rubinstein resigned as a General Governor on 6 October 2015. Leanne Huxtable's term of office as a Parent Governor ended on 3 November 2015. Mathew Pauling resigned as a General Governor on 6 June 2016.

The Governing Body undertakes an annual self-review of effectiveness with the last review taking place in July 2016, together with a bi-annual skills audit. The review is carried out on an annual basis. Areas identified are addressed by the sub-committees to ensure the effectiveness of the Governing Body. The Governing Body also undertakes regular reviews of skills to ensure a spread of appropriate skills across the Governing Body and its sub-committees.

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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

- To approve the draft budget plan for the financial year;
- To make decisions on expenditure following recommendations from other committees in line with the Finance Policy;
- To consider the management accounts and report significant anomalies from the anticipated position to the Governing Body;
- To ensure the Academy operates within the financial regulations of the EFA;
- To prepare the financial statement to form part of the annual report of the Governing Body to parents and for filing in accordance with Companies Act and Charity Commission requirements;
- To receive auditors' and Responsible Officer's reports and make recommendations to the Governing Body on their findings; and
- To recommend to the full Governing Body the appointment or reappointment of the auditors of the Academy.

During the year A N Christopher was appointed Chair of the Finance Committee; L Rowley was appointed Vice Chair. Kevin Day joined the Governors' Finance Committee on 28 April 2016.

Attendance at meetings in the year was as follows :

Trustee	Meetings attended	Out of a possible
A N Christopher, Chair of Finance Committee	6	6
K Day	2	2
V J Hindson	5	6
A R Johnson, Chair of Governors	6	6
J D Leigh	5	6
C S Oates, Headteacher	6	6
L G Rowley	4	6

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy'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 Academy has delivered improved value for money during the year by:

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 Academy 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 Cirencester Kingshill School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy 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 Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Randall & Payne LLP, Chartered Accountants, the external auditor, to perform additional checks including giving advice on financial matters and performing a range of checks on the Academy's financial systems including testing of budget checks, payroll systems, testing of purchase systems, testing of bank reconciliations. On a 6 monthly basis, the external auditor reports to the Governing Body, through the Finance Committee, on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

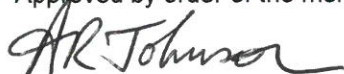
REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 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 8 December 2016 and signed on their behalf, by:



A R Johnson,
Trustee



C S Oates,
Accounting Officer

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Cirencester Kingshill School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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

C. S. Oates

C S Oates
Accounting Officer

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

Company law requires the 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 8 December 2016 and signed on its behalf by:



A R Johnson,
Chair of Governors

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CIRENCESTER KINGSHILL SCHOOL**

We have audited the financial statements of Cirencester Kingshill School for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CIRENCESTER KINGSHILL SCHOOL**


OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Russel Byrd (Senior Statutory Auditor)

for and on behalf of

Randall & Payne LLP

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA
8 December 2016

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO CIRENCESTER
KINGSHILL SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cirencester Kingshill School during the year 1 September 2015 to 31 August 2016 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 Cirencester Kingshill School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cirencester Kingshill School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cirencester Kingshill School and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CIRENCESTER KINGSHILL SCHOOL'S ACCOUNTING OFFICER
AND THE REPORTING AUDITORS**

The Accounting Officer is responsible, under the requirements of Cirencester Kingshill School's funding agreement with the Secretary of State for Education dated 25 May 2011, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO CIRENCESTER
KINGSHILL SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Randall & Payne LLP

Randall & Payne LLP

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Date: *8th December 2016*

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

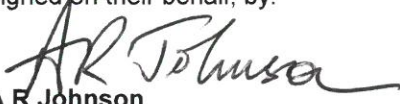
	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	170	47,258	-	47,428	16,791
Charitable activities	3	-	4,473,195	39,284	4,512,479	4,640,244
Investments	4	14,909	-	-	14,909	17,376
Other income	5	-	1,130	-	1,130	-
TOTAL INCOME		15,079	4,521,583	39,284	4,575,946	4,674,411
EXPENDITURE ON:						
Charitable activities		33,306	4,513,770	254,929	4,802,005	4,834,610
TOTAL EXPENDITURE	8	33,306	4,513,770	254,929	4,802,005	4,834,610
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	(18,227)	7,813	(215,645)	(226,059)	(160,199)
		-	125,394	(125,394)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(18,227)	133,207	(341,039)	(226,059)	(160,199)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(286,000)	-	(286,000)	17,000
NET MOVEMENT IN FUNDS		(18,227)	(152,793)	(341,039)	(512,059)	(143,199)
RECONCILIATION OF FUNDS:						
Total funds brought forward		266,618	(664,058)	12,208,383	11,810,943	11,954,142
TOTAL FUNDS CARRIED FORWARD		248,391	(816,851)	11,867,344	11,298,884	11,810,943

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07686390

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		11,867,343		12,048,977
CURRENT ASSETS					
Stocks	14	3,250		8,368	
Debtors	15	111,598		171,070	
Cash at bank and in hand		821,687		793,219	
		<u>936,535</u>		<u>972,657</u>	
CREDITORS: amounts falling due within one year	16	(257,994)		(327,691)	
NET CURRENT ASSETS			<u>678,541</u>		<u>644,966</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,545,884</u>		<u>12,693,943</u>
Defined benefit pension scheme liability	21		(1,247,000)		(883,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>11,298,884</u></u>		<u><u>11,810,943</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	430,149		218,942	
Restricted fixed asset fund	17	11,867,344		12,208,383	
Restricted income funds excluding pension liability		<u>12,297,493</u>		<u>12,427,325</u>	
Pension reserve		<u>(1,247,000)</u>		<u>(883,000)</u>	
Total restricted income funds			<u>11,050,493</u>		<u>11,544,325</u>
Unrestricted income funds	17		<u>248,391</u>		<u>266,618</u>
TOTAL FUNDS			<u><u>11,298,884</u></u>		<u><u>11,810,943</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:


A R Johnson
Chair of Trustees


C S Oates
Accounting Officer

The notes on pages 28 to 46 form part of these financial statements.

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>99,779</u>	<u>25,715</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(73,295)</u>	<u>(100,964)</u>
Net cash used in investing activities		<u>(73,295)</u>	<u>(100,964)</u>
Interest received		<u>1,984</u>	<u>1,887</u>
Net cash provided by financing activities		<u>1,984</u>	<u>1,887</u>
Change in cash and cash equivalents in the year		<u>28,468</u>	<u>(73,362)</u>
Cash and cash equivalents brought forward		<u>793,219</u>	<u>866,581</u>
Cash and cash equivalents carried forward	20	<u><u>821,687</u></u>	<u><u>793,219</u></u>

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Cirencester Kingshill School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Cirencester Kingshill School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Cirencester Kingshill School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

1.2 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.

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

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.

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

CIRENCESTER KINGSHILL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 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.

1.6 Tangible fixed assets and depreciation

Non-consumable ICT equipment costing over £250 and other assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% Straight-line
Plant and machinery	-	15% Straight-line
Fixtures and fittings	-	25% Straight-line
Computer equipment	-	33.3% Straight-line

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 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.

1.10 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.

1.11 Liabilities and provisions

Liabilities 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.

1.12 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

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 21, 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.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements 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 21, 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 2016. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	170	47,258	-	47,428	16,791

In 2015, of the total income from donations and capital grants, £NIL was to unrestricted funds and £16,791 was to restricted funds

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**NOTES TO THE FINANCIAL STATEMENTS
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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	4,118,013	4,118,013	4,141,860
Insurance Grant	-	-	-	14,707
Other DfE/EFA Grants	-	15,465	15,465	16,505
SEN from LA	-	66,808	66,808	57,618
Academy Building Grants	-	17,905	17,905	18,175
Pupil Trips	-	201,251	201,251	153,182
Music Tuition	-	27,101	27,101	34,431
Other Capital Grants	-	21,379	21,379	159,405
Distribution of other government grant	-	44,557	44,557	44,361
	-	4,512,479	4,512,479	4,640,244

In 2015, of the total income from charitable activities, £NIL was to unrestricted funds and £4,640,244 was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income - properties	12,925	-	12,925	15,489
Investment income - interest received	1,984	-	1,984	1,887
	14,909	-	14,909	17,376

In 2015, of the total investment income, £1,887 was to unrestricted funds and £15,489 was to restricted funds.

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
ITT Income	-	1,130	1,130	-

In 2015, of the total other incoming resources, £NIL was to unrestricted funds and £NIL was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. DIRECT COSTS

	Educational Operations £	Total 2016 £	Total 2015 £
Pension income	34,000	34,000	15,000
Educational Supplies	103,848	103,848	99,946
Examination Fees	61,018	61,018	54,417
Educational Trips	162,715	162,715	128,375
Other Support and Admin Expenses	48,210	48,210	50,937
Staff Training	11,216	11,216	10,907
Supply Teachers	15,415	15,415	15,950
Wages and salaries	2,457,956	2,457,956	2,510,261
National insurance	204,026	204,026	189,477
Pension cost	394,568	394,568	352,000
Depreciation	-	-	41,041
	<u>3,492,972</u>	<u>3,492,972</u>	<u>3,468,311</u>

In 2015, the Academy incurred the following Direct costs:

£3,468,311 in respect of Educational Operations

7. SUPPORT COSTS

	Educational Operations £	Total 2016 £	Total 2015 £
Heat and Light	68,431	68,431	81,480
Premises and Maintenance	101,021	101,021	104,781
Rates	28,500	28,500	29,901
Insurance	36,079	36,079	43,380
Cleaning Contracts	98,161	98,161	96,157
Catering	20,276	20,276	24,182
Other Support and Admin Expenses	196,191	196,191	198,213
Wages and salaries	371,327	371,327	399,512
National insurance	21,128	21,128	19,433
Pension cost	112,990	112,990	131,819
Depreciation	254,929	254,929	237,441
	<u>1,309,033</u>	<u>1,309,033</u>	<u>1,366,299</u>

During the year ended 31 August 2016, the Academy incurred the following Governance costs:

£12,296 (2015 - £17,184) included within the table above in respect of Educational Operations.

In 2015, the Academy incurred the following Support costs:

£1,349,115 in respect of Educational Operations

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational Operations:					
Direct costs	3,056,550	-	436,422	3,492,972	3,453,311
Support costs	505,445	296,582	507,006	1,309,033	1,360,371
	<u>3,561,995</u>	<u>296,582</u>	<u>943,428</u>	<u>4,802,005</u>	<u>4,813,682</u>

In 2016, of the total expenditure £12,296 (2015 - £4,535,200) was to restricted funds and £33,306 (2015 - £NIL) was to unrestricted funds and £254,929 (2015 - £278,482) from restricted fixed asset fund.

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	254,929	278,482
Auditors' remuneration - audit fees	6,650	6,150
Auditors' remuneration - non audit services	3,175	4,600
Legal and Professional costs	<u>2,471</u>	<u>6,434</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,829,283	2,909,773
Social security costs	225,154	208,910
Operating costs of defined benefit pension schemes	507,558	483,819
	<u>3,561,995</u>	<u>3,602,502</u>

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

	2016 No.	2015 No.
Teachers & Educational Support	69	77
Administration	17	19
Management	7	6
	<u>93</u>	<u>102</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	1	1

The above employees had employer pension contributions totalling £42,927 (2015: £21,053) in the year.

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 £469,682 (2015: £376,431).

11. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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12. OTHER FINANCE INCOME

	2016 £	2015 £
Interest income on pension scheme assets	44,000	52,000
Interest on pension scheme liabilities	(78,000)	(67,000)
	<u>(34,000)</u>	<u>(15,000)</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	12,701,088	101,165	117,729	207,116	13,127,098
Additions	25,976	-	27,091	20,228	73,295
At 31 August 2016	<u>12,727,064</u>	<u>101,165</u>	<u>144,820</u>	<u>227,344</u>	<u>13,200,393</u>
Depreciation					
At 1 September 2015	728,544	70,535	107,392	171,650	1,078,121
Charge for the year	195,561	13,212	13,243	32,913	254,929
At 31 August 2016	<u>924,105</u>	<u>83,747</u>	<u>120,635</u>	<u>204,563</u>	<u>1,333,050</u>
Net book value					
At 31 August 2016	<u>11,802,959</u>	<u>17,418</u>	<u>24,185</u>	<u>22,781</u>	<u>11,867,343</u>
At 31 August 2015	<u>11,972,544</u>	<u>30,630</u>	<u>10,337</u>	<u>35,466</u>	<u>12,048,977</u>

Included in land and buildings is freehold land at valuation of cost £2,948,113 (2015 - £2,948,113) which is not depreciated.

The Secretary of State has placed a restrictive covenant on the land and buildings of the academy; these assets are not allowed to be sold without the Secretary's permission.

14. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	<u>3,250</u>	<u>8,368</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. DEBTORS

	2016 £	2015 £
Trade debtors	480	2,122
VAT repayable	3,262	5,307
Other debtors	53,039	106,270
Prepayments and accrued income	54,817	57,371
	<u>111,598</u>	<u>171,070</u>

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	(91)	15,841
Accruals and deferred income	258,085	311,850
	<u>257,994</u>	<u>327,691</u>

17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	266,618	15,079	(33,306)	-	-	248,391
Restricted funds						
General Annual Grant	151,018	3,999,103	(3,999,084)	125,394	-	276,431
Other DFE	-	15,465	(15,465)	-	-	-
SEN	-	66,808	(66,808)	-	-	-
Music Tutition Fund	-	27,102	(27,102)	-	-	-
Private Trips Fund	52,664	201,251	(162,714)	-	-	91,201
Pupil Premium	-	118,909	(118,909)	-	-	-
Other Funds	-	45,688	(45,688)	-	-	-
Donations	15,260	47,257	-	-	-	62,517
Pension reserve	(883,000)	-	(78,000)	-	(286,000)	(1,247,000)
	<u>(664,058)</u>	<u>4,521,583</u>	<u>(4,513,770)</u>	<u>125,394</u>	<u>(286,000)</u>	<u>(816,851)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

17. STATEMENT OF FUNDS (continued)

Restricted fixed assets funds -

Restricted Fixed Asset Funds -	12,048,978	-	(254,929)	73,295	-	11,867,344
Devolved formula capital	53,135	17,905	-	(71,040)	-	-
S106	106,270	21,379	-	(127,649)	-	-
	12,208,383	39,284	(254,929)	(125,394)	-	11,867,344
Total restricted funds	11,544,325	4,560,867	(4,768,699)	-	(286,000)	11,050,493
Total of funds	11,810,943	4,575,946	(4,802,005)	-	(286,000)	11,298,884

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

Restricted Funds:

EFA Grants are for the purpose of providing education in accordance with the requirements of the Education Funding Authority and in line with the national curriculum. Funds received from the local authority are both for the provision of educational support for students with special educational needs and alternative educational provision for excluded pupils. Donations bearing any covenants or restriction form the on the donor are to be spent in accordance with these restrictions.

Unrestricted funds may be applied for any purpose within the charitable objectives of the academy.

Restricted fixed asset funds predominantly represent the net book value of the assets held by the academy. The residual balance of funds is applied against capital expenditure, and capital maintenance costs in accordance with the requirements of the EFA for devolved formula capital grants.

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted fixed assets funds	Total funds	Total funds
	2016	2016	2016	2016	2015
	£	£	£	£	£
Tangible fixed assets	-	-	11,867,343	11,867,343	12,048,977
Current assets	248,391	688,143	1	936,535	972,657
Creditors due within one year	-	(257,994)	-	(257,994)	(327,691)
Provisions for liabilities and charges	-	(1,247,000)	-	(1,247,000)	(883,000)
	248,391	(816,851)	11,867,344	11,298,884	11,810,943

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(226,059)	(160,199)
Adjustment for:		
Depreciation charges	254,929	278,482
Losses on investments	(1,984)	(1,888)
Decrease/(increase) in stocks	5,118	(1,122)
Decrease/(increase) in debtors	59,472	(98,608)
Decrease in creditors	(69,697)	(69,950)
Defined benefit pension scheme finance cost	78,000	79,000
Net cash provided by operating activities	99,779	25,715

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	821,687	793,219
Total	821,687	793,219

21. 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 Gloucestershire County Council Pension Fund. 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.

Contributions amounting to £59,195 were payable to the schemes at 31 August 2016 (2015 - £54,897) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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21. PENSION COMMITMENTS (continued)

benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £394,568 (2015 - £352,000).

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 2016 was £183,000 (2015 - £184,000), of which employer's contributions totalled £142,000 (2015 - £140,000) and employees' contributions totalled £41,000 (2015 - £44,000). The contribution rates will increase over a three year period to 27.1% by March 2020 for employers and 6% 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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21. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	<i>2015</i>
Discount rate for scheme liabilities	2.10 %	<i>3.80 %</i>
Rate of increase in salaries	2.40 %	<i>4.10 %</i>
Rate of increase for pensions in payment / inflation	2.10 %	<i>2.70 %</i>

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

	2016	<i>2015</i>
Retiring today		
Males	22.5	<i>22.5</i>
Females	24.6	<i>24.6</i>
Retiring in 20 years		
Males	24.4	<i>24.4</i>
Females	27.0	<i>27.0</i>

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

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	979,000	<i>738,000</i>
Bonds	302,000	<i>235,000</i>
Property	101,000	<i>86,000</i>
Cash	57,000	<i>11,000</i>
Total market value of assets	<u>1,439,000</u>	<i><u>1,070,000</u></i>

The actual return on scheme assets was £165,000 (2015 - £35,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(186,000)	<i>(204,000)</i>
Net interest cost	(34,000)	<i>(15,000)</i>
Total	<u>(220,000)</u>	<i><u>(219,000)</u></i>
Actual return on scheme assets	<u>165,000</u>	<i><u>35,000</u></i>

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21. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	1,953,000	1,687,000
Current service cost	186,000	204,000
Interest cost	78,000	67,000
Contributions by employees	41,000	44,000
Actuarial losses/(gains)	451,000	(34,000)
Benefits paid	(23,000)	(15,000)
	<u>2,686,000</u>	<u>1,953,000</u>
Closing defined benefit obligation	<u>2,686,000</u>	<u>1,953,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,070,000	866,000
Return on plan assets (excluding net interest on the net defined pension liability)	44,000	52,000
Actuarial gains and (losses)	165,000	(17,000)
Contributions by employer	142,000	140,000
Contributions by employees	41,000	44,000
Benefits paid	(23,000)	(15,000)
	<u>1,439,000</u>	<u>1,070,000</u>
Closing fair value of scheme assets	<u>1,439,000</u>	<u>1,070,000</u>

22. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	20,441	23,238
Between 1 and 5 years	32,311	32,263
After more than 5 years	-	419
	<u>52,752</u>	<u>55,920</u>
Total	<u>52,752</u>	<u>55,920</u>

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23. MEMBERS' LIABILITY

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

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the financial year there were four related party transactions with Cirencester Primary School in relation to a field markings for district sports, primary PE cluster, swimming Gala and tag rugby festival. The total of the four transactions were £605 (2015 total of three transactions - £530)

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25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not materially impacted on balance sheet funds or net income/expenditure.

However, adjustments have been made to comparative disclosures for the Local Government Pension Scheme in note 22. The closing balance of the pension provision has not changed, but the movement within the year has been altered from the following:

Change in benefit obligation to 31 August 2015	
Benefit obligation at beginning of period	1,687
Current service costs	204
Interest on pension liabilities	67
Member contributions	44
Actuarial losses on liabilities	-34
Benefits/transfers paid	-15
Benefit obligation at end of period	1,953
Change in plan assets to 31 August 2015	
Fair value of plan assets at beginning of period	866
Interest income on plan assets	35
Employer contributions	140
Member contributions	44
Benefits/transfers paid	-15
Fair value of plan assets at end of period	1,070

The net book value of land and buildings disclosed in the accounts are not considered to be materially different from their fair value, as required to be disclosed per the accounting standards under FRS102, and as such no revaluation has been required in these accounts.

This is based on depreciated replacement cost remaining appropriate for the fair value."The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.