

**KENTS HILL JUNIOR SCHOOL**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**KENTS HILL JUNIOR SCHOOL**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

<b>Members</b>	Mr Nick Alston, Chair of Governors Mr Stewart Taylor (resigned 31 August 2015) Mrs Iris Mead, Nominated Governor and RO Mrs Annie Sutton, Parent Governor (appointed 1 September 2015) Miss Hannah Nash, Staff Governor
<b>Trustees</b>	Miss Nicky Hovey, Staff Governor Mr Michael Thomas, Head Teacher Mr Colin Wright, Nominated Governor Mr Mark Bates, Nominated Governor Ms Janice Frost, Parent Governor (resigned 31 May 2015) Mrs Tanja Collins, Parent Governor Mr Paul Finch, Parent Governor (appointed 1 June 2015) Mr Craig Crighton, Parent Governor (appointed 1 November 2015) Ms Nicola Spearman, Associate Governor Ms Georgina Clarke, Associate Governor

All Governors can attend finance committee meetings.

Mr Nick Alston took over as Chair of Governors from Mr Stewart Taylor on 9 February 2015 and was Chair of Finance until 20 April 2015.

Mr Stuart Taylor was Chair of Governors until 9 February 2015, then Vice Chair of Governors until 31 August 2015.

Mrs Annie Sutton was appointed Chair of Finance on 20 April 2015 and Vice Chair of Governors on 1 September 2015.

**Company registered  
number**

7804282

**Principal and registered  
office**

Kents Hill Road  
Benfleet  
Essex  
SS7 5PS

**Accounting Officer**

Mr M Thomas

**Senior management  
team**

Mr M Thomas, Headteacher  
Ms V Gigg, Deputy Headteacher  
Ms H Nash, Deputy Headteacher  
T Cawcutt, Assistant Headteacher

**Independent auditors**

MWS  
Chartered Accountants  
Registered Auditors  
Kingsridge House  
601 London Road  
Westcliff-on-Sea  
Essex  
SS0 9PE

**Bankers**

Lloyds TSB  
1 Legg Street  
Chelmsford  
Essex  
SM1 1JS

**KENTS HILL JUNIOR SCHOOL**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

The governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Kents Hill Junior School (the academy) for the ended 31 August 2015. The governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The trust operates an academy for pupils aged 7 to 11 serving a catchment area in Benfleet. It has a pupil capacity of 360 and had a roll of 360 in the school census on October 2015.

**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 Kents Hill Junior School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Kents Hill Junior School.

The academy is constituted under a Memorandum of Association dated 1 November 2011.

**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. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

The Chair and Vice-Chair of governors regularly review and recommend the mix of skills that should be available to the board. New governors are then sought who can bring any missing skills, either as additional governors or replacements when existing governors stand down. It is anticipated that the great majority of new governors will be drawn from the local community being either parents or guardians of pupils at the Academy or others who have shown an interest in the future wellbeing of the Academy and its pupils. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communication to those within the local area.

New Governors will be appointed to the board by the existing governors until the date of the next Annual General Meeting, at which time they are eligible for re-election for a period of four years. At the end of a four year term, retiring governors are eligible for re-election for a further term.

**d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS**

The governors regularly arrange and attend in-house training based on areas of potential interest and/or concern. Individual governors attend training courses and conferences organised by various providers to ensure their personal development, knowledge and understanding is fully up to date.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**e. ORGANISATIONAL STRUCTURE**

The governors have responsibility for setting and monitoring the overall strategic direction of the Charitable Company, approving decisions reserved to governors and appointing key members of staff. The governors meet at least once a term and all decisions reserved to the governors are taken by the board as a whole. The agenda includes standing items, finance, curriculum, health & Safety and safeguarding.

Mrs Iris Mead is the Responsible Officer and as such has an oversight role in relation to the systems and processes of control and risk management that operate throughout the academy. She is supported by Essex County Council's responsible officer service in her task.

The Headteacher is the Principal Accounting Officer and works closely with both the other governors and the senior staff of Kents Hill Junior School.

The day to day management of Kents Hill rests with the Headteacher who has overall responsibility for the school. The Headteacher is responsible for establishing a Senior Leadership Team, including the Business Manager, Deputy Headteacher and Assistant Headteacher.

Full Governing Body Structure

Chair of Governors  
Vice Chair of Governors  
Head Teacher  
Parent Governors x 4  
Staff Governor x 2  
Nominated Governors x 2  
Associate Governors x 2

Finance Committee Structure

Chair of Finance Committee  
Vice Chair of Finance Committee  
Head Teacher  
Parent Governors x 2  
Staff Governor x 2  
Nominated Governors x 2  
All Governors are welcome and encouraged to attend.

Standards Committee

Chair of Finance Committee  
Governors from FGB x 4  
All Governors are welcome and encouraged to attend.

There have been changes to the Governing body during 2015, with steady recruitment. The membership is now complete and in a more sustainable position.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**f. RISK MANAGEMENT**

The Headteacher, senior management team and Governors have assessed the major risks to which the academy

is exposed and have compiled a risk register which summarises the level of risk, associated control measures including the transfer of risk by using insurance policies. The major risks examined covered the following areas:

- Teaching and Learning
- Facilities
- Operations
- Financial systems and practices

The risk register is reviewed regularly by the Governing body. The academy use systems, procedures and internal controls in order to minimise risk.

**Objectives and Activities**

**a. OBJECTS AND AIMS**

Kents Hill Junior School is a 3 form entry Academy in Benfleet, Essex.

Benfleet is in the Castle Point ward which although not an area of deprivation, has a low uptake of higher and further education and this is reflected in the aspirations of many of our parents, carers and pupils.

From 2008 to the beginning of 2011 the organisation and development of the school was significantly disrupted due to a lack of consistent leadership. In this time seven different Head teachers or LA appointed interims oversaw the school's struggle with low attainment, poor teaching (OFSTED 2010 grade 3) and parent unrest. This lack of focused leadership and consistency was evident particularly in the SAT's results achieved by the 2011/12 Year 6 cohort.

Following the appointment of a new leadership team in 2011 and a complete turnover of teaching staff the school has seen a dramatic improvement in its organisation, ethos and culture. The newly appointed teachers have received high quality professional development, coaching and support ensuring a positive impact on pupil progress.

Kents Hill Junior School has seen a rise in pupil numbers from 328 in 2011 to a full roll of 358 in September 2015.

Traditionally most of our pupils join the school at the beginning of year 3 from the Kents Hill Infant Academy based on the same site. Pupils in years 4, 5 and 6 are taught in ability sets within their year group for Reading, Writing and Maths with this recent change contributing to improvements in pupil progress.

With the vast majority of our pupils coming from white British backgrounds we place a huge emphasis on teaching our pupils about other cultures and religions. British Values is part of the school's curriculum. Our ethos as a UNICEF Rights Respecting School, our curriculum and our school visits all help to ensure that acts of discrimination are rare at our school.

The % of the current school cohort on the SEND register is below the National Average.

The deprivation indicator, % of pupil eligible for the pupil premium and pupil mobility for the school is low and below the national average. The school does however have notable cases in each cohort of individual pupils whose socio economic backgrounds or vulnerability are potential barriers to their achievement. The school uses a variety of strategies to overcome this including high quality pastoral support.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The Governors have worked with the senior leadership team to develop a comprehensive process of self evaluation that identifies priorities for development. These priorities are documented within the School Development Plan, along with actions to achieve these priorities. The priorities are reviewed throughout the year through the committee and full governing body meetings. The priorities are categorised into 5 key areas:

- Pupil achievement
- Teaching and Learning
- Leadership
- Well Being (includes Safeguarding)
- Provision (Curriculum and extra curricular provision).

Year Group Leaders presentations were made in July 2015 giving an overview of contextual information of their year group, achievement of pupils, attendance and key actions/targets. The Marking and Behaviour Policy was being implemented. Monitoring visits by Governors monitor progress and implementation.

Preparation is being made to become a Multi-Academy Trust.

**c. PUBLIC BENEFIT**

The Academy provides educational services to children between the ages 7 - 11 in the local area. The Governors confirm that they have complied with their duty in the Charities Act to have due regard to the public benefit guidance provided by the Charity Commission.

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**Strategic report**

**Achievements and performance**

**a. GOING CONCERN**

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

**b. KEY FINANCIAL PERFORMANCE INDICATORS**

Details of the key performance indicators have been provided earlier within this report.

**c. REVIEW OF ACTIVITIES**

**The achievement of pupils at Kents Hill Junior School is good and close to outstanding**

It is good because;

- The outcomes for the 2015 Year 6 cohort as recorded on Raise Online shows good outcomes in core subjects
- In July 2013 OFSTED evaluated the achievement of pupils at the school to be good.

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**GOVERNORS' REPORT (continued)**  
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It is outstanding because;

- The proportions of pupils making expected progress or proportions exceeding expected progress in English and Mathematics is greater than the National Average.
- Pupils make rapid and sustained progress throughout year groups and learn exceptionally well
- The achievement of Pupil Premium pupils and other groups is consistently good or better.
- The current learning and progress in lessons and in books across the school is good and often outstanding.

Attainment

The attainment on exit for the 2015 Year 6 cohort was well above national average in Reading, Writing and Maths. There was a slight drop in attainment at level 5 but the school is still above the national average.

Level 4B+

Reading – 89% (2014 – 92%)

Writing – 96% (2014 – 96%)

SPAG – 92% (2014 - 89%)

Maths – 93% (2014 - 88%)

Level 5+

Reading – 60% (2014 - 70%)

Writing – 64% (2014 – 51%)

SPAG – 79% (2014 – 84%)

Maths – 52% (2014 – 62%)

Level 6+

Reading – 0% (2014 – 0%)

Writing – 9% (2014 – 5%)

SPAG – 10% (2014 – 14%)

Maths – 21% (2014 – 20%)

The progress data for the 2015 Year 6 cohort shows that the proportions of pupils making expected or exceeding expected progress compares well with national figures. The following was noted:

% achieving Expected Progress

Reading – 93%

Maths – 97%

Maths 93%

% achieving More than Expected Progress

Reading – 25%

Writing – 58%

Maths – 44%

Governors agreed the targets for the forthcoming academic year 2015/2016.

The children will no longer be assessed in levels, in line with national requirements and that children will be assessed against Government defined criteria. The Governors were advised that the children need to be 'Secondary School Ready' when they leave Year 6 and that this has formed the basis for the following targets:

Reading – 95.6%

Writing – 95.6%

Maths – 95.4%

Governors monitor and challenge the leadership team to ensure that the targets remain on track.

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To implement the new requirements, the staff have developed a new system based on Target Tracker and use Pupil assessment portfolios to ensure accuracy. Parents are being informed of the new assessment system.

Attainment on exit from Kents Hill Junior for the 2015 Year 6 cohort was well above average in Reading, Writing and Mathematics.

### **Equality**

#### **Objectives/Targets**

- The school monitors and analysing pupil achievement by race, gender and disability.
- Improved attainment/progress of pupils eligible for free school meals (PP).
- Ensuring under achieving pupils receive targeted interventions to aid and support progress.
- Ensuring the new curriculum promotes role models and heroes that young people positively with which reflects the schools diversity in terms of race, religion, belief, gender and disability.
- Hold regular assemblies to promote awareness in our diverse community and the wider community. Including culture, race, relation, sexual orientation.
- Equip staff to celebrate difference and challenge homophobia, biphobia and transphobia in our school.
- Pupils receive information/lessons covering most recent Ofsted guidance and following the Equality act 2010 law regarding sexual orientation.
- Develop an in house counselling service provided by a qualified counsellor.

#### **Areas for Improvement**

- To improve the proportion of Year 5 pupils on track to make more than expected progress in writing and mathematics.
- To raise the proportion of pupils achieving expected progress in reading.
- To improve the proportion of Year 6 pupils on track to make expected progress in reading, writing and maths.
- To ensure pupil premium pupils continue to make progress at the same rate or above their cohort and any gaps are eradicated.
- To close the gender gap in reading, writing and mathematics.

### **Section 2 - Quality of Teaching and Learning**

#### Performance Management Lesson Observations

The Governors were advised that the quality of teaching is on track and is as follows

46% of teachers are Outstanding. There are three teachers who are on the cusp of outstanding. 92% of teaching is Good or Better. This is an improvement from last term.

#### Key priorities:

- Ensuring that every teacher improves by at least one quality of teaching grade a term through implementing, monitoring and reviewing a wide range of initiatives.
- Improving the way the staff share, manage and collaborate monitoring evidence, actions and outcomes.
- Refine the use of IRIS connect to develop CPD for all staff, but in particular those who are less experienced.
- Develop the use of verbal feedback to aid progress and to measure its impact.<sup>4</sup>

Every teacher is given a National Curriculum Book, which outlines objectives and non-statutory objectives for each year group.

It was decided that the Data and Teaching and Learning groups should be combined and all Governors should be invited to attend. This should lead to a greater understanding of what is happening in school and more effective monitoring.

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**Section 3 – The Behaviour and Safety of Pupils**

**Behaviour is outstanding both in and out of class.**

Pupils adhere to our 4 rights Learning, Friendship, Safety and Success which are based on the UNICEF charter of children's rights and are the bedrock of our school ethos and values. The school is about to gain level one of the Right Respecting School's status from UNICEF.

Pupils arrive at school ready to learn. Lessons are rarely disturbed due to poor behaviour as teachers always use the whole school behaviour management system to good effect. Listening skills are excellent and always commented on by visitors to our assemblies. A high standard of manners and respect for all is now normal practise amongst the pupils.

In and out of lessons pupils demonstrate a high degree of morality with incidents of bullying low. All pupils know and understand the STOP (Several Times On Purpose – Start Telling Other People) whole school approach to bullying.

**Safe Guarding**

Two safe guarding issues were reported in July 2015, that were resolved.

**Race Equality Incidents**

Three incidents took place at lunchtime and have been resolved.

**Exclusions**

Two internal exclusions, reported in July.

**Attendance**

At the end of the 2014/2015 academic year the attendance was 96.5% (target 97%), persistence absentees' parents are contacted.

**E - Safety**

A Year 6 pupil received a two day internal exclusion as a result of not following e-safety procedures

Parents and Governors were invited to attend an E-safety workshop in May 2015.

**Section 4 – The Quality of Leadership and Management**

The quality of the Leadership and Management of the School is good and close to outstanding

The Governors and Senior leaders have an ambitious vision for the school and the culture of the school is characterised by high expectations and aspirations for all pupils

The current leadership team created focused improving progress plans and delivered high quality professional development that has impacted on standards. Inclusion/Special Education Needs, reading, writing and maths are effectively managed. The management of foundation subjects is being embedded and enhanced by a newly appointed Curriculum Leader. To develop the role of the middle leaders is an area for school improvement.

The capacity of the school to improve is high. Progress has accelerated and teaching improved under the current management and governance. Kents Hill Junior School is an active member of the South Essex Teaching Alliance, Benfleet Schools Cluster and has an informal and developing partnership with a local secondary school. These links benefit provide good professional development opportunities.

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Clear, challenging academic targets for all pupils and staff feed into every area of school. They are agreed with the school Trustees/ Governors who accurately and regularly assess the progress towards achieving them. Governors challenge the leadership through focused monitoring visits to disseminate data outcomes and Teaching and Learning.

Every child's progress towards academic targets are accurately tracked and indicated on provision maps with high quality interventions put in place to help those not making expected progress.

Opportunity's to extend learning beyond the classroom are varied and of a high quality with visits to many cultural sites at home and abroad in place. The school has developed excellent opportunities for our children develop their talents and interests including a school orchestra and choir, a talent show, productions and over 20 different school clubs.

The highly effective pastoral leadership at the school ensures pupils are well cared for so that they can thrive and make progress. Individual, paired and whole family support takes place to help those that need it. This is often in partnership with agencies and charities.

A recent parent survey show satisfaction levels are high especially as the opportunities to engage with the school have increased and improved.

Safeguarding is good. It is successfully coordinated by the Senior Management Team and monitored by the responsible governors to ensure all statutory policies and procedures are in place.

Pupil premium funds are used effectively to improve provision for these pupils

To evaluate leadership and Management to be Outstanding

**Key improvements made during this year**

- Middle leaders have more responsibility.
- The Governing body is full, with good sustainability.
- School Leadership sustainability: Miss H Nash is now acting Head teacher while Mr M Thomas is seconded by Havering Council to improve their schools. Miss Nash is receiving training to become Head teacher, if the school becomes a MAT. Middle and Senior managers are developing their roles.

Actions for Action / Improvement (taken form the Single Action Plan)

Priority 1:

To improve the quality of teaching, learning and assessment across the whole curriculum so that 100% is good and 60% outstanding.

- 40% of teachers are securely outstanding and supporting other teachers
- 20% of teacher are securing their practice at outstanding
- 20% of teachers are securely good and taking own actions to move towards outstanding
- 14% of teachers are securing their practice at good
- 7% require improvement and are taking own actions to move towards good

Priority 2:

To ensure the proportion of pupils who are at the expected standard or above meets the agreed end of year/key stage targets by.

- The mathematics curriculum is ensuring pupils are working towards age related or higher expectations and that they making at least good progress form their starting points
- The English curriculum is ensuring pupils are working towards age related or higher expectations and that they making at least good progress form their starting points
- Gaps between significant groups of pupils and the rest of the cohort are eliminated.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

Priority 3:

For all school leaders to be working to ensure provision and outcomes within their delegated area is outstanding.

- Evaluate the quality of provision in their delegated area of responsibility
- Identify and put in place next steps
- Organise professional development based on these next steps

**Section 6 – The Overall effectiveness of the School**

**Achievement, teaching and leadership are all good and close to outstanding. Behaviour is outstanding.**

**Summary**

The impact of good management and Teaching and Learning is clear to see as the Governors monitor pupils and classrooms. The pupils are ready to learn and behave in a respectful way towards their teachers and each other. The school has a well-organised and updated curriculum, focused on the individual needs of the child. Those pupils who need extra tuition, including 'disadvantaged' pupils received specific help before and after school, as well as in the classroom. The children are happy and willing to learn. There are opportunities for children to experience leadership. The school has three residential courses to further develop their social and academic skills. The staff are well motivated and dedication to the welfare of their pupils. The school has an active and valued Parents Association. The warm and stimulating environment of the school has resulted in performance well above the National average.

**d. INVESTMENT POLICY AND PERFORMANCE**

Kents Hill Junior School Academy does not make financial investments other than enhancements to the school building.

**Financial review**

**a. PRINCIPAL RISKS AND UNCERTAINTIES**

The main financial instruments that Kents Hill Junior School deals with are bank balances, cash, and trade creditors with limited trade (and other) debtors. These are not material to the assessment of the Trust's assets, liabilities, financial position and its results.

The Local Government Pension Scheme exposes the School to a deficit calculated at 31 August 2015 of £207,000 a proportion of which will be repaid annually as advised by the Pension Scheme Actuaries.

The EFA makes monthly payments to the school budget share and providing Kents Hill Junior School meets the terms of its Funding agreement it is not envisaged that there is a substantial risk to cash flow and/or liquidity. The Policy of Kents Hill Junior School is that it manages its funds so that it has ready access to its bank account in order to pay creditors.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**b. RESERVES POLICY**

The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The Governors intend to review the reserves policy annually to ensure that this aim can be achieved.

At the balance sheet date, the charitable company had restricted fixed asset reserves of £5,446,384, restricted general reserves of £ 170,747 (excluding pension liability), a restricted pension fund deficit of £(207,000) and unrestricted general reserves of £110,216. The Governors intend to utilise the unrestricted reserves in the near future in line with the objectives of the School Development and premises plan.

Due to the inclusion of the Local Government Pension Scheme (LGPS) deficit, the restricted general funds are in deficit at the year end. However, this does not mean that an immediate liability for this commitment has crystallised. This deficit has resulted in an increase in the employers' pension contributions over a period of years. The Academy Trust will revisit its business plan and budget to ascertain how this additional cost might affect their future funds.

**c. PRINCIPAL FUNDING**

Most of the academies income is derived from the Education Funding Agency. The income is in the form of recurrent grants, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also receives grants for capital expenditure from the EFA. A small amount of income is generated by the academy from lettings and catering and this income is shown as unrestricted in the accounts.

The main investments in the accounting period were on:

- Grounds improvement for safety and security reasons.
- Continued provision of quality teaching and support staff.
- The implementation of a new curriculum.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

Our long term strategic role is to become a consistently outstanding school, to ensure that all our pupils make at least the age related progress, consistently across their journey through the school and across the whole curriculum. Resources will be prioritised so that they are targeted effectively and have demonstrable impact.

Our priorities in the School Development Plan are:

- To achieve the recognition and level 1 of the Rights Respecting Award.
- To embed diamond lesson plan across the curriculum.
- To embed and enhance the learning zone approach.
- To ensure the school meets and reviews the statutory safeguarding requirements.
- To raise the percentage of children achieving level 6 in maths.

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**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

Kents Hill Junior School does not hold, and the Governors do not anticipate that it will in the future hold, any funds as custodian for any third party.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are governors at the time when this Governors' report is approved has confirmed that:

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

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 4 December 2015 and signed on the board's behalf by:

**Mr Nick Alston**  
**Chair of Trustees**

**Mr Michael Thomas**  
**Principal**

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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Mr M Thomas, 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 Kents Hill Junior School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

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

Governor	Meetings attended	Out of a possible
Mr Nick Alston, Chair of Governors	4	4
Mr Stewart Taylor	2	3
Mrs Iris Mead, Nominated Governor and RO	4	4
Mrs Annie Sutton, Parent Governor	4	4
Miss Hannah Nash, Staff Governor	3	4
Miss Nicky Hovey, Staff Governor	2	4
Mr Michael Thomas, Head Teacher	4	4
Mr Colin Wright, Nominated Governor	1	4
Mr Mark Bates, Nominated Governor	2	4
Ms Janice Frost, Parent Governor	2	2
Mrs Tanja Collins, Parent Governor	2	4
Mr Paul Finch, Parent Governor	1	2
Mr Craig Crighton, Parent Governor	0	0
Ms Nicola Spearman, Associate Governor	0	4
Ms Georgina Clarke, Associate Governor	0	4

Governance reviews:

All Governors complete a Governor competency form once a year, which are reviewed by the Governing Body. In addition the Academy reviews on a regular basis the monitoring of the Governors' abilities and competency.

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

**Structure**

A Chairperson is appointed annually at a Full Governing Body meeting;  
Membership is at least four (4) members, subject to annual review by the Governing Body;  
The Head Teacher is a member;

The Committee can co-opt up to two people who are not members of the Governing Body; and

Co-opted members of the Committee may not vote on any matter.

**Quorum**

The quorum is three (3) members, one of whom is the Head Teacher or a nominated deputy  
At least two (2) members of the quorum are non-staff;

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**GOVERNANCE STATEMENT (continued)**

**Meetings**

The Committee meet termly. Additional meetings are held as required;

Minutes of all meetings are retained. Copies are circulated to all members of the Governing Body;

All minutes are retained within a public minute book and made available upon request to any individual requesting them; (an appropriate charge may be made for the reproduction of minutes to cover the cost of administration);

In the absence of the Chairperson at any meeting, the Committee appoint one of the members present to act as Chairperson for that meeting: and

The school provides reports for review at all Finance Meetings.

**Objectives**

Ensure school funds are spent appropriately, in line with KHJS Financial Regulations and FMGE

Advise the Full Governing Body whether to approve KHJS Financial Regulations;

Review and approve the annual budget for expenditure each financial year:

Monitor school financial performance;

Provide guidance to the school on financial matters as required:

Review and approve recommendations on Head Teacher pay from Head Teacher Performance Panel;

Review Pay and Conditions, and the structure thereof, in accordance with objective 4.1.

**Delegated Authority**

Headteacher determines the salary of all staff employed at the school, excluding their own.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs Annie Sutton (Chair of Finance Committee)	4	4
Mr Nick Alston (Chair of Governors)	4	4
Mr Michael Thomas (Head Teacher)	4	4
Mrs Iris Mead (Nominated Governor and RO)	4	4
Mr Mark Bates (Nominated Governor)	1	4
Miss Hannah Nash (Staff Governor)	2	4
Mrs Michelle Townsend (Bursar)	4	4

**REVIEW OF VALUE FOR MONEY**

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer sets out how they have ensured that the acadmies use of its resources has provided good value for money during the academic year below:-

Improving educational results:

We have ensured that resources are directed where they are most needed and most effective in meeting

**KENTS HILL JUNIOR SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

educational requirements, for example by:-

- 1) Targeting resources in key subject areas such as literacy and numeracy
- 2) Monitoring the needs and achievements of all pupils, and ensuring that the intervention they receive is relevant to them
- 3) Monitoring the performance of particular staff, and ensuring that relevant action is taken to support on-going professional development

The effectiveness of these strategies can be seen in the improved pupil achievements and reflects in our RAISEonLine results accordingly.

**Financial Governance and oversight**

Our governance arrangements include regular monitoring by the Governing Body and its appropriate committees, including our resources /Audit/Community Committee and Learning and Teaching committee. They receive regular reports, and ask relevant questions as recorded in the minutes.

The work of these committees is further informed by the regular Responsible Officer reports (termly)

**Better Purchasing**

Examples of steps taken to ensure value for money when purchasing include:

- Viewing alternative purchasing options online in order to find the best value
- Considering whether the purchase is really necessary
- Tender process for major purchases and contracts e.g. cleaning contract
- Discussion with other local schools, to be informed with products/services before making purchases

**Better Income Generation**

- We continue to explore all areas for income generation, commission on school photographs, catering, commissioning services Head teacher Ofsted Inspector together with delivering NPQSL professional development and other teaching school alliance contributions for our staff

**Reviewing Controls and Managing risks**

Regular budget reports have been reviewed by the Finance committee as well as budget holders in order to ensure that spending is within budget.

Actions taken to manage risk include the purchase of an appropriate level of insurance cover (independent assessment) together with a consultation undertaken with Insurance assessor.

Professional advice for HR and Legal has been commissioned.

**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 Kents Hill Junior School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

The academy'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:

**KENTS HILL JUNIOR SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mrs I Mead, a governor, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The responsible officer reported to the Finance and Audit Committee as expected, and there were no material control issues arising.

**REVIEW OF EFFECTIVENESS**

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

- the work of the Responsible Officer;
- the work of the external 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 and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Trustees report, incorporating a strategic report, approved by order of the members of the board of trustees, as the company directors on 4 December 2015 and signed on its behalf, by:

**Mr Nick Alston**  
**Chair of Governors**

**Mr M Thomas**  
**Accounting Officer**

**KENTS HILL JUNIOR SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of Kents Hill Junior School I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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

**Mr M Thomas**  
**Accounting Officer**

Date: 4th December 2015

**KENTS HILL JUNIOR SCHOOL**  
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**GOVERNORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the members of the board of trustees on 4 December 2015 and signed on its behalf by:

**Mr Nick Alston**  
**Chair of Governors**

**KENTS HILL JUNIOR SCHOOL**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENTS HILL JUNIOR SCHOOL**

We have audited the financial statements of Kents Hill Junior School for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

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

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

**KENTS HILL JUNIOR SCHOOL**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENTS HILL JUNIOR SCHOOL**

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

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

**Fiona Read FCA (Senior Statutory Auditor)**

Chartered Accountants  
Registered Auditors

Kingsridge House  
601 London Road  
Westcliff-on-Sea  
Essex  
SS0 9PE  
4 December 2015

**KENTS HILL JUNIOR SCHOOL**  
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO KENTS HILL JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 February 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kents Hill Junior School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF KENTS HILL JUNIOR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Kents Hill Junior School's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Based upon our risk assessment of material non-compliance, we carried out detailed testing of the specific income streams from the EFA, and the related expenditure streams, to which specific conditions had been attached.

We evaluated the control environment of the Academy Trust, extending the procedures required for the financial statements to include regularity. We tested a sample of the specific control activities over regularity of particular activities. We confirmed that the Academy Trust had not entered into any borrowing arrangements. We carried out substantive testing of fixed assets to confirm that no sales of any assets had taken place. We reviewed cash payments made by the school for any unusual transactions and verified the nature of said transactions. We reviewed the list of suppliers to consider whether any supplies were made by related parties connected to the Principal, Finance Manager or any Governor. We reviewed the nature and terms of any lettings to ensure that any lettings made to any related parties were made at the normal third party rates and not on any favourable terms.

**KENTS HILL JUNIOR SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO KENTS HILL  
JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**MWS**

Reporting Accountant  
Chartered Accountants

Kingsridge House  
601 London Road  
Westcliff-on-Sea  
Essex  
SS0 9PE

4 December 2015

**KENTS HILL JUNIOR SCHOOL**  
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**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	-	10,900	45,188	56,088	46,213
Activities for generating funds	3	-	-	64,453	64,453	56,540
Investment income	4	-	-	322	322	357
Incoming resources from charitable activities	5	1,319,658	61,865	-	1,381,523	1,269,274
<b>TOTAL INCOMING RESOURCES</b>		<b>1,319,658</b>	<b>72,765</b>	<b>109,963</b>	<b>1,502,386</b>	<b>1,372,384</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Costs of generating voluntary income		-	-	-	-	331
Charitable activities		1,264,650	210,887	109,390	1,584,927	1,541,750
Governance costs	6	8,929	-	-	8,929	7,235
<b>TOTAL RESOURCES EXPENDED</b>	9	<b>1,273,579</b>	<b>210,887</b>	<b>109,390</b>	<b>1,593,856</b>	<b>1,549,315</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>46,079</b>	<b>(138,122)</b>	<b>573</b>	<b>(91,470)</b>	<b>(176,931)</b>

**KENTS HILL JUNIOR SCHOOL**  
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**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	19	(35,270)	78,270	(43,000)	-	-
<b>NET EXPENDITURE FOR THE YEAR</b>		<b>10,809</b>	<b>(59,852)</b>	<b>(42,427)</b>	<b>(91,470)</b>	<b>(176,931)</b>
Actuarial gains and losses on defined benefit pension schemes		(1,000)	-	-	(1,000)	(10,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>9,809</b>	<b>(59,852)</b>	<b>(42,427)</b>	<b>(92,470)</b>	<b>(186,931)</b>
<i>Total funds at 1 September 2014</i>		(180,556)	5,506,236	152,643	5,478,323	5,665,254
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>(170,747)</b>	<b>5,446,384</b>	<b>110,216</b>	<b>5,385,853</b>	<b>5,478,323</b>

All activities relate to continuing operations.

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

The notes on pages 27 to 44 form part of these financial statements.

**KENTS HILL JUNIOR SCHOOL**  
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**REGISTERED NUMBER: 7804282**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	16		5,452,377		5,506,236
<b>CURRENT ASSETS</b>					
Debtors	17	51,170		46,636	
Cash at bank		189,746		233,279	
		<u>240,916</u>		<u>279,915</u>	
<b>CREDITORS:</b> amounts falling due within one year	18	<u>(100,440)</u>		<u>(113,828)</u>	
<b>NET CURRENT ASSETS</b>			<u>140,476</u>		<u>166,087</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,592,853</u>		<u>5,672,323</u>
Defined benefit pension scheme liability	26		<u>(207,000)</u>		<u>(194,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>5,385,853</u></u>		<u><u>5,478,323</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	19	36,253		13,444	
Restricted fixed asset funds	19	5,446,384		5,506,236	
		<u>5,482,637</u>		<u>5,519,680</u>	
Restricted funds excluding pension liability				5,519,680	
Pension reserve		<u>(207,000)</u>		<u>(194,000)</u>	
Total restricted funds			<u>5,275,637</u>		<u>5,325,680</u>
Unrestricted funds	19		<u>110,216</u>		<u>152,643</u>
<b>TOTAL FUNDS</b>			<u><u>5,385,853</u></u>		<u><u>5,478,323</u></u>

The financial statements were approved by the governors, and authorised for issue, on 4 December 2015 and are signed on their behalf, by:

**Mr Nick Alston**  
**Chair of Trustees**

**Mr M Thomas**  
**Principal**

The notes on pages 27 to 44 form part of these financial statements.

**KENTS HILL JUNIOR SCHOOL**  
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**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	22	45,092	3,188
Returns on investments and servicing of finance	23	322	357
Capital expenditure and financial investment	23	(88,947)	(93,879)
<b>DECREASE IN CASH IN THE YEAR</b>		<u><u>(43,533)</u></u>	<u><u>(90,334)</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Decrease in cash in the year	<u>(43,533)</u>	<u>(90,334)</u>
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>(43,533)</b>	<b>(90,334)</b>
Net funds at 1 September 2014	<u>233,279</u>	<u>323,613</u>
<b>NET FUNDS AT 31 AUGUST 2015</b>	<u><u>189,746</u></u>	<u><u>233,279</u></u>

The notes on pages 27 to 44 form part of these financial statements.

**KENTS HILL JUNIOR SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

**1.3 Incoming resources**

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All 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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The policy with respect to impairment reviews of fixed assets is that 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	straight line over 50 years
Furniture and equipment	-	straight line over 5 years
Computer equipment	-	straight line over 3 years

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.7 Operating leases**

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

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

**1.8 Taxation**

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

**1.9 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. VOLUNTARY INCOME**

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Donations	-	4,560	4,560	10,668
Educational trips and visits	-	40,628	40,628	35,545
Capital Donations	10,900	-	10,900	-
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	<b>10,900</b>	<b>45,188</b>	<b>56,088</b>	<b>46,213</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**3. ACTIVITIES FOR GENERATING FUNDS**

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Hire of facilities	-	2,585	2,585	1,002
Catering income	-	50,569	50,569	49,324
Services provided	-	3,902	3,902	3,809
School sales	-	7,397	7,397	2,405
	<hr/>	<hr/>	<hr/>	<hr/>
	-	<b>64,453</b>	<b>64,453</b>	<b>56,540</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**4. INVESTMENT INCOME**

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Short term deposits	-	322	322	357
	<hr/>	<hr/>	<hr/>	<hr/>

**KENTS HILL JUNIOR SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	1,217,388	-	1,217,388	1,164,444
Capital Grants	61,865	-	61,865	16,645
Other DfE/EFA grants	75,673	-	75,673	60,669
	<u>1,354,926</u>	<u>-</u>	<u>1,354,926</u>	<u>1,241,758</u>
<b>Other government grants</b>				
Local authority grants	26,597	-	26,597	27,516
	<u>26,597</u>	<u>-</u>	<u>26,597</u>	<u>27,516</u>
	<u>1,381,523</u>	<u>-</u>	<u>1,381,523</u>	<u>1,269,274</u>

**6. GOVERNANCE COSTS**

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Governance Auditors' remuneration	7,500	-	7,500	7,000
Governance expense - wages and salaries	1,271	-	1,271	235
Governance expense - pension costs	158	-	158	-
	<u>8,929</u>	<u>-</u>	<u>8,929</u>	<u>7,235</u>

**7. DIRECT COSTS**

	Educational Operations £	Total 2015 £	Total 2014 £
Educational supplies	97,435	97,435	103,193
Staff development	15,998	15,998	8,339
Educational consultancy	21,704	21,704	16,308
Wages and salaries	667,384	667,384	654,831
National insurance	39,845	39,845	44,650
Pension cost	69,770	69,770	63,952
	<u>912,136</u>	<u>912,136</u>	<u>891,273</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**8. SUPPORT COSTS**

	Educational Operations £	Total 2015 £	Total 2014 £
Pension income	6,000	6,000	7,000
Recruitment and support	312	312	541
Maintenance of premises	115,180	115,180	71,422
Cleaning	27,498	27,498	30,672
Rent and rates	6,291	6,291	6,924
Energy costs	17,050	17,050	22,762
Insurance	21,325	21,325	21,147
Security and transport	925	925	609
Catering	64,389	64,389	55,419
Indirect staff costs	69	69	-
Legal and professional fees	31,912	31,912	35,873
Other support costs	41,331	41,331	40,799
Wages and salaries	83,593	83,593	83,144
National insurance	7,029	7,029	5,018
Pension cost	39,000	39,000	32,000
Depreciation	210,887	210,887	237,147
	<u>672,791</u>	<u>672,791</u>	<u>650,477</u>

**9. RESOURCES EXPENDED**

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
	-	-	-	-	331
<b>Costs of generating funds</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331</u>
Direct costs	776,999	-	135,137	912,136	891,273
Support costs	129,622	378,789	164,380	672,791	650,477
<b>Charitable activities</b>	<u>906,621</u>	<u>378,789</u>	<u>299,517</u>	<u>1,584,927</u>	<u>1,541,750</u>
<b>Governance</b>	<u>1,429</u>	<u>-</u>	<u>7,500</u>	<u>8,929</u>	<u>7,235</u>
	<u>908,050</u>	<u>378,789</u>	<u>307,017</u>	<u>1,593,856</u>	<u>1,549,316</u>

**KENTS HILL JUNIOR SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Educational Operations	912,136	672,791	1,584,927	1,541,750

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

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	210,888	237,147
Auditors' remuneration	7,500	7,000
Operating lease rentals: - other operating leases	5,967	5,967

**12. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	687,103	687,238
Social security costs	46,874	49,669
Other pension costs (Note 26)	108,928	95,117
	842,905	832,024
Supply teacher costs	64,033	52,137
Staff Restructuring	1,112	-

**b. Staff numbers**

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

	2015 No.	2014 No.
Teachers	21	21
Administration and support	10	5
Management	3	3

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. STAFF (continued)**

**c. Higher paid staff**

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

	<b>2015</b>	<i>2014</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>0</b>	<i>1</i>
In the band £70,001 - £80,000	<b>1</b>	<i>0</i>
	<b>=====</b>	<b>=====</b>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for these staff amounted to £810 (2014: £Nil).

**13. GOVERNORS' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 4 governors (2014 - 2) in respect of defined benefit pension schemes.

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff governors 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 governors, The value of governors' remuneration and other benefits was as follows:

	<b>2015</b>	<i>2014</i>
	<b>£'000</b>	<i>£'000</i>
Miss Nicola Hovey		.
Remuneration	<b>15-20</b>	
Employer pension contributions	<b>0-5</b>	
Miss Hannah Nash		.
Remuneration	<b>45-50</b>	
Employer pension contributions	<b>5-10</b>	
Mr Michael Thomas		.
Remuneration	<b>70-75</b>	<i>65-70</i>
Employer pension contributions	<b>0-5</b>	<i>0-5</i>
Mrs Tessa Cawcutt		.
Remuneration	<b>0-5</b>	<i>10-15</i>
Employer pension contributions	<b>0-5</b>	<i>0-5</i>

During the year, no governors received any reimbursement of expenses (2014 - £NIL).

**14. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. OTHER FINANCE INCOME**

	2015 £	2014 £
Expected return on pension scheme assets	7,000	5,000
Interest on pension scheme liabilities	(13,000)	(12,000)
	(6,000)	(7,000)

**16. TANGIBLE FIXED ASSETS**

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2014	5,302,231	631,864	210,898	6,144,993
Additions	123,460	3,732	29,837	157,029
At 31 August 2015	5,425,691	635,596	240,735	6,302,022
<b>Depreciation</b>				
At 1 September 2014	132,444	345,047	161,266	638,757
Charge for the year	51,293	126,575	33,020	210,888
At 31 August 2015	183,737	471,622	194,286	849,645
<b>Net book value</b>				
At 31 August 2015	5,241,954	163,974	46,449	5,452,377
<i>At 31 August 2014</i>	5,169,787	286,817	49,632	5,506,236

Included in land and buildings is freehold land at valuation of £2,800,000 (2014 - £2,800,000) which is not depreciated.

**17. DEBTORS**

	2015 £	2014 £
Trade debtors	6,520	3,290
VAT repayable	16,616	19,931
Other debtors	-	8,666
Prepayments and accrued income	28,034	14,749
	51,170	46,636

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. CREDITORS:**

**Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	36,522
Other taxation and social security	<b>14,379</b>	26,633
Other creditors	<b>13,444</b>	-
Accruals and deferred income	<b>72,617</b>	50,673
	<b>100,440</b>	<b>113,828</b>
	<b>100,440</b>	<b>113,828</b>
		<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2014		<b>10,330</b>
Amounts released from previous years		<b>(10,330)</b>
		<b>-</b>
Deferred income at 31 August 2015		<b>-</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**19. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted fund	152,643	109,963	(109,390)	(43,000)	-	110,216
<b>Restricted funds</b>						
General Annual Grant (GAG)	3,928	1,217,388	(1,182,172)	(23,270)	-	15,874
Other DfE/EFA grants	-	13,340	(13,340)	-	-	-
Pupil Premium	9,516	62,333	(51,470)	-	-	20,379
LA Grants	-	26,597	(26,597)	-	-	-
Pension reserve	(194,000)	-	-	(12,000)	(1,000)	(207,000)
	<u>(180,556)</u>	<u>1,319,658</u>	<u>(1,273,579)</u>	<u>(35,270)</u>	<u>(1,000)</u>	<u>(170,747)</u>
<b>Restricted fixed asset funds</b>						
Inherited fixed assets	5,176,304	-	(162,935)	-	-	5,013,369
Capital expenditure from GAG	106,942	-	(42,161)	78,270	-	143,051
DFE/EFA capital grants	222,990	61,865	(5,700)	-	-	279,155
Capital donation from PTA	-	10,900	(91)	-	-	10,809
	<u>5,506,236</u>	<u>72,765</u>	<u>(210,887)</u>	<u>78,270</u>	<u>-</u>	<u>5,446,384</u>
Total restricted funds	<u>5,325,680</u>	<u>1,392,423</u>	<u>(1,484,466)</u>	<u>43,000</u>	<u>(1,000)</u>	<u>5,275,637</u>
Total of funds	<u><u>5,478,323</u></u>	<u><u>1,502,386</u></u>	<u><u>(1,593,856)</u></u>	<u><u>-</u></u>	<u><u>(1,000)</u></u>	<u><u>5,385,853</u></u>

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

Restricted general funds and other restricted funds  
These relate to the Academy's development and operational activities.

Restricted fixed asset fund  
These grants relate to capital funding to carry out works of a capital nature.

Pension reserve  
The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme.

Restriction on surplus GAG

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 2015.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. STATEMENT OF FUNDS (continued)**

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	152,643	109,963	(109,390)	(43,000)	-	110,216
Restricted funds	(180,556)	1,319,658	(1,273,579)	(35,270)	(1,000)	(170,747)
Restricted fixed asset funds	5,506,236	72,765	(210,887)	78,270	-	5,446,384
	<u>5,478,323</u>	<u>1,502,386</u>	<u>(1,593,856)</u>	<u>-</u>	<u>(1,000)</u>	<u>5,385,853</u>

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	5,452,379	-	5,452,379	5,506,236
Current assets	130,699	-	110,216	240,915	279,914
Creditors due within one year	(94,446)	(5,995)	-	(100,441)	(113,827)
Provisions for liabilities and charges	(207,000)	-	-	(207,000)	(194,000)
	<u>(170,747)</u>	<u>5,446,384</u>	<u>110,216</u>	<u>5,385,853</u>	<u>5,478,323</u>

**21. TRANSFER BETWEEN FUNDS**

Transfers between funds have occurred in respect of the following;

£33,000 has been transferred from the unrestricted fund to the restricted fund for employers LGPS contributions paid, on behalf of employees, from the General Annual Grant (GAG).

£102,209 has been transferred from the restricted fund to restricted fixed asset fund representing assets purchased using the GAG.

£12,000 of costs have been transferred from the unrestricted fund to restricted pension reserve representing the service cost and net finance charge of the LGPS.

£88,000 has been transferred from the unrestricted fund to the restricted fund to cover the cash deficit on this fund.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Net incoming resources before revaluations	(91,470)	(176,931)
Returns on investments and servicing of finance	(322)	(357)
Depreciation of tangible fixed assets	210,888	237,147
Capital grants from DfE	(57,182)	(16,645)
Capital grants from other sources	(10,900)	-
(Increase)/Decrease in debtors	(4,535)	(6,976)
Increase/(Decrease) in creditors	(13,387)	(43,050)
FRS 17 adjustments	12,000	10,000
	45,092	3,188

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

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	322	357
	322	357
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(157,029)	(110,524)
Capital grants from DfE	57,182	16,645
Capital grants from other sources	10,900	-
	(88,947)	(93,879)

**24. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	31 August 2015 £
Cash at bank and in hand:	233,279	(43,533)	189,746
<b>Net funds</b>	233,279	(43,533)	189,746

**25. 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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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. 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 Essex County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £13,444 were payable to the scheme at 31 August 2015 (2014 - 11,189) 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**

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

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

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

The pension costs paid to TPS in the period amounted to £69,770 (2014: £63,952).

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**26. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The 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 2015 was £43,170, of which employer's contributions totalled £33,453 and employees' contributions totalled £9,717. The agreed contribution rates for future years are 12.3% for employers and 5.5% to 12.5% for employees.

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

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

	<b>Expected return at 31 August 2015 %</b>	<b>Fair value at 31 August 2015 £</b>	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £</i>
Equities	<b>6.10</b>	<b>105,000</b>	<i>6.10</i>	<i>71,000</i>
Gilts	<b>3.00</b>	<b>6,000</b>	<i>3.00</i>	<i>7,000</i>
Other Bonds	<b>3.60</b>	<b>15,000</b>	<i>3.60</i>	<i>12,000</i>
Property	<b>5.10</b>	<b>18,000</b>	<i>5.10</i>	<i>13,000</i>
Cash	<b>2.90</b>	<b>4,000</b>	<i>2.90</i>	<i>3,000</i>
Alternative Assets	<b>3.60</b>	<b>11,000</b>	<i>3.60</i>	<i>4,000</i>
Total market value of assets		<b>159,000</b>		<i>110,000</i>
Present value of scheme liabilities		<b>(366,000)</b>		<i>(304,000)</i>
Deficit in the scheme		<b>(207,000)</b>		<i>(194,000)</i>

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore we are not required to disclose an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 5.3% per annum, which has been used to determine the profit and loss charge for the year ended 31 August 2015.

The amounts recognised in the Balance sheet are as follows:

	<b>2015 £</b>	<i>2014 £</i>
Present value of funded obligations	<b>(366,000)</b>	<i>(304,000)</i>
Fair value of scheme assets	<b>159,000</b>	<i>110,000</i>
Net liability	<b>(207,000)</b>	<i>(194,000)</i>

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**26. PENSION COMMITMENTS (continued)**

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

	<b>2015</b>	<i>2014</i>
	<b>£</b>	<b>£</b>
Current service cost	<b>(39,000)</b>	<i>(32,000)</i>
Interest on obligation	<b>(13,000)</b>	<i>(12,000)</i>
Expected return on scheme assets	<b>7,000</b>	<i>5,000</i>
	<hr/>	<hr/>
Total	<b>(45,000)</b>	<i>(39,000)</i>
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	<b>6,000</b>	<i>10,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2015</b>	<i>2014</i>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	<b>304,000</b>	<i>239,000</i>
Current service cost	<b>39,000</b>	<i>32,000</i>
Interest cost	<b>13,000</b>	<i>12,000</i>
Contributions by scheme participants	<b>10,000</b>	<i>8,000</i>
Actuarial Losses	<b>-</b>	<i>13,000</i>
	<hr/>	<hr/>
Closing defined benefit obligation	<b>366,000</b>	<i>304,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2015</b>	<i>2014</i>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	<b>110,000</b>	<i>65,000</i>
Expected return on assets	<b>7,000</b>	<i>5,000</i>
Actuarial gains and (losses)	<b>(1,000)</b>	<i>3,000</i>
Contributions by employer	<b>33,000</b>	<i>29,000</i>
Contributions by employees	<b>10,000</b>	<i>8,000</i>
	<hr/>	<hr/>
	<b>159,000</b>	<i>110,000</i>
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £61,000 (2014 - £60,000).

The academy expects to contribute £34,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2015</b>	<i>2014</i>
European equities	<b>65.00 %</b>	<i>64.00 %</i>
Gilts	<b>4.00 %</b>	<i>6.00 %</i>
European bonds	<b>10.00 %</b>	<i>11.00 %</i>
Cash	<b>2.00 %</b>	<i>3.00 %</i>
Property	<b>12.00 %</b>	<i>12.00 %</i>
Alternative assets	<b>7.00 %</b>	<i>4.00 %</i>

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**26. PENSION COMMITMENTS (continued)**

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

	<b>2015</b>	<i>2014</i>
Discount rate for scheme liabilities	<b>4.00 %</b>	<i>4.00 %</i>
Expected return on scheme assets at 31 August	<b>5.30 %</b>	<i>5.30 %</i>
Rate of increase in salaries	<b>4.50 %</b>	<i>4.50 %</i>
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	<i>2.70 %</i>
RPI	<b>3.60 %</b>	<i>3.50 %</i>
Inflation assumption (CPI)	<b>2.70 %</b>	<i>2.70 %</i>
Commutation of pensions to lump sums	<b>60.00 %</b>	<i>60.00 %</i>

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

	<b>2015</b>	<i>2014</i>
Retiring today		
Males	<b>22.8</b>	<i>22.7</i>
Females	<b>25.2</b>	<i>25.1</i>
Retiring in 20 years		
Males	<b>25.1</b>	<i>24.9</i>
Females	<b>27.6</b>	<i>27.4</i>

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

Defined benefit pension schemes

	<b>2015</b>	<i>2014</i>	<i>2013</i>	<i>2012</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Defined benefit obligation	<b>(366,000)</b>	<i>(304,000)</i>	<i>(239,000)</i>	<i>(188,000)</i>
Scheme assets	<b>159,000</b>	<i>110,000</i>	<i>65,000</i>	<i>29,000</i>
Deficit	<b>(207,000)</b>	<i>(194,000)</i>	<i>(174,000)</i>	<i>(159,000)</i>
Experience adjustments on scheme liabilities	<b>-</b>	<i>(13,000)</i>	<i>(16,000)</i>	<i>-</i>
Experience adjustments on scheme assets	<b>(1,000)</b>	<i>3,000</i>	<i>5,000</i>	<i>-</i>

**27. OPERATING LEASE COMMITMENTS**

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

	<b>2015</b>	<i>2014</i>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Between 2 and 5 years	<b>5,967</b>	<i>5,967</i>

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**28. RELATED PARTY TRANSACTIONS**

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

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

Bailey & Taylor Ltd - A company in which Mr S Taylor (a Governor and Trustee of Kents Hill Junior School) has a major interest:

- The trust had carpet replaced by Bailey and Taylor Ltd totalling £4,187 (2014: £1,028) during the year, of which £1,142 (2014:£nil) was outstanding at 31 August 2015. Bailey and Taylor provided a statement of assurance that the transactions were at cost to them.

**29. CONTROLLING PARTY**

There is no ultimate controlling party.