

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

**CONTENTS**

---

	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 7
<b>Governance statement</b>	8 - 10
<b>Statement on regularity, propriety and compliance</b>	11
<b>Statement of Trustees' responsibilities</b>	12
<b>Independent auditors' report on the financial statements</b>	13 - 14
<b>Independent auditors' assurance report on regularity</b>	15 - 16
<b>Statement of financial activities incorporating income and expenditure account</b>	17
<b>Balance sheet</b>	18
<b>Statement of cash flows</b>	19
<b>Notes to the financial statements</b>	20 - 41

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

**Members**

K Abbott  
L Hunwicks

**Trustees**

S White, Chair of Trustees  
N Burgoyne, Head Teacher  
M Rowe, Vice Chair  
R Coe, Staff Trustee  
J Dessaur, Trustee  
D Johnson, Trustee  
A King, Trustee  
J Logan, Trustee  
S Shaw, Trustee  
M Warnes, Trustee  
D Bevan, Trustee  
E Brain, Trustee  
S Hardman, Trustee  
F Hubbard, Staff Trustee  
A Mayhew, Trustee (resigned 15 October 2015)  
S Tingey, Staff Trustee  
R Cooper, Trustee  
S Peckham, Trustee (resigned 4 November 2015)  
D Gibbs, Trustee (resigned 31 March 2016)  
P Hutton, Trustee (resigned 31 March 2016)  
J Ellis, Staff Trustee (appointed 15 October 2015)  
W Rodgers, Trustee (appointed 30 November 2015)

**Company registered number**

07681739

**Company name**

Kesgrave High School

**Principal and registered office**

Kesgrave High School, Main Road, Ipswich, Suffolk, IP5 2PB

**Company secretary**

J Garnett

**Independent auditors**

Larking Gowen, 1 Claydon Business Park, Great Blakenham, Ipswich, Suffolk, IP6 0NL

**Bankers**

Lloyds Bank plc, Ipswich, Suffolk, IP1 1DG

**Solicitors**

Stone King LLP, Wellington House, East Road, Cambridge, CB1 1BH

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

The Governors present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Governors' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in east Ipswich and surrounding area. It has a pupil capacity of 1800 and had a roll of 1831 in the school census on 17 October 2016.

### **Structure, Governance and Management**

#### *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 Governors of Kesgrave High School are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Kesgrave High School.

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

#### *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 £10.00 for the debts and liabilities contracted before they ceased to be a member.

#### *Governors' Indemnities*

The Academy has purchased insurance to cover Governors and officers from claims arising from negligent acts, errors or omissions occurring while on Academy business. Details of the costs can be found in Note 14 to the accounts.

#### *Principal Activities*

To advance for the public benefit education in the United Kingdom by carrying on, managing and developing a school offering a broad and balance curriculum. To promote for the benefit of the inhabitants of Ipswich and the surrounding area the provision of facilities for recreation or other leisure time occupation.

#### *Method of Recruitment and Appointment or Election of Governors*

The management of the company is the responsibility of the Governors who are appointed under the terms of the Articles of Association.

Governors are subject to retirement after a term of 4 years. After the term, they are eligible for re-election at the meeting at which they retire.

All new Governors are given an initial briefing by the Chair, a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors, and further training also available to them.

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

*Policies and Procedures Adopted for the Induction and Training of Governors*

During the year under review, the Governors held 6 meetings. The training and induction provided for the new Governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. The Academy provides INSET training and buys into other training programmes. A record of training is kept up to date by the Link Governor and Clerk.

*Organisational Structure*

The management structure consists of three levels: the Governors, Governing Body Committees and the Leadership Team.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets, and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. Committees of the Governing Body have delegated responsibilities. Committees exist for Steering Committee, Curriculum Standards and Staffing Committee, Student and Community Committee, Finance Committee, Premises Committee, Hearings Committee, Appeals Committee, Pupil Discipline Committee, Admissions Committee and Audit Committee.

The Senior Leadership team consists of the Headteacher and 2 Deputy Headteachers. These managers control the Academy Trust at an executive level implementing the policies laid down by the Governors and reporting back to them. The Headteacher is the Accounting Officer.

*Arrangements for setting pay and remuneration of key management personnel*

The Leadership Team performance is reviewed by their Line Manager, with recommendations on remuneration made to the Headteacher. These are shared and reviewed by the Governors Pay Committee.

The following trustees are also members of staff:

S Tingey  
F Hubbard  
J Ellis  
R Coe

*Risk Management*

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

The Governors have considered the need for specific internal audit function and have decided not to appoint an internal auditor. However, the Governors have appointed an external 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. To assist with this role, Governors have procured the Responsible Officer Support Service from CSD. On a quarterly basis, CSD undertake an independent review of the financial systems and provide a written

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

report providing feedback on how the Academy's financial affairs are being discharged. The appointed RO Governor then presents this report back to all Governors. The report includes action points identifying any areas for improvement.

This provides the Governing Body with assurance that:

- the financial responsibilities of the Governing Body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safe guarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

*Connected Organisations including Related Party Relationships*

Kesgrave High School operates with Farlingaye High School as a Teaching School, and a separate Company with its own auditing, governance and checking mechanisms has been set up to manage this relationship. The company was set up on 30 July 2012.

**Objectives and Activities**

*Objects and Aims*

We are proud to uphold our values as a Learning community, whereby we do our best to empower students and staff. Since the school opened in 1931, there has been a tradition of using active learning strategies and a sense of adventure and challenge in lessons, and extra-curricular activities. Kesgrave is the birthplace of the three period day, and the ninety-five minute sessions generate prime conditions for collaborative learning, the development of reflective thinking and high order learning skills. We have raised standards not by over-testing, but by nurturing the confidence of learners through formative assessment, learning dialogues and outstanding teaching. Mixed ability groupings are the norm in subjects across the school and skilful, innovative teaching strategies provide the foundation for impressive attainment and achievement. Youngsters are incredibly supportive of each other, confident in taking on the mantle of the expert to teach others. This mutually supportive culture can be seen in every aspect of school life.

We are keen to share good practice and to develop skills and innovation as part of our Teaching School status, having developed a sustainable Teaching School Alliance with over 18 member schools.

*Objectives, Strategies and Activities*

- To implement our plan as a Teaching School in collaboration with Farlingaye High School, to ensure that we build a strong Alliance of mutually supportive schools.
- To manage the new Astro turf facility to ensure positive community and school use.
- To strengthen our CPD programme.
- To develop stronger partnerships with other schools and academies.
- To build and open a £500,000 Dining Facility
- To raise achievement levels for students across the ability spectrum.
- To investigate and decide whether to set up a Multi-Academy Trust

*Public Benefit*

The school provides a wide range of extra-curricular activities for all its students at lunchtime and after school. Many activities, such as the successful and oversubscribed Duke of Edinburgh scheme, take place at

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

weekends. We also have regular usage of our sports and creative arts facilities by a wide range of community groups. The school caters for over 1,831 students at a level Ofsted describes as good. The Academy Trust has complied with the duties in its remit to provide a comprehensive education for all its students, together with providing significant public benefit in terms of extra-curricular activities and community use of the school's facilities.

The charitable company's aims are set out in this report. The Governors have complied with their duty under Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission and the Governors have paid due regard to this guidance in deciding what activities the charitable company should undertake.

### **Strategic Report**

#### *Achievements and Performance*

- The Teaching School had a very busy and vibrant fifth year, successfully achieving all its targets.
- Successful second year as a Maths Hub for Suffolk & Norfolk.
- Designated and operating as a centre of excellence for Computing.

#### *Examination Results 2016*

- At Key Stage 4, 68% of students achieved A\*-C grades in both English and Maths at GCSE.
- At A Level, our results are in line with expectations. 72% achieved grades A\*-C, with particularly strong value added performance.

#### *Going Concern*

After making appropriate enquiries, the board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. The Academy Trust is raising its PAN for a second year due to high demand from the catchment area, with funding lagging. We have secured two temporary classrooms for 5 years to ease the capacity issue.

#### *Key Financial Performance Indicators*

Kesgrave High School converted to academy status on 1 August 2011 and was a school rated 'Outstanding' by Ofsted in November 2008. The school has now been rated 'Good' after inspection by Ofsted in September 2013, with Outstanding Behaviour, Sixth Form performance and Special Educational Needs provision.

The total number of students on role in the year ended 31 August 2016 numbered 1,810. From 1 September 2015, the Academy has a PAN (Pupil Admissions Number) each year of 280 for Years 8-11, and 308 in Year 7.

### **Financial Review**

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy has also been in receipt of capital grants from the EFA through the bid process for Capital Maintenance Fund. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP FRS 102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure of £9,363,608 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The surplus for the year (excluding restricted fixed asset and pension funds, ie the unrestricted and general restricted funds) was £39,025.

At 31 August 2016, the net book value of fixed assets was £15,740,311 and movements in tangible fixed assets are shown in the note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

In accordance with FRS102, the Academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31 August 2016 and supporting notes to the accounts (see note 23).

### **Financial and Risk Management Objectives and Policies**

The Governors have undertaken a review of the major risks the Academy faces and are confident that adequate controls are in place to mitigate those risks. The Governors see a large value in the risk review process and are setting up systems to develop this over the next period.

#### *Principal Risks and Uncertainties*

The key risks facing the Academy relate to the uncertain financial outlook, with unpredictability over income, which is at best stable, whilst expenditure costs are continuing to rise. There are problems in planning for future growth due to the lack of available capital funding. We will continue to bid for capital funding.

#### *Reserves Policy*

The school is only able to maintain a small reserve at present, to ensure we cover maintenance costs which arise, particularly in the 1930's section of the school. We plan to consolidate reserves in the future and the target level equal to one months income is deemed appropriate. We have an agreed policy to ensure that we seek suitable investment advice if our reserves grow, but at present this is not an issue for the Academy.

Free reserves stood at £294,101 at the year end. Of this £40,000 has been designated for replacement of the Artificial Grass Pitch. The Academy also had £47,860 of funding which had been restricted for various education activities and relate to the Academy's development and operational activities.

The pension reserve is in deficit due to the Academy's share of the LGPS liabilities exceeding its share of the assets. The Governors are aware of the deficit and are awaiting the next full valuation in 2015 at which point plans to reduce the deficit will be looked at more carefully.

#### *Investment Policy*

The Governors consider the most appropriate policy is for the surplus funds to be held on bank deposit, although we have adopted an Investment Policy should our Reserves position improve.

### **Plans for Future Periods**

We plan to develop the Teaching School Alliance into a financially sustainable enterprise in association with our partner, Farlingaye High School.

We are also keen to develop the infrastructure related to the astroturf facility ensuring there is a reserve of funds to maintain and refurbish the facility in the future.



---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

**Funds Held as Custodian Trustee on Behalf of Others**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

Larking Gowen have been appointed as independent auditors following a tender process.

Approved by order of the board of trustees and signed on its behalf by:

.....  
**S White, Chair of Trustees**

**Date:**

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT**

---

**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Kesgrave High 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 Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Kesgrave High School and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Governors has formally met 6 times during the year. Attendance during the year at meetings of the board of Governors was as follows:

Trustee	Meetings attended	Out of a possible
S White, Chair of Trustees	6	6
N Burgoyne, Head Teacher	6	6
M Rowe, Vice Chair	5	6
R Coe, Staff Trustee	1	6
J Dessaur, Trustee	4	6
D Johnson, Trustee	6	6
A King, Trustee	6	6
J Logan, Trustee	5	6
S Shaw, Trustee	3	6
M Warnes, Trustee	3	6
D Bevan, Trustee	5	6
E Brain, Trustee	6	6
S Hardman, Trustee	6	6
F Hubbard, Staff Trustee	5	6
A Mayhew, Trustee	1	1
S Tingey, Staff Trustee	4	6
R Cooper, Trustee	5	6
S Peckham, Trustee	1	1
D Gibbs, Trustee	3	3
P Hutton, Trustee	1	6
J Ellis, Staff Trustee	1	6
W Rodgers, Trustee	6	6

**Key changes to the composition of the Governors:**

David Gibbs' term of office finished in March 2016, Sally Peckham resigned in November 2015 and Alistair Mayhew resigned in January 2016.

Warren Rodgers was elected Parent Governor in November 2015, and Jenny Ellis became a Staff Governor in October 2015.

The Finance Committee is a sub-committee of the main board of Governors.

During the year D Gibbs' term of office ended, B Hawkins retired and W Rodgers joined the committee.

Attendance at meetings in the year was as follows:

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

Trustee	Meetings attended	Out of a possible
E Brain	2	3
N Burgoyne	3	3
D Gibbs	1	1
A King	3	3
T Legg	3	3
J Logan	2	3
S Shaw	1	3
S Tingey	1	3
W Rodgers	2	2
S White	2	3

The Audit Committee is also a sub-committee of the main board of Governors. Its purpose is to:

- receive the auditor's reports and to recommend to the full Governing Body action as appropriate in response to audit findings;
- recommend to the full Governing Body the appointment or reappointment of the auditors of the Academy;
- review the annual accounts and make recommendations to the full Governing Body.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
E Brain	1	1
A King	1	1
S Shaw	1	1
N Burgoyne	1	1
S White	1	1
D Johnson	1	1

#### **THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Kesgrave High School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

#### **CAPACITY TO HANDLE RISK**

The board of Governors 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 Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

#### **THE RISK AND CONTROL FRAMEWORK**

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

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

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

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Customer Services Direct (CSD) as an external responsible officer (RO).

The appointee'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 appointee reports to the board of Governors on the operation of the systems of control and on the discharge of the board of Governors' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

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

- the work of the external auditors;
- the work of the executive managers within the 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 and and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**REVIEW OF VALUE FOR MONEY**

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

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

Approved by order of the members of the board of Governors and signed on its behalf by:

.....  
**S White**  
**Chair of Trustees**

.....  
**N Burgoyne, Head Teacher**  
**Accounting Officer**

**Date:**

**Date:**

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

.....  
**N Burgoyne, Head Teacher**  
**Accounting Officer**

**Date:**

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

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

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

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

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

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

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

Approved by order of the members of the board of Governors and signed on its behalf by:

.....  
**S White, Chair of Trustees**  
**Date:**

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KESGRAVE HIGH SCHOOL**

---

We have audited the financial statements of Kesgrave High School for the year ended 31 August 2016 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 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 TRUSTEES AND AUDITORS**

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

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

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

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

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

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KESGRAVE HIGH 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Julie Grimmer FCA DChA (Senior Statutory Auditor)**

**for and on behalf of  
Larking Gowen**

Chartered Accountants  
Statutory Auditors

1 Claydon Business Park  
Great Blakenham  
Ipswich  
Suffolk  
IP6 0NL  
Date:



---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

In accordance with the terms of our engagement letter dated 13 March 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kesgrave High School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF KESGRAVE HIGH SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Kesgrave High School's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- Enquiry of senior management and the Academy's Governors.
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.

- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks.

**CONCLUSION**

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

**Larking Gowen**

Chartered Accountants  
Statutory Auditors

1 Claydon Business Park  
Great Blakenham  
Ipswich  
Suffolk  
IP6 0NL

Date:

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	3	2,550	-	447,082	449,632	150,199
Other trading activities	4	157,519	24,810	-	182,329	241,540
Investments	5	1,235	-	-	1,235	867
Income from charitable activities	6	57,214	8,146,134	-	8,203,348	8,068,907
Other income	7	342,683	59,920	-	402,603	348,544
<b>TOTAL INCOME</b>		<b>561,201</b>	<b>8,230,864</b>	<b>447,082</b>	<b>9,239,147</b>	<b>8,810,057</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		513,219	8,311,821	538,568	9,363,608	9,260,304
<b>TOTAL EXPENDITURE</b>	10	<b>513,219</b>	<b>8,311,821</b>	<b>538,568</b>	<b>9,363,608</b>	<b>9,260,304</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	18	47,982	(80,957)	(91,486)	(124,461)	(450,247)
		26,256	(39,825)	13,569	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES</b>						
		74,238	(120,782)	(77,917)	(124,461)	(450,247)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(1,346,000)	-	(1,346,000)	76,000
<b>NET MOVEMENT IN FUNDS</b>		<b>74,238</b>	<b>(1,466,782)</b>	<b>(77,917)</b>	<b>(1,470,461)</b>	<b>(374,247)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		219,863	(1,707,358)	16,046,938	14,559,443	14,933,690
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>294,101</b>	<b>(3,174,140)</b>	<b>15,969,021</b>	<b>13,088,982</b>	<b>14,559,443</b>

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07681739**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	15		15,740,311		16,023,809
<b>CURRENT ASSETS</b>					
Debtors	16	138,816		151,709	
Cash at bank and in hand		956,938		709,104	
		1,095,754		860,813	
<b>CREDITORS:</b> amounts falling due within one year	17	(525,083)		(521,179)	
<b>NET CURRENT ASSETS</b>			570,671		339,634
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Defined benefit pension scheme liability	23		16,310,982		16,363,443
			(3,222,000)		(1,804,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			13,088,982		14,559,443
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	18	47,860		96,642	
Restricted fixed asset funds	18	15,969,021		16,046,938	
		16,016,881		16,143,580	
Restricted funds excluding pension liability		(3,222,000)		(1,804,000)	
Total restricted funds			12,794,881		14,339,580
Unrestricted funds	18		294,101		219,863
<b>TOTAL FUNDS</b>			13,088,982		14,559,443

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

.....  
**S White, Chair of Trustees**  
Date:

.....  
**N Burgoyne, Head Teacher and Accounting Officer**  
Date:

The notes on pages 20 to 41 form part of these financial statements.

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<b>98,310</b>	412,019
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from current account		1,235	867
Demolition costs relating to property, plant and equipment		(8,974)	-
Purchase of property, plant and equipment		(289,819)	(153,371)
Capital grants from DfE/EFA		447,082	120,099
Repayments of finance lease		-	78,163
Movement in Farlingaye Kesgrave Teaching Alliance investment		-	(4,254)
<b>Net cash provided by investing activities</b>		<b>149,524</b>	41,504
<b>Change in cash and cash equivalents in the year</b>	21	<b>247,834</b>	453,523
Cash and cash equivalents brought forward		709,104	255,581
<b>Cash and cash equivalents carried forward</b>	21	<b>956,938</b>	709,104

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Kesgrave High School constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Sterling (£). This is the functional and presentational currency of the Academy.

**1.2 Going concern**

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

**1.3 Income**

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

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

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

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

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

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

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

Academy trip income and expenditure is classified as unrestricted.

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold	-	50 years straight line
Fixtures and fittings	-	10 years straight line
Computer equipment	-	3 years straight line

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.6 Joint venture**

The Academy Trust holds 50% of the ordinary shares of Farlingaye Kesgrave Teaching Alliance, a company registered in England and Wales.

This joint venture is recognised using the cost model, and this joint venture is a company limited by guarantee. As such, there is no cost to recognise, and therefore the requirements under FRS 102 are satisfied by disclosure in the notes to the financial statements.

A summary of the results of the Farlingaye Kesgrave Teaching Alliance for the year ended 31 August 2016 is shown in note 27.

**1.7 Operating leases**

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

**1.8 Interest receivable**

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

**1.9 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.

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.



---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.11 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.12 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.13 Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments are received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

The Academy acts as agent for funding received on behalf of FKTA – Farlingaye Kesgrave Teaching Alliance. A summary of transactions in the year have been disclosed in note 28.

**1.14 Trustees' Remuneration**

Pension contributions made by trustees as shown in note 13 have been reclassified for the year ended 31 August 2015 to ensure that the results are consistent between years.

**1.15 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2016.

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	2,550	-	-	2,550	30,100
Capital grants	-	-	447,082	447,082	120,099
	<u>2,550</u>	<u>-</u>	<u>447,082</u>	<u>449,632</u>	<u>150,199</u>

In 2015, of the total income from donations and capital grants, £27,800 was to unrestricted funds and £122,399 was to restricted fixed asset funds.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental income	94,973	-	94,973	97,374
Services	62,546	24,810	87,356	144,166
	<u>157,519</u>	<u>24,810</u>	<u>182,329</u>	<u>241,540</u>

In 2015, of the total fundraising income, £241,540 was to unrestricted funds and £ NIL was to restricted funds.

**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest received	1,235	-	1,235	867
	<u>1,235</u>	<u>-</u>	<u>1,235</u>	<u>867</u>

In 2015, of the total investment income, £ 867 was to unrestricted funds and £ NIL was to restricted funds.

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	7,804,697	7,804,697	7,724,480
Pupil Premium	-	149,778	149,778	172,656
Other EFA/DfE Grants	-	24,000	24,000	15,501
Other Government Grants	57,214	167,659	224,873	156,271
	<u>57,214</u>	<u>8,146,134</u>	<u>8,203,348</u>	<u>8,068,908</u>

In 2015, of the total income from charitable activities, £ *NIL* was to unrestricted funds and £8,068,908 was to restricted funds.

**7. OTHER INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Other incoming resources	25,958	59,920	85,878	38,386
NICE income	-	-	-	57,290
Academy trips	308,469	-	308,469	238,989
Caterlink income	8,256	-	8,256	13,879
	<u>342,683</u>	<u>59,920</u>	<u>402,603</u>	<u>348,544</u>

In 2015, of the total other income, £291,254 was to unrestricted funds and £57,290 was to restricted funds.

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

**8. DIRECT COSTS**

	<b>Total 2016 £</b>	<i>Total 2015 £</i>
Wages and salaries	5,130,293	5,231,500
National insurance	418,489	387,485
Pension cost	838,302	786,973
Technology costs	80,340	41,953
Educational supplies	249,105	344,334
Examination fees	195,140	177,355
Staff development and training	25,602	35,748
Educational consultancy	15,731	87,966
Other direct costs	294,053	194,262
	<u>7,247,055</u>	<u>7,287,576</u>

During the 2015 accounting year the academy received income of £65,267 in respect of a VAT rebate on academy trip expenditure. This has been allocated against the relevant expenditure.

**9. SUPPORT COSTS**

	<b>Total 2016 £</b>	<i>Total 2015 £</i>
Pension finance costs	69,000	66,000
Governance costs	69,587	49,357
Loss on disposals of fixed assets	52,699	-
Wages and salaries	487,399	487,581
National insurance	34,456	29,622
Pension costs	119,241	126,076
Depreciation	529,594	543,490
Maintenance of premises and equipment	154,015	152,976
Cleaning	129,009	131,255
Rent and rates	74,042	70,280
Energy costs	100,257	98,640
Insurance	53,873	67,977
Telephone	7,870	11,921
Security and transport	-	3,700
Catering	44,451	36,910
Bank interest and charges	585	415
Other support costs	190,475	96,528
	<u>2,116,553</u>	<u>1,972,728</u>

During the year ended 31 August 2016, the Academy incurred Governance costs of £69,587 (2015 - £49,357). These costs were in respect of auditors remuneration and legal and professional fees.

During the 2015 accounting year the academy received income of £16,842 in respect of a VAT rebate on catering costs. This has been allocated against the relevant expenditure.

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

**10. EXPENDITURE**

	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total</b>	<i>Total</i>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<i>2015</i>
	£	£	£	£	£
Educational operations:					
Direct costs	<b>6,387,084</b>	-	<b>859,971</b>	<b>7,247,055</b>	<i>7,287,576</i>
Support costs	<b>710,096</b>	<b>1,101,359</b>	<b>305,098</b>	<b>2,116,553</b>	<i>1,972,728</i>
	<u><b>7,097,180</b></u>	<u><b>1,101,359</b></u>	<u><b>1,165,069</b></u>	<u><b>9,363,608</b></u>	<u><i>9,260,304</i></u>

In 2015, of the total expenditure, £633,275 was to unrestricted funds, £543,490 was to restricted fixed asset funds and £8,083,539 was to restricted funds.

**11. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016</b>	<i>2015</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	<b>529,594</b>	<i>543,490</i>
Operating lease rentals	<b>15,061</b>	<i>6,396</i>
Auditors' remuneration	<b>9,000</b>	<i>9,000</i>
Auditors' remuneration - non-audit	<b>2,508</b>	<i>2,375</i>
Auditors' remuneration - previous auditors	-	<i>937</i>
	<u><b>556,163</b></u>	<u><i>562,198</i></u>

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

**12. STAFF COSTS**

Staff costs were as follows:

	<b>2016</b>	2015
	£	£
Wages and salaries	5,595,849	5,712,326
Social security costs	452,945	417,107
Other pension costs (Note 23)	957,543	913,050
	<b>7,006,337</b>	<b>7,042,483</b>
Supply teacher costs	21,843	6,755
Pension finance costs	69,000	76,000
	<b>7,097,180</b>	<b>7,125,238</b>

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

	<b>2016</b>	2015
	No.	No.
Teachers	116	124
Administration and support	70	71
Management	10	10
	<b>196</b>	<b>205</b>

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

	<b>2016</b>	2015
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	0	1
In the band £100,001 - £200,000	1	0

Each of the above employees participates in the Teachers' Pension Scheme. During the year ended 31 August 2016 employer's pension contributions for these staff amounted to £32,873 (2015 - £34,644). None of the above employees participated in the Local Government Pension Scheme (2015 - None).

Included within staff costs is a non-statutory severance payment to a member of staff totalling £5,700 (2015 - £6,627).

The key management personnel of the Academy Trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £494,271 (2015 - £499,784).

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

**13. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

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

		<b>2016</b>	<i>As restated</i>
		<b>£'000</b>	<i>2015</i>
			<i>£'000</i>
N Burgoyne, Head Teacher and Accounting Officer	Remuneration	<b>105-110</b>	<i>100-105</i>
	Pension contributions paid	<b>5-10</b>	<i>10-15</i>
F Hubbard, Staff Trustee	Remuneration	<b>45-50</b>	<i>45-50</i>
	Pension contributions paid	<b>5-10</b>	<i>5-10</i>
S Tingey, Staff Trustee	Remuneration	<b>40-45</b>	<i>40-45</i>
	Pension contributions paid	<b>5-10</b>	<i>5-10</i>
B Hawkins, Staff Trustee	Remuneration	-	<i>55-60</i>
	Pension contributions paid	-	<i>5-10</i>
R Coe, Staff Trustee	Remuneration	<b>55-60</b>	<i>55-60</i>
	Pension contributions paid	<b>5-10</b>	<i>5-10</i>
D Rowley, Staff Trustee	Remuneration	-	<i>50-55</i>
	Pension contributions paid	-	<i>5-10</i>
J Ellis, Staff Trustee	Remuneration	<b>25-30</b>	-
	Pension contributions paid	<b>5-10</b>	-

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £960 (2015 - £960).



**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

**15. TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Assets in course of construction £	Total £
<b>Cost</b>					
At 1 September 2015	17,300,608	92,952	476,539	-	17,870,099
Additions	48,353	5,503	8,066	227,897	289,819
Disposals	(49,971)	-	-	-	(49,971)
At 31 August 2016	<u>17,298,990</u>	<u>98,455</u>	<u>484,605</u>	<u>227,897</u>	<u>18,109,947</u>
<b>Depreciation</b>					
At 1 September 2015	1,479,689	15,620	350,981	-	1,846,290
Charge for the year	423,514	9,672	96,408	-	529,594
On disposals	(6,248)	-	-	-	(6,248)
At 31 August 2016	<u>1,896,955</u>	<u>25,292</u>	<u>447,389</u>	<u>-</u>	<u>2,369,636</u>
<b>Net book value</b>					
At 31 August 2016	<u>15,402,035</u>	<u>73,163</u>	<u>37,216</u>	<u>227,897</u>	<u>15,740,311</u>
At 31 August 2015	<u>15,820,919</u>	<u>77,332</u>	<u>125,558</u>	<u>-</u>	<u>16,023,809</u>

The Academy Trust's transactions relating to land and buildings included:

- The capitalisation of building work carried out on the Humanities block totalling £25,225.
- The acquisition of a new boiler for £23,128. This was financed by a capital grant awarded by the EFA.
- The demolition of a bungalow with net book value of £43,275 where the Academy paid £8,974 towards demolition fees.
- Included within assets in the course of construction is a new dining hall where capital costs to date total £227,897. This has been financed from an Academies Capital Maintenance grant totalling £411,599. The hall is expected to be finished in the year ended 31 August 2017 and the remaining unspent portion of the grant is included within capital commitments (note 22).

**16. DEBTORS**

	2016 £	2015 £
Trade debtors	29,369	13,298
Other debtors	43,086	48,328
Prepayments and accrued income	66,361	90,083
	<u>138,816</u>	<u>151,709</u>

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>76,622</b>	42,583
Other taxation and social security	<b>128,735</b>	115,251
Other creditors	<b>192,946</b>	154,843
Accruals and deferred income	<b>126,780</b>	208,502
	<hr/> <b>525,083</b> <hr/>	<hr/> 521,179 <hr/>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2015	<b>99,603</b>	48,693
Resources deferred during the year	<b>40,637</b>	99,603
Amounts released from previous years	<b>(99,603)</b>	(48,693)
Deferred income at 31 August 2016	<hr/> <b>40,637</b> <hr/>	<hr/> 99,603 <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for rates, school trips in the school year 2016/17 and school fund balances.

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

**18. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
AGP Fund	-	-	-	40,000	-	40,000
<b>General funds</b>						
Unrestricted Funds	219,863	561,201	(513,219)	(13,744)	-	254,101
Total Unrestricted funds	219,863	561,201	(513,219)	26,256	-	294,101
<b>Restricted funds</b>						
Restricted Funds - general funds	96,642	426,167	(445,640)	(29,309)	-	47,860
General Annual Grant (GAG)	-	7,804,697	(7,794,181)	(10,516)	-	-
Pension reserve	(1,804,000)	-	(72,000)	-	(1,346,000)	(3,222,000)
	(1,707,358)	8,230,864	(8,311,821)	(39,825)	(1,346,000)	(3,174,140)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	16,046,938	447,082	(538,568)	13,569	-	15,969,021
Total restricted funds	14,339,580	8,677,946	(8,850,389)	(26,256)	(1,346,000)	12,794,881
Total of funds	14,559,443	9,239,147	(9,363,608)	-	(1,346,000)	13,088,982

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

**Restricted General Funds**

These grants relate to the Academy's development and operational activities.

**Restricted Pension Reserve**

These funds represent the LGPS obligation to the employees of the Academy Trust.

**Restricted Fixed Asset Fund**

These grants relate to capital funding to carry out works of a capital nature.

**Unrestricted Funds**

These funds relate to unrestricted income to be used to support the Academy's objectives and educational activities.

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

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

**AGP Fund**

This represents a fund designated by the Trustees of £40,000 out of unrestricted funds to go towards replacement of the Artificial Grass Pitch (AGP).

**Transfers**

£10,516 was transferred from GAG to restricted fixed asset funds to represent tangible fixed assets acquired out of GAG.

£3,053 was transferred from general restricted funds to restricted fixed asset funds to represent tangible fixed assets acquired out of Year 7 Catch Up funding.

£9,128 was transferred from general restricted funds to unrestricted funds to represent carried forward surplus amounts received from Farlingaye Kesgrave Teaching Alliance that are now unrestricted in nature.

£17,128 was transferred from general restricted funds to unrestricted funds to represent the brought forward Maths Hub agency fund which is unrestricted in nature.

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

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Restricted fixed asset funds 2016 £</b>	<b>Total funds 2016 £</b>	<i>Total funds 2015 £</i>
Tangible fixed assets	-	-	15,740,311	15,740,311	16,023,809
Current assets	294,101	497,944	303,709	1,095,754	860,813
Creditors due within one year	-	(450,084)	(74,999)	(525,083)	(521,179)
Provisions for liabilities and charges	-	(3,222,000)	-	(3,222,000)	(1,804,000)
	<u>294,101</u>	<u>(3,174,140)</u>	<u>15,969,021</u>	<u>13,088,982</u>	<u>14,559,443</u>

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net expenditure for the year (as per Statement of financial activities)	<b>(124,461)</b>	<b>(450,247)</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>529,594</b>	543,490
Income from joint venture	-	4,254
Interest receivable	<b>(1,235)</b>	(867)
Loss on the sale of fixed assets	<b>52,699</b>	-
Decrease in debtors	<b>12,891</b>	215,256
Increase in creditors	<b>3,904</b>	142,232
Capital grants from DfE and other capital income	<b>(447,082)</b>	(120,099)
Defined benefit pension scheme cost less contributions payable	<b>3,000</b>	12,000
Defined benefit pension scheme finance cost	<b>69,000</b>	66,000
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>98,310</b>	<b>412,019</b>
	<hr/> <hr/>	<hr/> <hr/>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>956,938</b>	709,104
	<hr/>	<hr/>
Total	<b>956,938</b>	709,104
	<hr/> <hr/>	<hr/> <hr/>

**22. CAPITAL COMMITMENTS**

At 31 August 2016 the academy had capital commitments as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	<b>183,702</b>	-
	<hr/> <hr/>	<hr/> <hr/>

This commitment relates to the ongoing construction of the new dining hall as included within assets in the course of construction in note 15.

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

**23. 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 Suffolk County Council. Both are Multi-employer defined benefit pension 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.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

The employer's pension costs paid to TPS in the period amounted to £289,000 (2015 - £308,000).

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

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

**23. PENSION COMMITMENTS (continued)**

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £348,000 (2015 - £360,000), of which employers' contributions totalled £286,000 (2015 - £296,000) and employees contributions totalled £62,000 (2015 - £64,000). The agreed contribution rates for future years are 25.5% for employers and 6.25% for employees.

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

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

	<b>2016</b>	<i>2015</i>
Discount rate for scheme liabilities	<b>2.10 %</b>	<i>3.80 %</i>
Rate of increase in salaries	<b>4.10 %</b>	<i>4.60 %</i>
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	<i>2.70 %</i>

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

	<b>2016</b>	<i>2015</i>
Retiring today		
Males	<b>22.4</b>	<i>22.4</i>
Females	<b>24.4</b>	<i>24.4</i>
Retiring in 20 years		
Males	<b>24.3</b>	<i>24.3</i>
Females	<b>26.9</b>	<i>26.9</i>

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

**23. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2016 £</b>	<i>Fair value at 31 August 2015 £</i>
Equities	<b>2,740,000</b>	2,063,000
Debt instruments	<b>794,000</b>	647,000
Property	<b>397,000</b>	339,000
Cash	<b>40,000</b>	31,000
Total market value of assets	<b><u>3,971,000</u></b>	<u>3,080,000</u>

The actual return on scheme assets was £286,000 (2015 - £296,000).

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

	<b>2016 £</b>	<i>2015 £</i>
Interest on obligation	<b>(192,000)</b>	(170,000)
Expected return on scheme assets	<b>123,000</b>	104,000
Current service cost	<b>(289,000)</b>	(308,000)
Total	<b><u>(358,000)</u></b>	<u>(374,000)</u>

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

	<b>2016 £</b>	<i>2015 £</i>
Opening defined benefit obligation	<b>4,884,000</b>	4,434,000
Interest cost	<b>192,000</b>	170,000
Contributions by scheme participants	<b>62,000</b>	64,000
Actuarial losses/(gains)	<b>1,790,000</b>	(70,000)
Benefits paid	<b>(24,000)</b>	(22,000)
Current service cost	<b>289,000</b>	308,000
Closing defined benefit obligation	<b><u>7,193,000</u></b>	<u>4,884,000</u>



---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

**23. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	3,080,000	2,632,000
Expected return on assets	123,000	104,000
Actuarial gains	444,000	6,000
Contributions by employer	286,000	296,000
Contributions by employees	62,000	64,000
Benefits paid	(24,000)	(22,000)
	<u>3,971,000</u>	<u>3,080,000</u>

**24. OPERATING LEASE COMMITMENTS**

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

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	15,061	6,396
Between 1 and 5 years	30,122	19,188
Total	<u>45,183</u>	<u>25,584</u>

**25. 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 Trustee has an interest. Any 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 received income of £68,159 (2015 - £67,168) from Farlingaye Kesgrave Teaching Alliance, a joint venture under common control.

**26. CONTROLLING PARTY**

There is no ultimate controlling party.

---

**KESGRAVE HIGH SCHOOL**  
**(A company limited by guarantee)**

---

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

---

**27. JOINT VENTURE**

The Academy Trust is a joint member with 50% control over Farlingaye Kesgrave Teaching Alliance, a company limited by guarantee and registered in England and Wales (company number 08160407). The other member of the company is Farlingaye High School.

Both Kesgrave High School and Farlingaye High School were designated as a joint Teaching School in July 2011. As a result, they formed the Farlingaye Kesgrave Teaching Alliance to strive to continually improve the quality of teaching, learning and standards for students locally.

The investment is accounted for at cost less impairment, which is considered to be £Nil at 31 August 2016 (2015 - £Nil).

If the investment in Farlingaye Kesgrave Teaching Alliance had been accounted for using the equity method, the impact would have been:

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
Impact on surplus	<b>13,838</b>	<i>4,254</i>
Impact on investments	<b>72,191</b>	<i>58,353</i>

The Academy Trust's share of the results of Farlingaye Kesgrave Teaching Alliance for the year ended 31 August 2016 and the balance sheet as that date are:

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
Income derived from educational activities	<b>257,765</b>	<i>291,540</i>
Expenditure derived from educational activities	<b>(207,391)</b>	<i>(286,638)</i>
Assets	<b>77,879</b>	<i>96,592</i>
Liabilities	<b>(5,688)</b>	<i>(38,239)</i>
Reserves	<b>72,191</b>	<i>58,353</i>

**28. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £21,091 (2015 - £20,024) and disbursed £13,320 (2015 - £9,849) from the fund. A cumulative amount of £47,152 (2015 - £39,381) is included in other creditors relating to undistributed funds that are repayable to EFA.

The Academy acts as agent for funding received on behalf of Farlingaye Kesgrave Teaching Alliance (FKTA). During the year grant income of £295,818 (2015 - £465,000) was received by the academy, which was then paid over to FKTA.

The Academy acts as agent for funding received as part of the Maths Hub project. In the accounting period ending 31 August 2016 the trust received £59,000 and disbursed £31,323 from the fund. A cumulative amount of £27,677 is included in other creditors related to undistributed funds that are repayable.

**KESGRAVE HIGH SCHOOL**  
(A company limited by guarantee)

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

**29. 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.

**30. FIRST TIME ADOPTION OF FRS 102**

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	<i>1 September 2014</i> £	<i>31 August 2015</i> £
Total funds under previous UK GAAP		14,987,789	14,617,796
Derecognition of investment in Farlingaye Kesgrave Teaching Alliance	27	(54,099)	(58,353)
Total funds reported under FRS 102		<u>14,933,690</u>	<u>14,559,443</u>

<b>Reconciliation of net (expenditure)</b>	<b>Notes</b>	<i>31 August 2015</i> £
Net (expenditure) previously reported under UK GAAP		(369,993)
Removal of income received from Farlingaye Kesgrave Teaching Alliance	27	(4,254)
Net movement in funds reported under FRS 102		<u>(374,247)</u>

Explanation of changes to previously reported funds and net income/expenditure:

- A The Academy Trust holds 50% of the ordinary shares of Farlingaye Kesgrave Teaching Alliance, a company registered in England and Wales.  
There was an increase of £50,000 to the actuarial gain on the defined benefit pension scheme as a result of the transition to FRS 102, meaning the actuarial gain is now £76,000 (2015 - £26,000). This was set against a corresponding decrease in interest income on plan assets, which are £104,000 (2015 - £154,000). This has no impact on net surplus and balances carried forward.
- B