

Registered number: 07686390

**CIRENCESTER KINGSHILL SCHOOL**

**(A Company Limited by Guarantee)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**



**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

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**CIRENCESTER KINGSHILL SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Members**

A R Johnson  
G A Cannon (resigned 11 December 2017)  
A N Christopher (resigned 31 August 2018)  
H P S Amor (resigned 10 November 2017)  
C C Rubinstein (resigned 13 September 2018)  
V J Hindson  
L Huxtable (resigned 3 May 2018)  
N P Robbins  
C S Oates  
C S O'Hare  
E A O Reed  
M Richards  
L G Rowley (resigned 11 December 2017)  
K J Day (resigned 6 July 2018)  
S Thomas (appointed 15 March 2018)  
C Cleaver (appointed 15 March 2018)  
R Blamey (appointed 15 March 2018)  
D Walklett (appointed 3 May 2018)  
P Hicks (appointed 11 October 2018)  
K Fraser (appointed 11 October 2018)

**Trustees**

A R Johnson, Chair of Governors<sup>1,2,3,4</sup>  
G A Cannon (resigned 11 December 2017)<sup>3</sup>  
A N Christopher, Chair of Finance Committee (resigned 31 August 2018)<sup>1,4</sup>  
V J Hindson<sup>1,3</sup>  
L Huxtable (resigned 3 May 2018)<sup>3</sup>  
C S Oates, Headteacher<sup>1,2,3,4</sup>  
C S O'Hare<sup>2,4</sup>  
E A O Reed<sup>2,3</sup>  
M Richards<sup>2,3</sup>  
L G Rowley (resigned 11 December 2017)<sup>1</sup>  
K J Day (resigned 6 July 2018)<sup>1</sup>  
N P Robbins<sup>2</sup>  
H P S Amor (resigned 10 November 2017)  
C C Rubinstein (resigned 13 September 2018)  
K Fraser (appointed 11 October 2018)<sup>1</sup>  
S Thomas (appointed 15 March 2018)<sup>3</sup>  
C Cleaver (appointed 15 March 2018)<sup>3</sup>  
R Blamey (appointed 15 March 2018)<sup>4</sup>  
P Hicks (appointed 11 October 2018)<sup>3</sup>  
D Walklett (appointed 3 May 2018)<sup>3</sup>

<sup>1</sup> Finance

<sup>2</sup> Staffing

<sup>3</sup> Curriculum and Pastoral

<sup>4</sup> Buildings and Health & Safety

**Company registered number**

07686390

**Company name**

Cirencester Kingshill School

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Advisers (continued)**

**Principal and registered office**

Kingshill Lane  
Cirencester  
Gloucestershire  
GL7 1HS

**Company secretary**

S Gardiner

**Headteacher**

C S Oates

**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

**CIRENCESTER KINGSHILL SCHOOL**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the audited financial statements and auditor's report of the charitable company, Cirencester Kingshill School (the Academy), for the period from 1 September 2017 to 31 August 2018. 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 912, as approved by the Secretary of State on 30th August 2016, and had a roll of 859 in the School Census on 17th May 2018.

**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.

**c. TRUSTEES' INDEMNITIES**

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

**d. 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:

**CIRENCESTER KINGSHILL SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**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 / carers 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 / carer of a pupil at the Academy at the time when he/she is elected; parents / carers 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 / carers 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 (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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

One member of the Board of Trustees/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, auditors 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 Board of Trustees/Governing Body is provided as necessary to address particular issues that have been identified.

**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 five 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, the 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The Trustees/Governors of the academy receive no remuneration.

The Trustees/Governors 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.

**h. TRADE UNION FACILITY TIME**

**Relevant union officials**

|                                                                       |   |
|-----------------------------------------------------------------------|---|
| Number of employees who were relevant union officials during the year | 1 |
| Full-time equivalent employee number                                  | 1 |

**Percentage of time spent on facility time**

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0%                 | 1                   |
| 1%-50%             | -                   |
| 51%-99%            | -                   |
| 100%               | -                   |

|                                                     |           |
|-----------------------------------------------------|-----------|
| Percentage of pay bill spent on facility time       | £         |
| Total cost of facility time                         | -         |
| Total pay bill                                      | 3,733,736 |
| Percentage of total pay bill spent on facility time | - %       |

**Paid trade union activities**

|                                                                                             |     |
|---------------------------------------------------------------------------------------------|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - % |
|---------------------------------------------------------------------------------------------|-----|

**i. 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.

The Schools Games Organiser for the area is based at Cirencester Kingshill School running a "programme designed to keep competitive sport at the heart of schools and provide more young people with the opportunity to compete and achieve their personal best".



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Strategic report**

**Objectives and Activities**

**a. 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

Each academic year, specific objectives and strategies are identified within the School Development Plan. For the academic year 2017/18 these were 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
- Pupil Premium
- Special Educational Needs
- Literacy Across the School
- Homework

**Personal Development, Behaviour and Welfare including Attendance:**

- Behaviour
- Welfare
- Attendance

**Leadership and Management:**

- Targeted Professional Development
- Monitoring of Teaching
- Accountability of Middle Management Team

**Learning Beyond the Classroom:**

- Careers Guidance and Work Related Learning
- Extra-Curricular Provision
- Primary Liaison

**The Wider School:**

- Refurbishment / Redecoration Programme
- Marketing of the School to Achieve Maximum Capacity
- ICT Development
- Budget Review

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**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 Board of Trustees/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.

**Achievements and performance**

**a. KEY PERFORMANCE INDICATORS**

**Ofsted Inspection Outcomes**

The Ofsted Inspectors judged the school to be good at their inspection on 1st March 2017 with the leadership team maintaining the good quality of education in the school. The report included that pupils, parents and staff all agree that the school is welcoming and supportive and that pupils enjoy coming to school; they behave well and act responsibly around the school site and in lessons. The report also confirmed that the quality of teaching, learning and assessment is good across a broad range of subjects and year groups and that teachers are encouraged to develop and trial different feedback models in order to help pupils understand with confidence exactly what and how to improve. Safeguarding was identified as a real strength of the school.

The next steps for the school, identified at the inspection, were for leaders and those responsible for governance to ensure that:

- There is a whole-school strategic approach to increasing the academic progress of pupils who have special educational needs and/or disabilities
- School improvement initiatives are implemented consistently across the school by all senior and middle leaders.

**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 2017/18 95.3% of the School's income was funded by Government funds. Staffing costs accounted for 81.5% of expenditure. During the financial period there have been financial changes to funding of education with the reduction of the Education Support Grant together with increased staffing expenditure costs. Further changes to funding are expected from 2018 as the National Funding Formula is introduced. The School continues to strategically plan to manage these changes in funding with the aim of setting a balanced budget.

**Academic Performance**

In Summer 2018, 78% of pupils achieved 5 or more GCSE's at grades 9-4 (70% including Mathematics and English). 22% of all grades awarded were at grades 9-7. 18.2% of pupils met the criteria for the English Baccalaureate (9-4 passes in English, Mathematics, two Sciences, a Humanity and a Foreign Language).

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Attendance**

Pupil attendance for the academic year 1st September 2017 to 31st May 2018 was 94.6%. (1st September 2016 to 31st May 2017 was 94.1 %.)

A key area of focus in on engaging the whole school in taking a collective responsibility for attendance and recognising the direct link good attendance has with excellent exam results.

The plan is to include a range of strategies aimed at engaging pupils in school, a focus on Attendance Weeks and careful consideration given to narrowing the gap between disadvantaged pupils and their peers.

**Site Development**

During 2017-18 the School made improvements to the Maths Block, refurbishing two classrooms, and the school kitchen was redecorated during Summer 2018. This work was funded from school reserves.

The roof on the main school building was replaced during 2017-18, with the works being completed in February 2018. This works was funded with Condition Improvement Funding and school reserves.

**Financial review**

**a. GOING CONCERN**

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

**b. FINANCIAL REVIEW**

The majority of the Academy's funding came from the Department for Education (DfE), via the Education and Skills Funding Agency (ESFA). Specific pupil funding for special educational needs was received from the Local Authority. The grants received from the ESFA/Local Authority during the year ended 31 August 2018 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 £25,591.99 as follows:

- Lord Bathurst £1,000 donation towards the School Production, Billy Elliott
- Cirencester Intruder Alarms £100 donation towards the School Production, Billy Elliott
- W H Smith £100 donation towards the School Production, Billy Elliott
- Wyvern Theatre £250 sponsorship for the School Production, Billy Elliott
- Euro Fire Guard Ltd £50 donation towards the Talent Show
- Powell's Educational Trust donations of £9,000 to support the school's whole school development, £135 for exam prizes and £15,000 for IT development across the school
- Central Roofing £91.99 donation towards the costs of the Christmas Tree and decorations
- St James's Place donation of £20 for exam prizes

As well as monetary donations, Dyson Ltd. donated computer equipment and air conditioning units to the school's DT faculty.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

An amount of £13,737 was drawn down against Section 106 funds held by the Local Authority for the benefit of the School, to support the payment for the refurbishment works to the Language Block. This work was completed in August 2017. Works to the main school roof were completed in February 2018. This work was funded through the Condition Improvement Fund and the school reserves. 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 £4,872,918 was covered by recurrent grant funding from the ESFA 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 expenditure over income for the period (excluding restricted fixed asset funds) was £139,902 after transfers.

At 31 August 2018 the net book value of fixed assets was £11,833,348; movements in tangible fixed assets are shown in note 15 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 2018 the scheme has assets of £2,445,000 and liabilities of £3,384,000 with a pension deficit of £939,000. 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.

### **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 2017/18 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 31st August 2018 is £11,519,236, with restricted reserves of £342,733 and unrestricted reserves of £273,269.

In addition, at 31 August 2018, 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**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 2017/18 the academy had rolling investments totalling £225,000 made with Lloyds Bank.

**e. 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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**f. 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 2017/18 the School bought into the DfE's Risk Protection Arrangement (RPA). Separate cover was put in place with regard to insurable risks and steps taken to mitigate those which cannot be covered by the RPA 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 ESFA. 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. Local demographics indicate that this trend will reverse over 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 this has been reviewed and the PAN increased in 2018 to 189 and will increase again in 2019 to 196. 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.

**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.

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**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 FRS102. Actuarial assessment of the Academy's share of the LGPS shows a deficit of £939,000 at 31 August 2018. 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.

**Fundraising**

The Friends of the School currently undertake fundraising activities at events held by the school, mainly through the sale of refreshments, to help raise funds to support the activities of the Academy. The funds are used to support the education and development of our pupils.

More recently the Trustees/Governors established a working party to investigate the various types of fundraising that could benefit the school. As this is developed reference and consideration will be given to the Charity Commission "Charity Fundraising: A guide to Trustee Duties".

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

Priority objectives for the academic year 2018/19, 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
- Pupil Premium
- Special Educational Needs
- Literacy Across the School
- Homework
- Ensuring appropriate courses are offered taking account of pupil needs

**Personal Development, Behaviour and Welfare including Attendance:**

- Behaviour
- Welfare
- Attendance

**Leadership and Management:**

- Targeted Professional Development
- Monitoring of Teaching
- Accountability of Middle Management Team

**Learning Beyond the Classroom:**

- Careers Education
- Careers Advice and Guidance
- Extra-Curricular Provision



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**The Wider School:**

- Refurbishment / Redecoration Programme
- Marketing of the School to Achieve Maximum Capacity
- ICT Development
- Budget Review
- General Data Protection Regulation (GDPR)

**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 £21.50 at 31st August 2018 (2017: £896.70).

**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees/Governing Body, as the company directors, on 6 December 2018 and signed on its behalf by:

**A R Johnson**  
**Chair of Trustees**



**CIRENCESTER KINGSHILL SCHOOL**  
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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As Trustees/Governors, 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/Governing Body 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/Governing Body 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/Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees/Governing Body was as follows:

| Trustee                                     | Meetings attended | Out of a possible |
|---------------------------------------------|-------------------|-------------------|
| A R Johnson, Chair of Governors             | 6                 | 6                 |
| G A Cannon                                  | 1                 | 2                 |
| A N Christopher, Chair of Finance Committee | 5                 | 6                 |
| V J Hindson                                 | 6                 | 6                 |
| L Huxtable                                  | 0                 | 5                 |
| C S Oates, Headteacher                      | 6                 | 6                 |
| C S O'Hare                                  | 6                 | 6                 |
| E A O Reed                                  | 4                 | 6                 |
| M Richards                                  | 4                 | 6                 |
| L G Rowley                                  | 1                 | 2                 |
| K J Day                                     | 6                 | 6                 |
| N P Robbins                                 | 4                 | 6                 |
| H P S Amor                                  | 1                 | 1                 |
| C C Rubinstein                              | 6                 | 6                 |
| K Fraser                                    | 0                 | 0                 |
| S Thomas                                    | 1                 | 1                 |
| C Cleaver                                   | 1                 | 1                 |
| R Blamey                                    | 1                 | 1                 |
| P Hicks                                     | 0                 | 0                 |
| D Walklett                                  | 1                 | 1                 |

Claire Cleaver and Rene Blamey were appointed as Parent Governors on 15th March 2018. Sebastian Thomas was appointed as a Staff Governor on 15th March 2018. David Walklett was appointed as a Parent Governor on 3rd May 2018. Smiline Amor resigned as a Parent Governor on 10th November 2017. Lee Rowley's term of office as Parent Governor ended on 11th December 2018. Gill Cannon's term of office as Staff Governor ended on 11th December 2018. Leanne Huxtable resigned as support staff governor on 3rd May 2018. Andy Christopher resigned as a General Governor on 31st August 2018.

The Governing Body undertakes an annual self-review of effectiveness with the last review taking place in July 2017, 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**  
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**GOVERNANCE STATEMENT (continued)**

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

- To approve the draft budget plan for the financial year and recommend its adoption by the Full Governing Body;
- 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 ESFA;
- 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; V Hindson was appointed Vice Chair. Smiline Amor resigned from the Governors' Finance Committee on 10th November 2017. Lee Rowley resigned from the Governors' Finance Committee on 11th December 2017. Andy Christopher resigned from the Governors Finance Committee on 31st August 2018.

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The Governors' Finance Committee met 5 times during the year. Attendance at meetings in the year was as follows:

| Trustee                                     | Meetings attended | Out of a possible |
|---------------------------------------------|-------------------|-------------------|
| H P S Amor                                  | 1                 | 1                 |
| A N Christopher, Chair of Finance Committee | 5                 | 5                 |
| K J Day                                     | 5                 | 5                 |
| V J Hindson                                 | 3                 | 5                 |
| A R Johnson, Chair of Governors             | 5                 | 5                 |
| L G Rowley                                  | 2                 | 2                 |
| C S Oates, Headteacher                      | 5                 | 5                 |

**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/Governing Body 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:

**Improving Educational Outcomes**

Cirencester Kingshill School's diverse curriculum ensures all pupils have the opportunity to raise their individual levels of attainment. Although our curriculum is predominantly GCSE based at Key Stage 4, we operate an 'open' options system within which pupils select four subjects from over twenty-five courses ranging from Triple Science and three choices of Modern Foreign Languages to GSCE Photography and BTECs in Art & Design; Children's Play, Learning and Development; and Sport. Where appropriate, pupils are encouraged to follow the English Baccalaureate suite of subjects, with near to 30% now following this route.

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**GOVERNANCE STATEMENT (continued)**

Results at the end of Key Stage 4 are consistently in the region of 75-80% of pupils gaining 5 grades 9-4 (A\*-C), with around 70% doing so in 5 grades 9-4 (A\*-C) including English (9-4) and Mathematics (9-4). Most recently, excellent progress has been made by pupils in Science, Humanities, Drama and Physical Education placing the School in or near the top 30% of all schools in all four curriculum areas.

To continue to ensure staff are efficiently deployed and are appropriately qualified to meet the needs of the curriculum, the academy continues to regularly review the staffing structure. As a result virtually all classes at KS3, and all classes at KS4 continue to be taught by graduate subject specialists. Specialist qualified Teaching Assistants are also employed within the English, Mathematics and Science faculties. We allocate additional staff to targeted key curriculum areas and pupil groupings, such as providing extra staffing in English and Mathematics where all pupils in the lowest set receive in-class support. We also provide targeted support for students as appropriate through a range of after-school classes, homework support and an extensive clubs programme covering all curriculum areas. The academy continues to run a programme of Year 11 revision classes during the Easter holidays to improve pupil performance.

We have well-established tracking systems to record all aspects of student data, including academic progress throughout Years 7 to 11, and to ensure that interventions and support are targeted to achieve Value for Money. Progress is measured using a pathways system throughout Key Stage 3 whilst a fine grading system is introduced in Years 10 and 11, Key Stage 4, to ensure mentoring is offered to those pupils where maximum impact is likely. Progress is reported to parents on three occasions each year supported by at least two parents' consultation evenings for each year group.

During the past 3 years, our use of Pupil Premium funding has been significantly revised. On a pupil level, this has been centred around increasing the range of trips and visits within our 'Aspirations Programme', including a focus in KS3. This has included the running of the 'Brilliant Club' programme which has now involved pupils from Year 7, 8 and 9 and which is presented as a 'Scholar's Programme' and includes a launch and graduation visit to two top universities, small group tutorials, additional homework and submission of a 1500 word essay at the end of the course. Alongside this, a range of other opportunities have also been provided to pupils eligible for Pupil Premium funding, including visits to local colleges the University of Gloucester, the Ernest Cooke Trust and the Royal International Air Tattoo.

We have also maintained an ongoing scrutiny of staffing costs with particular focus on ensuring that for those staff most directly involved in mentoring Pupil Premium pupils, appropriate proportions of their salaries are directly financed from the Pupil Premium budget.

Following increased growth of students eligible for Pupil Premium funding, there has also been increased deployment of finance towards bursaries, both for uniforms and trips, as well as on a discretionary basis for curriculum areas to use on providing text books, revision books and materials and calculators for Pupil Premium pupils.

Based on analysis of both GCSE results and our internal tracking of pupil performance, it is pleasing to note that we are able to evidence that the attainment gap between Pupil Premium and non-Pupil Premium pupils continues to decrease.

The transition from A\*-G to 1-9 grades in most subjects has meant that it is not easy to make comparisons based on the same thresholds as previous years, but based on the concept of average points score and FFT50 targets, our results in the summer of 2018 indicate a closing of the gap (please see the supporting table in note 29).

The academy continues to develop relationships with educational providers to offer expert support in a range of both curriculum and pastoral support.

**CIRENCESTER KINGSHILL SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

**Financial Governance and Oversight**

The academy has robust systems of financial control; financial policies are reviewed and updated on a regular basis and procedures are monitored to ensure they conform to sound practice. Systems are reviewed by the External Auditor, who also undertake Responsible Officer work. Any potential weaknesses or suggestions for improvement are addressed and implemented.

The principles of Value for Money are inherent in the preparation of the annual budget. The monitoring of the School Development Plan links with the progress of the annual budget plan, and best value principles are applied to help determine how we are securing continuous improvement.

The annual budget is recommended for approval, reviewed, discussed and challenged by the Finance Committee and approved by the Governing Body. Management accounts (budget monitoring reports) are produced monthly and reviewed, discussed and challenged by the Headteacher and the Finance Committee. Variances are investigated and any cause for concern addressed appropriately.

Monthly statements are produced for budget holders to help monitor use of funds and prevent overspending.

Spending of ring-fenced funding is closely monitored to ensure it is used appropriately and to maximum effect.

The academy participates in benchmarking exercises to compare ourselves with similar schools both locally and nationally, and identify areas of spending where we might make improvements.

The academy maximises opportunities that arise to work collaboratively with others to help reduce costs, for example, cluster training events to share the cost of staff training.

**Purchasing**

There are clearly defined procedures for purchasing goods and services. Comparative pricing is obtained to ensure best value; this does not necessarily mean taking the cheapest quote. Tender procedures are followed for procurement of major items/services.

Service contracts are reviewed annually to ensure they meet the needs of the School, represent best value and are fit for purpose. Consideration is given to bringing services in-house where this would provide better value than external procurement. During 2017/18 the cleaning contract was reviewed, together with the cleaning needs of the school. A joint procurement process, working collaboratively with other local schools, was implemented to ensure economies of scale and ensure good practice. In house skills continue to be drawn upon to achieve best value.

We explore opportunities to work collaboratively with other schools and purchasing consortia to achieve economies of scale in procurement and share purchasing experiences. This included a collaborative procurement project for the school's catering contract that will start in September 2018.

**Income Generation**

The school has established a working party made up of governors and staff to look at a whole school approach to source opportunities to bid for grants and other sources of income and equipment.

The academy makes its sports, drama and other facilities available for hire to a wide range of local community clubs. The charges for such lettings are set at a level which ensures that income received covers associated costs, with a small surplus contributing towards wear and tear, for the benefit of the local community. During 2017-18 the school's facilities for use by community users generated income of £21,875 up by 2% on the previous year.

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.

**CIRENCESTER KINGSHILL SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

**Reviewing Controls and Managing Risk**

Segregation of duties is incorporated into financial processes to support prudent management. The risk register is reviewed, updated and approved by the Finance Committee annually.

In 2017/18 the School bought into the DfE's Risk Protection Arrangement (RPA), as well as purchasing appropriate levels of insurance cover for risk not covered under the RPA, against risks that represent potential material financial exposure.

**Lessons Learned/Future Objectives**

In a period of falling real term income, staffing cost increases and a time-lag in receiving additional funding, careful staff planning continues to be a priority to ensure curriculum needs are met within the tight budgetary constraints that school continues to face.

The Board of Trustees has determined that an appropriate level of free reserves should be maintained, sufficient to provide working capital where needed to cover short term revenue and expenditure mismatches; finance unforeseen urgent expenditure; and support potential future capital projects.

**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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees/Governing Body 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/Governing Body 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees/Governing Body.

**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/Governing Body;
- 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/Governing Body 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, the external auditors, to perform additional checks.

**CIRENCESTER KINGSHILL SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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

- Testing of budget checks
- Testing of payroll systems
- Testing of purchase systems
- Testing of bank reconciliations.

On a semi-annual basis, the external auditors report to the Board of Trustees/Governing Body through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees/Governing Body' financial responsibilities.

The Board of Trustees confirms that Randall & Payne LLP has delivered their schedule of work as planned and that no material issues arose as a result of their work.

**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:

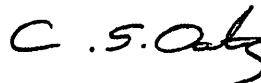
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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/Governing Body on 6 December 2018 and signed on their behalf, by:



**A R Johnson,**  
**Chair of Trustees**



**C S Oates,**  
**Accounting Officer**

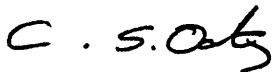
**CIRENCESTER KINGSHILL SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Cirencester Kingshill School I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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



**C S Oates**  
**Accounting Officer**

Date: 6 December 2018



**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees/Governing Body on 6 December 2018 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**

**OPINION**

We have audited the financial statements of Cirencester Kingshill School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

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

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

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

**RESPONSIBILITIES OF TRUSTEES**


As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.



Mr Russel Byrd FCCA FCA (Senior Statutory Auditor)

for and on behalf of

**Randall & Payne LLP**

Chargrove House  
Shurdington Road  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA  
7 December 2018

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 23 August 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cirencester Kingshill School and the ESFA, 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 ACCOUNTANT**

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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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


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

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO**  
**CIRENCESTER KINGSHILL SCHOOL AND THE EDUCATION & SKILLS 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 2017 to 31 August 2018 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**

Chargrove House  
Shurdington Road  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA

7 December 2018

**CIRENCESTER KINGSHILL SCHOOL**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

|                                                                         | Note | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Restricted<br>fixed asset<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|-------------------------------------------------------------------------|------|------------------------------------|----------------------------------|-------------------------------------------------|-----------------------------|-----------------------------|
| <b>INCOME FROM:</b>                                                     |      |                                    |                                  |                                                 |                             |                             |
| Donations and capital grants                                            | 2    | -                                  | 40,624                           | 4,056                                           | 44,680                      | 389,513                     |
| Charitable activities                                                   | 3    | -                                  | 4,468,055                        | -                                               | 4,468,055                   | 4,362,622                   |
| Other trading activities                                                | 4    | 676                                | -                                | -                                               | 676                         | -                           |
| Investments                                                             | 5    | 25,210                             | -                                | -                                               | 25,210                      | 24,880                      |
| Other income                                                            | 6    | -                                  | 2,400                            | -                                               | 2,400                       | 2,900                       |
| <b>TOTAL INCOME</b>                                                     |      | <b>25,886</b>                      | <b>4,511,079</b>                 | <b>4,056</b>                                    | <b>4,541,021</b>            | <b>4,779,915</b>            |
| <b>EXPENDITURE ON:</b>                                                  |      |                                    |                                  |                                                 |                             |                             |
| Charitable activities                                                   |      | 26,386                             | 4,604,806                        | 241,726                                         | 4,872,918                   | 4,842,664                   |
| <b>TOTAL EXPENDITURE</b>                                                | 9    | <b>26,386</b>                      | <b>4,604,806</b>                 | <b>241,726</b>                                  | <b>4,872,918</b>            | <b>4,842,664</b>            |
| <b>NET BEFORE TRANSFERS</b>                                             |      | <b>(500)</b>                       | <b>(93,727)</b>                  | <b>(237,670)</b>                                | <b>(331,897)</b>            | <b>(62,749)</b>             |
| Transfers between Funds                                                 | 20   | -                                  | (45,675)                         | 45,675                                          | -                           | -                           |
| <b>NET EXPENDITURE BEFORE<br/>OTHER RECOGNISED GAINS<br/>AND LOSSES</b> |      | <b>(500)</b>                       | <b>(139,402)</b>                 | <b>(191,995)</b>                                | <b>(331,897)</b>            | <b>(62,749)</b>             |
| Actuarial gains on defined<br>benefit pension schemes                   | 25   | -                                  | 424,000                          | -                                               | 424,000                     | 191,000                     |
| <b>NET MOVEMENT IN FUNDS</b>                                            |      | <b>(500)</b>                       | <b>284,598</b>                   | <b>(191,995)</b>                                | <b>92,103</b>               | <b>128,251</b>              |
| <b>RECONCILIATION OF FUNDS:</b>                                         |      |                                    |                                  |                                                 |                             |                             |
| Total funds brought forward                                             |      | 273,769                            | (880,865)                        | 12,034,229                                      | 11,427,133                  | 11,298,882                  |
| <b>TOTAL FUNDS CARRIED<br/>FORWARD</b>                                  |      | <b>273,269</b>                     | <b>(596,267)</b>                 | <b>11,842,234</b>                               | <b>11,519,236</b>           | <b>11,427,133</b>           |

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

|                                                                | Note | £                 | 2018<br>£                | £                  | 2017<br>£                |
|----------------------------------------------------------------|------|-------------------|--------------------------|--------------------|--------------------------|
| <b>FIXED ASSETS</b>                                            |      |                   |                          |                    |                          |
| Tangible assets                                                | 15   |                   | 11,833,348               |                    | 11,685,975               |
| <b>CURRENT ASSETS</b>                                          |      |                   |                          |                    |                          |
| Stocks                                                         | 16   | 3,229             |                          | 4,015              |                          |
| Debtors                                                        | 17   | 93,855            |                          | 299,400            |                          |
| Cash at bank and in hand                                       |      | 814,513           |                          | 958,920            |                          |
|                                                                |      | <u>911,597</u>    |                          | <u>1,262,335</u>   |                          |
| <b>CREDITORS: amounts falling due within one year</b>          | 18   | <u>(251,219)</u>  |                          | <u>(291,687)</u>   |                          |
| <b>NET CURRENT ASSETS</b>                                      |      |                   | <u>660,378</u>           |                    | <u>970,648</u>           |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                   | <u>12,493,726</u>        |                    | <u>12,656,623</u>        |
| <b>CREDITORS: amounts falling due after more than one year</b> | 19   |                   | <u>(35,490)</u>          |                    | <u>(35,490)</u>          |
| <b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>         |      |                   | <u>12,458,236</u>        |                    | <u>12,621,133</u>        |
| Defined benefit pension scheme liability                       | 25   |                   | <u>(939,000)</u>         |                    | <u>(1,194,000)</u>       |
| <b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>         |      |                   | <u><u>11,519,236</u></u> |                    | <u><u>11,427,133</u></u> |
| <b>FUNDS OF THE ACADEMY</b>                                    |      |                   |                          |                    |                          |
| Restricted fixed asset fund:                                   |      |                   |                          |                    |                          |
| Restricted income funds                                        | 20   | 342,733           |                          | 313,135            |                          |
| Restricted fixed asset funds                                   | 20   | <u>11,842,234</u> |                          | <u>12,034,229</u>  |                          |
| Restricted income funds excluding pension liability            |      | <u>12,184,967</u> |                          | <u>12,347,364</u>  |                          |
| Pension reserve                                                |      | <u>(939,000)</u>  |                          | <u>(1,194,000)</u> |                          |
| Total restricted fixed asset fund                              |      |                   | <u>11,245,967</u>        |                    | <u>11,153,364</u>        |
| Unrestricted income funds                                      | 20   |                   | <u>273,269</u>           |                    | <u>273,769</u>           |
| <b>TOTAL FUNDS</b>                                             |      |                   | <u><u>11,519,236</u></u> |                    | <u><u>11,427,133</u></u> |

The financial statements on pages 29 to 54 were approved by the Trustees, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:

  
**A R Johnson**  
Chair of Trustees

  
**C S Oates**  
Accounting Officer



**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

|                                                            | Note | 2018<br>£        | 2017<br>£        |
|------------------------------------------------------------|------|------------------|------------------|
| <b>Cash flows from operating activities</b>                |      |                  |                  |
| Net cash provided by/(used in) operating activities        | 22   | <b>204,101</b>   | <b>(238,842)</b> |
| <b>Cash flows from investing activities:</b>               |      |                  |                  |
| Dividends, interest and rents from investments             |      | 1,535            | 1,658            |
| Purchase of tangible fixed assets                          |      | <b>(389,099)</b> | <b>(57,902)</b>  |
| Capital grants from DfE Group                              |      | <b>39,056</b>    | <b>432,319</b>   |
| <b>Net cash (used in)/provided by investing activities</b> |      | <b>(348,508)</b> | <b>376,075</b>   |
| <b>Change in cash and cash equivalents in the year</b>     |      | <b>(144,407)</b> | <b>137,233</b>   |
| Cash and cash equivalents brought forward                  |      | <b>958,920</b>   | <b>821,687</b>   |
| <b>Cash and cash equivalents carried forward</b>           | 23   | <b>814,513</b>   | <b>958,920</b>   |

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Going concern**

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

**1.3 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 funders where the asset acquired or created is held for a specific purpose.

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

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

Non-consumable ICT equipment costing £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.

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

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    |
| Furniture and fixtures | - | 25% Straight-line   |
| Plant and equipment    | - | 15% Straight-line   |
| Computer equipment     | - | 33.3% Straight-line |

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

**1.7 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.

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.9 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.

**1.10 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.

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.11 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.

**1.12 Liabilities and provisions**

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

**1.13 Financial instruments**

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

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

**1.14 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.

**CIRENCESTER KINGSHILL SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.15 Pensions**

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

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

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.

**CIRENCESTER KINGSHILL SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Fixed asset valuations have been included at their estimated fair value at the date of conversion, and depreciated over their useful life since. With no formal valuations occurring since this date, the judgment is to assess whether this valuation is still appropriate in the accounts.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

|                | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Restricted<br>fixed asset<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|----------------|------------------------------------|----------------------------------|-------------------------------------------------|-----------------------------|-----------------------------|
| Donations      | -                                  | 40,624                           | -                                               | 40,624                      | 18,629                      |
| Capital Grants | -                                  | -                                | 4,056                                           | 4,056                       | 370,884                     |
|                | -                                  | 40,624                           | 4,056                                           | 44,680                      | 389,513                     |
| Total 2017     | -                                  | 18,628                           | 370,885                                         | 389,513                     |                             |

**CIRENCESTER KINGSHILL SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

|                                                   | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|---------------------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>DfE/ESFA grants</b>                            |                                  |                             |                             |
| General Annual Grant                              | 4,033,084                        | 4,033,084                   | 3,913,963                   |
| Pupil Premium and Service Premium                 | 132,948                          | 132,948                     | 132,067                     |
| Local Authority - Special Educational Needs (SEN) | 62,892                           | 62,892                      | 51,473                      |
| Pupil Trips                                       | 173,218                          | 173,218                     | 208,197                     |
| Music Tuition                                     | 30,410                           | 30,410                      | 24,580                      |
| Other Income                                      | 35,503                           | 35,503                      | 32,342                      |
|                                                   | <u>4,468,055</u>                 | <u>4,468,055</u>            | <u>4,362,622</u>            |
| <br>Total 2017                                    | <br><u>4,362,621</u>             | <br><u>4,362,621</u>        |                             |

**4. OTHER TRADING ACTIVITIES**

|                   | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Sale of Equipment | 676                                | -                                | 676                         | -                           |
|                   | <u>676</u>                         | <u>-</u>                         | <u>676</u>                  | <u>-</u>                    |

**5. INVESTMENT INCOME**

|                           | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|---------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Rental Income             | 21,875                             | -                                | 21,875                      | 21,467                      |
| Interest Received         | 1,535                              | -                                | 1,535                       | 1,658                       |
| Sales to public & Minibus | 1,800                              | -                                | 1,800                       | 1,755                       |
|                           | <u>25,210</u>                      | <u>-</u>                         | <u>25,210</u>               | <u>24,880</u>               |
| <br>Total 2017            | <br><u>24,880</u>                  | <br><u>-</u>                     | <br><u>24,880</u>           |                             |



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**6. OTHER INCOMING RESOURCES**

|            | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| ITT Income | -                                  | 2,400                            | 2,400                       | 2,900                       |
| Total 2017 | -                                  | 2,900                            | 2,900                       |                             |

**7. DIRECT COSTS**

|                         | Educational<br>Operations<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|-------------------------|--------------------------------|--------------------|--------------------|
| Staff Expenses          | 3,548                          | 3,548              | 3,296              |
| Educational Supplies    | 81,863                         | 81,863             | 58,636             |
| Examination Fees        | 67,625                         | 67,625             | 63,824             |
| Educational Consultancy | 25,766                         | 25,766             | 21,942             |
| Other Staff Costs       | 5,751                          | 5,751              | 7,172              |
| Technology Costs        | 3,591                          | 3,591              | 5,639              |
| Other                   | 157,754                        | 157,754            | 182,710            |
| Wages and salaries      | 2,315,370                      | 2,315,370          | 2,325,467          |
| National insurance      | 230,818                        | 230,818            | 229,996            |
| Pension cost            | 380,619                        | 380,619            | 371,283            |
|                         | <u>3,272,705</u>               | <u>3,272,705</u>   | <u>3,269,965</u>   |
| Total 2017              | <u>3,269,965</u>               | <u>3,269,965</u>   |                    |

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**8. SUPPORT COSTS**

|                                 | Educational<br>Operations<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|---------------------------------|--------------------------------|--------------------|--------------------|
| Pension income                  | 31,000                         | 31,000             | 27,000             |
| Insurance                       | 31,404                         | 31,404             | 29,948             |
| Technology Costs                | 27,216                         | 27,216             | 23,582             |
| Other                           | 81,729                         | 81,729             | 89,933             |
| Maintenance of Premises         | 48,039                         | 48,039             | 40,587             |
| Cleaning and Caretaking         | 87,794                         | 87,794             | 81,629             |
| Operating Lease Rentals - Other | 19,962                         | 19,962             | 21,300             |
| Rates                           | 28,474                         | 28,474             | 29,205             |
| Energy                          | 78,907                         | 78,907             | 69,337             |
| Security                        | 10,203                         | 10,203             | 20,229             |
| Transport                       | 15,316                         | 15,316             | 20,388             |
| Catering                        | 19,271                         | 19,271             | 25,913             |
| Other Premises Costs            | 26,801                         | 26,801             | 24,540             |
| Legal & Professional            | 5,156                          | 5,156              | 4,517              |
| Auditor Costs                   | 10,832                         | 10,832             | 9,700              |
| Wages and salaries              | 546,463                        | 546,463            | 555,187            |
| National insurance              | 38,449                         | 38,449             | 39,092             |
| Pension cost                    | 251,471                        | 251,471            | 221,342            |
| Depreciation                    | 241,726                        | 241,726            | 239,270            |
|                                 | <u>1,600,213</u>               | <u>1,600,213</u>   | <u>1,572,699</u>   |
| Total 2017                      | <u>1,572,699</u>               | <u>1,572,699</u>   |                    |

During the year ended 31 August 2018, the Academy incurred the following Governance costs:  
£10,832 (2017 - £10,401) included within the table above.

**9. EXPENDITURE**

|                         | Staff costs<br>2018<br>£ | Premises<br>2018<br>£ | Other costs<br>2018<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|-------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Educational Operations: |                          |                       |                          |                    |                    |
| Direct costs            | 2,926,807                | -                     | 345,898                  | 3,272,705          | 3,269,965          |
| Support costs           | 836,383                  | 513,189               | 250,641                  | 1,600,213          | 1,572,699          |
|                         | <u>3,763,190</u>         | <u>513,189</u>        | <u>596,539</u>           | <u>4,872,918</u>   | <u>4,842,664</u>   |
| Total 2017              | <u>3,742,367</u>         | <u>317,353</u>        | <u>782,943</u>           | <u>4,842,663</u>   |                    |

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**10. NET INCOME/(EXPENDITURE)**

This is stated after charging:

|                                         | <b>2018</b>    | <b>2017</b>    |
|-----------------------------------------|----------------|----------------|
|                                         | <b>£</b>       | <b>£</b>       |
| Depreciation of tangible fixed assets:  |                |                |
| - owned by the charity                  | <b>241,726</b> | <b>239,270</b> |
| Auditors' remuneration - audit          | <b>6,790</b>   | <b>6,650</b>   |
| Auditors' remuneration - other services | <b>4,042</b>   | <b>3,050</b>   |
| Legal and professional costs            | <b>5,156</b>   | <b>4,517</b>   |
| Operating lease rentals                 | <b>19,962</b>  | <b>21,300</b>  |
|                                         | <hr/> <hr/>    | <hr/> <hr/>    |

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**11. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

|                                                    | 2018<br>£               | 2017<br>£               |
|----------------------------------------------------|-------------------------|-------------------------|
| Wages and salaries                                 | 2,832,379               | 2,799,244               |
| Social security costs                              | 269,267                 | 269,088                 |
| Operating costs of defined benefit pension schemes | 632,090                 | 592,626                 |
|                                                    | <u>3,733,736</u>        | <u>3,660,958</u>        |
| Agency staff costs                                 | 29,454                  | 81,409                  |
|                                                    | <u><u>3,763,190</u></u> | <u><u>3,742,367</u></u> |

**b. Staff numbers**

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

|                                | 2018<br>No.       | 2017<br>No.       |
|--------------------------------|-------------------|-------------------|
| Teachers & Educational Support | 82                | 77                |
| Administration                 | 19                | 19                |
| Management                     | 7                 | 7                 |
|                                | <u>108</u>        | <u>103</u>        |
|                                | <u><u>108</u></u> | <u><u>103</u></u> |

Average headcount expressed as a full time equivalent:

|                                | 2018<br>No.      | 2017<br>No.      |
|--------------------------------|------------------|------------------|
| Teachers & Educational Support | 60               | 58               |
| Administration                 | 14               | 18               |
| Management                     | 7                | 7                |
|                                | <u>81</u>        | <u>83</u>        |
|                                | <u><u>81</u></u> | <u><u>83</u></u> |

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**11. STAFF COSTS (continued)**

**c. Higher paid staff**

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

|                                 | <b>2018</b> | <b>2017</b> |
|---------------------------------|-------------|-------------|
|                                 | <b>No.</b>  | <b>No.</b>  |
| In the band £60,001 - £70,000   | <b>4</b>    | <b>2</b>    |
| In the band £70,001 - £80,000   | <b>1</b>    | <b>1</b>    |
| In the band £100,001 - £110,000 | <b>1</b>    | <b>1</b>    |

The above employees had employer pension contributions totalling £61,378 (2017: £43,598) in the year.

**d. Key management personnel**

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 £488,737 (2017: £480,249).

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

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

|                                  |                            | 2018<br>£     | 2017<br>£     |
|----------------------------------|----------------------------|---------------|---------------|
| L Huxtable (resigned 03/05/2018) | Remuneration               | 10,000-15,000 | 15,000-20,000 |
|                                  | Pension contributions paid | 0-5,000       | 0-5,000       |
| C S Oates, Headteacher           | Remuneration               | 85,000-90,000 | 85,000-90,000 |
|                                  | Pension contributions paid | 10,000-15,000 | 10,000-15,000 |
| G A Cannon (resigned 11/12/2017) | Remuneration               | 15,000-20,000 | 45,000-50,000 |
|                                  | Pension contributions paid | 0-5,000       | 5,000-10,000  |
| S Thomas (appointed 15/03/2018)  | Remuneration               | 20,000-25,000 | -             |
|                                  | Pension contributions paid | 0-5,000       | -             |

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

**13. 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.

**14. OTHER FINANCE INCOME**

|                                          | 2018<br>£       | 2017<br>£       |
|------------------------------------------|-----------------|-----------------|
| Interest income on pension scheme assets | 56,000          | 32,000          |
| Interest on pension scheme liabilities   | (87,000)        | (59,000)        |
|                                          | <u>(31,000)</u> | <u>(27,000)</u> |

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**15. TANGIBLE FIXED ASSETS**

|                       | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Furniture<br>and fixtures<br>£ | Computer<br>equipment<br>£ | Total<br>£        |
|-----------------------|---------------------------|-----------------------------|--------------------------------|----------------------------|-------------------|
| <b>Cost</b>           |                           |                             |                                |                            |                   |
| At 1 September 2017   | 12,753,595                | 101,165                     | 148,385                        | 255,150                    | 13,258,295        |
| Additions             | 360,805                   | -                           | 1,630                          | 26,664                     | 389,099           |
| At 31 August 2018     | <u>13,114,400</u>         | <u>101,165</u>              | <u>150,015</u>                 | <u>281,814</u>             | <u>13,647,394</u> |
| <b>Depreciation</b>   |                           |                             |                                |                            |                   |
| At 1 September 2017   | 1,119,678                 | 91,607                      | 131,164                        | 229,871                    | 1,572,320         |
| Charge for the year   | 202,789                   | 4,963                       | 9,074                          | 24,900                     | 241,726           |
| At 31 August 2018     | <u>1,322,467</u>          | <u>96,570</u>               | <u>140,238</u>                 | <u>254,771</u>             | <u>1,814,046</u>  |
| <b>Net book value</b> |                           |                             |                                |                            |                   |
| At 31 August 2018     | <u>11,791,933</u>         | <u>4,595</u>                | <u>9,777</u>                   | <u>27,043</u>              | <u>11,833,348</u> |
| At 31 August 2017     | <u>11,633,917</u>         | <u>9,558</u>                | <u>17,221</u>                  | <u>25,279</u>              | <u>11,685,975</u> |

Included in land and buildings is freehold land at valuation of cost £2,948,113 (2017: £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.

**16. STOCKS**

|                                     | 2018<br>£    | 2017<br>£    |
|-------------------------------------|--------------|--------------|
| Finished goods and goods for resale | <u>3,229</u> | <u>4,015</u> |

**17. DEBTORS**

|                                     | 2018<br>£     | 2017<br>£      |
|-------------------------------------|---------------|----------------|
| <b>Due after more than one year</b> |               |                |
| Other debtors                       | 490           | 490            |
| <b>Due within one year</b>          |               |                |
| Trade debtors                       | 742           | 1,472          |
| VAT repayable                       | 9,479         | 13,859         |
| Other debtors                       | 20            | 14,227         |
| Prepayments and accrued income      | 83,124        | 269,352        |
|                                     | <u>93,855</u> | <u>299,400</u> |

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**18. CREDITORS: Amounts falling due within one year**

|                                      | 2018<br>£      | 2017<br>£      |
|--------------------------------------|----------------|----------------|
| Trade creditors                      | 451            | (705)          |
| Other taxation and social security   | 67,315         | 130,893        |
| Other creditors                      | 35,490         | 35,490         |
| Accruals and deferred income         | 147,963        | 126,009        |
|                                      | <u>251,219</u> | <u>291,687</u> |
|                                      | 2018<br>£      | 2017<br>£      |
| <b>Deferred income</b>               |                |                |
| Deferred income at 1 September 2017  | 87,861         | 77,522         |
| Resources deferred during the year   | 110,952        | 87,861         |
| Amounts released from previous years | (87,861)       | (77,522)       |
| Deferred income at 31 August 2018    | <u>110,952</u> | <u>87,861</u>  |

The above deferred resources comprises of the following, trips £63,166 (2017: £50,374), rates relief £14,523 (2017: £15,100), balances held for 3rd parties £3,755 (2017: £3,787), SGO funding £13,883 (2017: £13,883) and other deferred items totaling £15,625 (2017: £4,717).

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

|                 | 2018<br>£     | 2017<br>£     |
|-----------------|---------------|---------------|
| Other creditors | <u>35,490</u> | <u>35,490</u> |

**20. STATEMENT OF FUNDS**

|                           | Balance at<br>1<br>September<br>2017<br>£ | Income<br>£   | Expenditure<br>£ | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2018<br>£ |
|---------------------------|-------------------------------------------|---------------|------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b> |                                           |               |                  |                          |                         |                                      |
| General Funds - all funds | 207,818                                   | 4,011         | (4,011)          | -                        | -                       | 207,818                              |
| Rental Income             | 65,451                                    | 21,875        | (21,875)         | -                        | -                       | 65,451                               |
| Donations                 | 500                                       | -             | (500)            | -                        | -                       | -                                    |
|                           | <u>273,769</u>                            | <u>25,886</u> | <u>(26,386)</u>  | <u>-</u>                 | <u>-</u>                | <u>273,269</u>                       |



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**20. STATEMENT OF FUNDS (continued)**

**Restricted funds**

|                      |                  |                  |                    |                 |                |                  |
|----------------------|------------------|------------------|--------------------|-----------------|----------------|------------------|
| General Annual Grant | 262,761          | 4,033,084        | (3,991,005)        | (45,675)        | -              | 259,165          |
| Other DFE            | -                | 5,700            | (5,700)            | -               | -              | -                |
| SEN                  | -                | 62,892           | (62,892)           | -               | -              | -                |
| Music Tuition        | 15,093           | 30,410           | (30,257)           | -               | -              | 15,246           |
| Private Trips Fund   | 35,281           | 173,218          | (164,335)          | -               | -              | 44,164           |
| Pupil Premium        | -                | 132,948          | (116,573)          | -               | -              | 16,375           |
| Other Funds          | -                | 32,204           | (32,204)           | -               | -              | -                |
| Donations            | -                | 40,623           | (32,840)           | -               | -              | 7,783            |
| Pension reserve      | (1,194,000)      | -                | (169,000)          | -               | 424,000        | (939,000)        |
|                      | <u>(880,865)</u> | <u>4,511,079</u> | <u>(4,604,806)</u> | <u>(45,675)</u> | <u>424,000</u> | <u>(596,267)</u> |

**Restricted fixed assets funds -**

|                                          |                   |                  |                    |               |                |                   |
|------------------------------------------|-------------------|------------------|--------------------|---------------|----------------|-------------------|
| Restricted Fixed Asset Funds - all funds | 11,685,975        | -                | (241,726)          | 389,099       | -              | 11,833,348        |
| Devolved formula capital                 | -                 | 18,040           | -                  | (18,040)      | -              | -                 |
| CIF                                      | 318,254           | (13,984)         | -                  | (295,384)     | -              | 8,886             |
| CIF Contribution                         | 30,000            | -                | -                  | (30,000)      | -              | -                 |
|                                          | <u>12,034,229</u> | <u>4,056</u>     | <u>(241,726)</u>   | <u>45,675</u> | <u>-</u>       | <u>11,842,234</u> |
| Total restricted funds                   | <u>11,153,364</u> | <u>4,515,135</u> | <u>(4,846,532)</u> | <u>-</u>      | <u>424,000</u> | <u>11,245,967</u> |
| Total of funds                           | <u>11,427,133</u> | <u>4,541,021</u> | <u>(4,872,918)</u> | <u>-</u>      | <u>424,000</u> | <u>11,519,236</u> |

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

**Restricted Funds:**

ESFA Grants are for the purpose of providing education in accordance with the requirements of the Education and Skills 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 ESFA for devolved formula capital grants.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**20. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

|                                             | Balance at<br>1 September<br>2016<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2017<br>£ |
|---------------------------------------------|----------------------------------------|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| <b>General funds</b>                        |                                        |                  |                    |                          |                         |                                      |
| General Funds - all funds                   | 204,405                                | 3,412            | -                  | -                        | -                       | 207,817                              |
| Rental Income                               | 43,984                                 | 21,468           | -                  | -                        | -                       | 65,452                               |
| Donations                                   | -                                      | 500              | -                  | -                        | -                       | 500                                  |
|                                             | <u>248,389</u>                         | <u>25,380</u>    | <u>-</u>           | <u>-</u>                 | <u>-</u>                | <u>273,769</u>                       |
| <b>Restricted funds</b>                     |                                        |                  |                    |                          |                         |                                      |
| General Annual Grant                        | 276,431                                | 3,913,963        | (3,892,364)        | (35,269)                 | -                       | 262,761                              |
| Other DFE                                   | -                                      | 4,699            | (4,699)            | -                        | -                       | -                                    |
| SEN                                         | -                                      | 51,473           | (51,473)           | -                        | -                       | -                                    |
| Music Tution Fund                           | -                                      | 24,580           | (9,487)            | -                        | -                       | 15,093                               |
| Private Trips Fund                          | 91,201                                 | 208,197          | (264,117)          | -                        | -                       | 35,281                               |
| Pupil Premium                               | -                                      | 132,067          | (132,067)          | -                        | -                       | -                                    |
| Other Funds                                 | -                                      | 30,542           | (30,542)           | -                        | -                       | -                                    |
| Donations                                   | 62,517                                 | 18,128           | (80,645)           | -                        | -                       | -                                    |
| Pension reserve                             | (1,247,000)                            | -                | (138,000)          | -                        | 191,000                 | (1,194,000)                          |
|                                             | <u>(816,851)</u>                       | <u>4,383,649</u> | <u>(4,603,394)</u> | <u>(35,269)</u>          | <u>191,000</u>          | <u>(880,865)</u>                     |
| <b>Restricted fixed assets funds -</b>      |                                        |                  |                    |                          |                         |                                      |
| Restricted Fixed Asset<br>Funds - all funds | 11,867,344                             | -                | (239,270)          | 57,901                   | -                       | 11,685,975                           |
| Devolved formula capital                    | -                                      | 17,534           | -                  | (17,534)                 | -                       | -                                    |
| S106                                        | -                                      | 8,567            | -                  | (8,567)                  | -                       | -                                    |
| CIF                                         | -                                      | 344,785          | -                  | (26,531)                 | -                       | 318,254                              |
| CIF Contribution                            | -                                      | -                | -                  | 30,000                   | -                       | 30,000                               |
|                                             | <u>11,867,344</u>                      | <u>370,886</u>   | <u>(239,270)</u>   | <u>35,269</u>            | <u>-</u>                | <u>12,034,229</u>                    |
| <b>Total restricted funds</b>               | <u>11,050,493</u>                      | <u>4,754,535</u> | <u>(4,842,664)</u> | <u>-</u>                 | <u>191,000</u>          | <u>11,153,364</u>                    |
| <b>Total of funds</b>                       | <u>11,298,882</u>                      | <u>4,779,915</u> | <u>(4,842,664)</u> | <u>-</u>                 | <u>191,000</u>          | <u>11,427,133</u>                    |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                                        | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Restricted<br>fixed assets<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ |
|----------------------------------------|------------------------------------|----------------------------------|--------------------------------------------------|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 11,833,349                                       | 11,833,349                  |
| Debtors due after more than 1 year     | -                                  | 490                              | -                                                | 490                         |
| Current assets                         | 273,269                            | 628,952                          | 8,885                                            | 911,106                     |
| Creditors due within one year          | -                                  | (251,219)                        | -                                                | (251,219)                   |
| Creditors due in more than one year    | -                                  | (35,490)                         | -                                                | (35,490)                    |
| Provisions for liabilities and charges | -                                  | (939,000)                        | -                                                | (939,000)                   |
|                                        | <u>273,269</u>                     | <u>(596,267)</u>                 | <u>11,842,234</u>                                | <u>11,519,236</u>           |

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

|                                        | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Restricted<br>fixed asset<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ |
|----------------------------------------|------------------------------------|----------------------------------|-------------------------------------------------|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 11,685,976                                      | 11,685,976                  |
| Debtors due after more than 1 year     | 490                                | -                                | -                                               | 490                         |
| Current assets                         | 273,279                            | 640,315                          | 348,253                                         | 1,261,847                   |
| Creditors due within one year          | -                                  | (291,690)                        | -                                               | (291,690)                   |
| Creditors due in more than one year    | -                                  | (35,490)                         | -                                               | (35,490)                    |
| Provisions for liabilities and charges | -                                  | (1,194,000)                      | -                                               | (1,194,000)                 |
|                                        | <u>273,769</u>                     | <u>(880,865)</u>                 | <u>12,034,229</u>                               | <u>11,427,133</u>           |

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

|                                                                         | 2018<br>£      | 2017<br>£        |
|-------------------------------------------------------------------------|----------------|------------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (331,897)      | (62,749)         |
| <b>Adjustment for:</b>                                                  |                |                  |
| Depreciation charges                                                    | 241,726        | 239,269          |
| Dividends, interest and rents from investments                          | (1,535)        | (1,658)          |
| Decrease/(increase) in stocks                                           | 786            | (765)            |
| Decrease/(increase) in debtors                                          | 205,546        | (187,802)        |
| (Decrease)/increase in creditors                                        | (40,469)       | 69,182           |
| Capital grants from DfE and other capital income                        | (39,056)       | (432,319)        |
| Defined benefit pension scheme cost less contributions payable          | 169,000        | 138,000          |
| <b>Net cash provided by/(used in) operating activities</b>              | <u>204,101</u> | <u>(238,842)</u> |

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**23. ANALYSIS OF CASH AND CASH EQUIVALENTS**

|              | 2018<br>£      | 2017<br>£      |
|--------------|----------------|----------------|
| Cash in hand | 814,513        | 958,920        |
| Total        | <u>814,513</u> | <u>958,920</u> |

**24. CAPITAL COMMITMENTS**

At 31 August 2018 the Academy had capital commitments as follows:

|                                                               | 2018<br>£ | 2017<br>£ |
|---------------------------------------------------------------|-----------|-----------|
| Contracted for but not provided in these financial statements | 8,886     | 369,854   |

Capital commitments as at 31 August 2018 were in relation to the retentions due on the roofing projected funded by the CIF grant funding.

**25. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2017.

Contributions amounting to £nil were payable to the schemes at 31 August 2018 (2017 - £60,551 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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:

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**25. PENSION COMMITMENTS (continued)**

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

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

The employer's pension costs paid to TPS in the period amounted to £326,717 (2017 - £325,562).

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](http://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 2018 was £207,000 (2017 - £198,000), of which employer's contributions totalled £165,000 (2017 - £156,000) and employees' contributions totalled £42,000 (2017 - £42,000). The agreed contribution rates for future years are 24.2% 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.

Principal actuarial assumptions:

|                                                      | 2018   | 2017   |
|------------------------------------------------------|--------|--------|
| Discount rate for scheme liabilities                 | 2.80 % | 2.50 % |
| Rate of increase in salaries                         | 2.60 % | 2.70 % |
| Rate of increase for pensions in payment / inflation | 2.30 % | 2.40 % |

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

|                      | 2018 | 2017 |
|----------------------|------|------|
| Retiring today       |      |      |
| Males                | 22.4 | 22.4 |
| Females              | 24.6 | 24.6 |
| Retiring in 20 years |      |      |
| Males                | 24.0 | 24.0 |
| Females              | 26.4 | 26.4 |

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**25. PENSION COMMITMENTS (continued)**

|                             | At 31 August<br>2018<br>£ | At 31 August<br>2017<br>£ |
|-----------------------------|---------------------------|---------------------------|
| <b>Sensitivity analysis</b> |                           |                           |
| Discount rate -0.5%         | 451,000                   | 440,000                   |
| Salary increase rate +0.5%  | 72,000                    | 77,000                    |
| Pension increase rate +0.5% | 374,000                   | 356,000                   |

The sensitivity analysis shows the effect on the liabilities within the scheme should the above events occur.

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

|                                     | Fair value at<br>31 August<br>2018<br>£ | Fair value at<br>31 August<br>2017<br>£ |
|-------------------------------------|-----------------------------------------|-----------------------------------------|
| Equities                            | 1,687,050                               | 1,533,600                               |
| Bonds                               | 513,450                                 | 404,700                                 |
| Corporate bonds                     | 195,600                                 | 149,100                                 |
| Cash                                | -                                       | -                                       |
| Cash and other liquid assets        | 48,900                                  | 42,600                                  |
| <b>Total market value of assets</b> | <b>2,445,000</b>                        | <b>2,130,000</b>                        |

The actual return on scheme assets was £66,000 (2017 - £473,000).

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

|                                       | 2018<br>£        | 2017<br>£        |
|---------------------------------------|------------------|------------------|
| Current service cost                  | (303,000)        | (267,000)        |
| Interest income                       | 56,000           | 32,000           |
| Interest cost                         | (87,000)         | (59,000)         |
| <b>Total</b>                          | <b>(334,000)</b> | <b>(294,000)</b> |
| <b>Actual return on scheme assets</b> | <b>66,000</b>    | <b>473,000</b>   |

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**25. PENSION COMMITMENTS (continued)**

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

|                                    | 2018<br>£ | 2017<br>£ |
|------------------------------------|-----------|-----------|
| Opening defined benefit obligation | 3,324,000 | 2,686,000 |
| Current service cost               | 303,000   | 267,000   |
| Interest cost                      | 87,000    | 59,000    |
| Employee contributions             | 42,000    | 42,000    |
| Actuarial (gains)/losses           | (358,000) | 282,000   |
| Benefits paid                      | (14,000)  | (12,000)  |
|                                    | <hr/>     | <hr/>     |
| Closing defined benefit obligation | 3,384,000 | 3,324,000 |
|                                    | <hr/>     | <hr/>     |

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

|                                     | 2018<br>£ | 2017<br>£ |
|-------------------------------------|-----------|-----------|
| Opening fair value of scheme assets | 2,130,000 | 1,439,000 |
| Interest income                     | 56,000    | 32,000    |
| Actuarial losses                    | 66,000    | 473,000   |
| Employer contributions              | 165,000   | 156,000   |
| Employee contributions              | 42,000    | 42,000    |
| Benefits paid                       | (14,000)  | (12,000)  |
|                                     | <hr/>     | <hr/>     |
| Closing fair value of scheme assets | 2,445,000 | 2,130,000 |
|                                     | <hr/>     | <hr/>     |

**26. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

|                         | 2018<br>£ | 2017<br>£ |
|-------------------------|-----------|-----------|
| <b>Amounts payable:</b> |           |           |
| Within 1 year           | 17,600    | 13,303    |
| Between 1 and 5 years   | 13,599    | 21,913    |
|                         | <hr/>     | <hr/>     |
| Total                   | 31,199    | 35,216    |
|                         | <hr/>     | <hr/>     |

**27. MEMBERS' LIABILITY**

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

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**28. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Temporary contract Jodie Gardiner - who is the daughter of Sarah Gardiner (Business Manager). The appointment was made in open competition and Sarah Gardiner was not involved in the decision making process regarding appointment. Jodie was paid within the normal payscale for her role and received no special treatment as a result of her relationship to the School Business Manager. There were no amounts outstanding at 31 August 2018 (2017: £nil).

Teacher Debbie Christopher - wife of Andrew Christopher (a trustee). The appointment was made in open competition and Andrew Christopher was not involved in the decision making process regarding appointment. Debbie was paid within the normal payscale for her role and received no special treatment as a result of her relationship to the trustee. There were no amounts outstanding at 31 August 2018 (2017: £nil).

Friends of the School - connected charity. A donation was made from The Friends of the School for £1,000 to help support the school production. The donation was at an arm's length basis and in entering into the transaction, the academy complied with the requirements of the Academies Financial Handbook.

Powells Educational Trust - of which Andy Johnson is a trustee. A donation was made from Powells Educational Trust for £16,035 in relation to IT development around the School and for exam prizes. The donations were made at an arm's length basis and in entering into the transaction, the academy complied with the requirements of the Academies Financial Handbook.

In entering into the above transactions the academy has complied with the requirements of the Academies Financial Handbook 2017/18 and the transactions were on a commercial arms length basis.

**29. REVIEW OF VALUE FOR MONEY**

|                            |                | PP       |            |  | Non-PP         |          |            | PP vs Non-PP |
|----------------------------|----------------|----------|------------|--|----------------|----------|------------|--------------|
|                            | Average Points | FFT (50) | Difference |  | Average Points | FFT (50) | Difference |              |
| English Language           | 4.13           | 4.66     | -0.53      |  | 4.86           | 4.81     | 0.05       | -0.58        |
| Maths                      | 4.27           | 4.66     | -0.39      |  | 4.91           | 4.91     | 0          | -0.39        |
| Combined Science           | 3.93           | 3.81     | 0.12       |  | 4.01           | 3.68     | 0.33       | -0.21        |
| All (not Combined Science) | 4.45           | 4.84     | -0.39      |  | 5.2            | 5.05     | 0.15       | -0.54        |