

**King Ina Church of England Academy**  
(A Company Limited by Guarantee)

**Annual Report and Financial Statements**

**For the Year Ended 31 August 2015**

**Company Registration Number: 08120037 (England and Wales)**

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**King Ina Church of England Academy**  
Reference and Administrative Details

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<b>Members</b>	D Speed (Chair of Trustees) A Faulkner A Symonds	
<b>Trustees</b>	P Austin A Faulkner O Feltham + J Gay + S Giles M Hossack M Jenkins G Load D Norton (Headteacher and Accounting Officer) + L Smallwood B Smith + D Speed (Chair of Trustees) I Stone (Chief Finance Officer) + A Symonds K Thornton C Tune + L Watts + + Staff trustee	(Appointed 13 November 2015)  (Appointed 1 September 2014) (Resigned 13 November 2015) (Appointed 13 November 2015)  (Appointed 13 November 2015) (Appointed 13 November 2015) (Appointed 1 September 2014)   (Appointed 13 November 2015)   (Resigned 20 July 2015)  (Resigned 13 November 2015)
<b>Senior Management Team</b>	Headteacher Deputy Head Business Manager Chief Finance Officer	D Norton H Walker L Watts I Stone
<b>Company Name</b>	King Ina Church of England Academy	
<b>Principal and Registered Office</b>	School Lane Kirkham Street Somerton Somerset TA11 7NL	
<b>Company Registered Number</b>	08120037 (England and Wales)	
<b>Independent Auditor</b>	Albert Goodman LLP Mary Street House Mary Street Taunton Somerset TA1 3NW	
<b>Bankers</b>	Lloyds Bank 9 High Street Yeovil Somerset BA20 1RN	
<b>Solicitors</b>	Browne Jacobson 1 Manor Court Dix's Field Exeter EX1 1UP	

## **King Ina Church of England Academy**

### **Trustees' Report**

For the Year Ended 31 August 2015

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The principal activity of the Academy is the education of pupils between the age of 4 and 11. From 1 September 2014 Somerton Infant School joined the academy trust and King Ina Church of England Academy became a multi-academy trust.

## **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 trustees of King Ina Church of England Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as the King Ina Church of England Academy. Details of the trustees who served throughout the period are included in the Reference and Administrative Details page.

### **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.

### **Trustees' Indemnities**

King Ina CoE Academy (Juniors) has arranged a professional indemnity insurance policy with Ecclesiastical with a limit of £2,000,000, King Ina Academy (Infants) has joined the EFA's RPA Scheme with a limit of £10,000,000.

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

To ensure trustees possess a wide balance of skills and experience, trustees are appointed by a number of different bodies:

- Two of the trustees are ex officio (Head teacher and Vicar)
- Up to two trustees appointed by the Somerton Education Trust
- No fewer than six of the trustees are appointed by the members
- The chairman of each local governing body will be appointed as trustee
- Up to two community trustees
- A minimum of two parent trustees
- Up to three co-opted trustees with the consent of the Diocesan Board of Education

The total number of trustees who are employees of the academy shall not exceed one third of the total number of trustees.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

A trustee is nominated as the training trustee, whose role is to inform the remaining trustees of available training courses. Newly appointed trustees are paired with an experienced trustee to ease the task of acquiring the skills required.

## **Organisational Structure**

All major decisions are taken by the full board of trustees. The responsibilities of the board of trustees and the headteacher are as defined in the DfE Guide to the Law publication. The headteacher is confirmed as the accounting officer.

A local governing body exists to consider property issues and specific issues dictated by the full board. Three working committees (Curriculum, Finance and Personnel) exist to undertake any detailed work. The operation of the committees is controlled by their terms of reference. Other committees are defined for specific tasks; these are performance management, discipline and appeals.

## **Related Parties and other Connected Charities and Organisations**

King Ina Church of England Academy is a member of the Huish Community Learning Partnership. The CLP enables members to share resources and strategies with the aim of improving the standard of education.

The academy benefits from the support of the Somerton Education Trust which can provide funding for specific projects. One example is funding pupils from families facing financial difficulties to attend residential trips.

## **Objectives and Activities**

### **Objects and aims**

The Mission Objective of the academy is to: develop happy, hardworking learners to achieve their full potential in a secure Christian environment. This objective is supported by the following aims:

1. We aim: To build on the academy's Church of England foundation and encourage a way of life which respects the beliefs of others.
  - Through daily worship, assemblies, religious education and celebration of Christian festivals.
  - Through a considered partnership between all parents, trustees, staff and children which affirms the ethos of the academy.
  - Through active links with the Church and the community.
2. We aim: To develop the potential of each child.
  - By delivering a curriculum that is relevant, engaging and inspiring; using appropriate teaching methods and strategies.
  - By developing learning skills.
  - By affirming every child's self-esteem through strategies of encouragement.
3. We aim: To help each child look to the future with confidence.
  - By awakening an appreciation of art, music, sport and the wider curriculum as sources of permanent enrichment to all.
  - By developing a way of establishing friendships and resolving differences based on the acknowledgement of each person's gifts.
  - By a healthy respect for one's own body, personal history and unique personality.

4. We aim: To provide a well-managed academy.

- Which anticipates the needs of the future with clear structures of administration and communication.
- Which promotes the academy as an active partner in the community and works in tune with the local environment.

### **Objectives, Strategies and Activities**

A key priority for this year is the implementation of the new National Curriculum across the whole academy. The introduction of this new curriculum involves significant changes for the teaching staff and is a focus for Staff Meetings and CPD opportunities.

The new assessment requirements of 'assessing without levels' is a high priority for King Ina Academy this year. A new assessment tool will be used – and the implementation of this will require all Senior Leaders and all teaching staff, to receive training on the new system.

Each year a School Development Plan is published to detail the main tasks and objectives for the School Year. All pupils have the opportunity to undertake a residential trip.

### **Public Benefit**

The trustees confirm that the academy has complied with their duty to have due regard to the Charity Commission's general guidance on public benefit. The academy meets these requirements by providing free education to all those enrolled in the academy as well as numerous other benefits provided to the local community. The academy's facilities are available for the people of the surrounding area to hire.

## **Strategic Report**

### **Achievements and Performance**

In the National end of Key Stage 2 tests **82%** of the children achieved level 4 or above in Reading, Writing and Maths. **25%** of the children achieved level 5 or above in Reading, Writing and Maths. In addition a programme of internal inspection is performed throughout the year.

TEST RESULTS SUMMER 2015 (compared against national test results for 2014)

		Percentage at each level				
		B	3	4	5	6
<b>Grammar Punctuation &amp; Spelling</b>	School	4	22	13	60	0
	National	3	18	24	49	4
<b>Reading</b>	School	4	4	44	47	0
	National	3	6	39	49	0
<b>Mathematics</b>	School	2	16	38	36	9
	National	3	10	44	33	9

## **King Ina Church of England Academy**

### **Trustees' Report**

For the Year Ended 31 August 2015

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### **Key Performance Indicators**

The academy compares high level budget allocation against a number of comparable schools during the budget setting activity. Each year the aim is to achieve a balanced budget including a contingency sum to cater for unforeseen expenditure.

### **Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. When preparing the annual budget the trustees consider a three year view to maintain the academy trust as a going concern. For this reason it continues to adopt the going concern basis in preparing the financial statements.

### **Financial Review**

Detailed accounts are included later in this report. The academy has generated a Financial Regulations Manual to ensure a process for financial control and management is in place.

The majority of the academy's funding is obtained from the Education Funding Agency (EFA) in the form of recurrent grants. This funding is recognised as restricted due to its specific purposes. Any EFA funding received for fixed assets is shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the academy's accounting policies.

The academy also receives grants from Somerset County Council for Individually Assigned Resources to support pupils who are eligible for SEN funding. These grants are treated as restricted income.

During the year ended 31 August 2015 total expenditure of £1,499,970 was covered by recurrent grant funding from the EFA and other incoming resources together totalling £1,501,726. As Somerton Infants School joined the academy trust from 1<sup>st</sup> September 2014 the academy had assets and liabilities transferred from local authority. The academy inherited £6,667 of balance surplus, a LGPS pension deficit of £194,000 and assets of £1,388,354 including land and buildings.

### **Reserves Policy**

The trustees review the reserve levels of the academy annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments, and the nature of the reserves. The trustees aim to have sufficient reserves to meet on going commitments.

The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £54,098. Additionally within restricted funds the academy holds £59,558 of reserves (including the General Annual Grant) that are considered freely available for general purposes.

### **Investment Policy**

The financial model of the academy is to use funds for the benefit of the pupils currently in the academy; consequently there is no requirement for an investment policy.

## King Ina Church of England Academy

### Trustees' Report

For the Year Ended 31 August 2015

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## Principal Risks and Uncertainties

The key financial risk relates to the number of pupils in the academy. The academy is fortunate to have access to data from the feeder school which has been shown to provide an accurate prediction of future pupil numbers.

To indicate the importance of health and safety the trustees have it as an agenda item at every meeting.

Risk assessments are carried out prior to all school trips and activities in compliance with the County guidelines using the product Flamefast. Staff are trained as offsite visit coordinators, signed off by the board of trustees, headteacher and the County designated officer.

The academy maintains a Business Continuation Plan to ensure the continuation of the provision of education to the pupils.

## Plans for Future Periods

A feasibility study has identified a site where both the Junior and Infant schools can be located to greatly improve the operation of the combined academy. The board of trustees are pursuing a number of different funding avenues to realise the ambition of being located on a single site.

As previously detailed the academy has a Mission Statement supported by a series of aims to guide all activities undertaken by the academy. The academy will continue to operate as a single academy albeit on two sites to improve the education of all the children.

## Funds held as Custodian Trustee on Behalf of Others

The academy trust and its trustees do not act as the custodian trustee of any other charity.

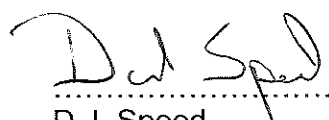
## Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- 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.

The auditor, Albert Goodman LLP, will be proposed for re-appointment at the Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on...*2/12/15*...and signed on the board's behalf by:



D.J. Speed  
Chair of Trustees



## Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between King Ina Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

## Governance

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

Trustee	Meetings attended	Out of a possible
D Speed (Chair of Trustees)	6	6
D Norton (Headteacher)	6	6
A Faulkner	4	6
O Feltham (appointed 01/09/2014)	6	6
S Giles	4	6
G Load (appointed 01/09/2014)	5	6
L Smallwood	4	6
I Stone	6	6
A Symonds	4	6
K Thornton (resigned 20/07/2015)	5	6
C Tune	5	6
L Watts	6	6

Where commitments allow, trustees undertake visits to observe the schools in operation. A number of trustees will also participate in off-site trips to monitor the link to the curriculum and the safety of the children. A self-assessment governance review to meet the new Ofsted framework is being planned to take place during the 2016 Spring term.

The finance committee is a sub-committee of the main board of trustees. Its main purpose is to provide a process of review, authorisation and monitoring for the academy. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Speed (Chair of Trustees)	1	3
D Norton (Headteacher)	3	3
G Load (appointed 01/09/2014)	2	3
I Stone	3	3
K Thornton (resigned 20/07/2015)	1	3

The audit committee is a sub-committee of the main board of trustees with delegated executive powers. Its purpose is to maintain an oversight of the academy trust's governance, risk management, internal control and value for money framework. Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
D Speed (Chair of Trustees)	1	2
D Norton (Headteacher)	2	2
G Load (appointed 01/09/2014)	2	2
I Stone	2	2
K Thornton (resigned 20/07/2015)	1	2

## **Review of Value for Money**

As accounting officer the headteacher 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 for the academy trust has delivered improved value for money during the year by:

- The way in which the academy has approached the MAT, with the infant and junior schools working together and functioning as a primary school, providing a holistic and continuous approach to education from 4 to 11 years enables a stable structure across both schools, to allow for annual fluctuations of school rolls. This allows for consistency and quality of teaching to be maintained.
- During the year 14/15 ICT needs were identified across both schools and the academy was able to achieve discounts by purchasing in larger quantities.
- Across the MAT key staff has been identified to work across both schools. This has provided the MAT with a broad range of expertise benefiting both schools and allowing efficiencies and a continuity of progression particularly in SEN providing an effective transition between the key stages.

## **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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in King Ina Church of England Academy for the year ended 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 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 trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Somerset County Council as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Review of payroll systems
- Review of income
- Review of purchasing
- Review of financial operations

The internal auditor reports on a termly basis to the board of trustees via the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. There were no material control or other issues reported by the internal auditor to date.

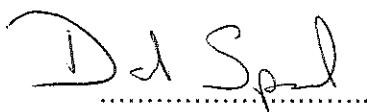
## **Review of Effectiveness**

As accounting officer the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

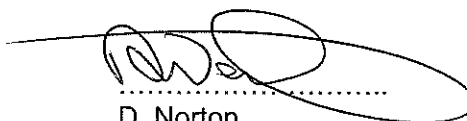
- the work of the internal auditor;
- the work of the external auditor;
- the work of the Business Manager and finance team within the academy trust who have responsibility for the development and maintenance of the internal control framework;

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 2/12/15 and signed on its behalf by:



D.J. Speed  
Chair of Trustees



D. Norton  
Accounting Officer

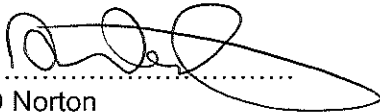
**King Ina Church of England Academy**  
**Statement on Regularity, Propriety and Compliance**  
**For the Year Ended 31 August 2015**

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As accounting officer of King Ina Church of England Academy 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 of Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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.

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.



D Norton  
Accounting Officer

Date: 10/12/15

**King Ina Church of England Academy**  
Statement of Trustees' Responsibilities  
For the Year Ended 31 August 2015

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The trustees (who act as governors of King Ina Church of England Academy 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 published 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:

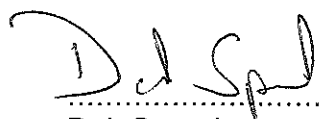
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on .....2/12/15..... and signed on its behalf by:

  
D.J. Speed  
Chair of trustees

## **King Ina Church of England Academy**

Independent Auditor's Report on the Financial Statements to the Board of Trustees of King Ina Church of England Academy  
For the Year Ended 31 August 2015

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We have audited the financial statements of King Ina Church of England Academy for the year ended 31 August 2015, which comprise the statement of financial activities incorporating income and expenditure account, 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 charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and Auditors**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company 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 (APB'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 charitable company'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 implication for our report.

### **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.

## King Ina Church of England Academy

Independent Auditor's Report on the Financial Statements to the Board of Trustees of King Ina Church of England Academy  
For the Year Ended 31 August 2015

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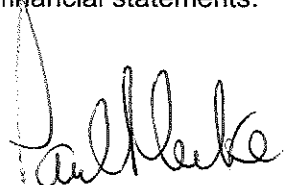
### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report (which includes the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.



.....  
Paul Hake FCCA  
Senior Statutory Auditor  
for and on behalf of  
Albert Goodman LLP  
Chartered Accountants  
Statutory Auditor

Mary Street House  
Mary Street  
Taunton  
Somerset  
TA1 3NW

Date: 11 December 2015

## **King Ina Church of England Academy**

Independent Reporting Accountant's Assurance Report on Regularity to King Ina Church of England Academy and the Education Funding Agency  
For the Year Ended 31 August 2015

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In accordance with the terms of our engagement letter dated 15 May 2014 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 King Ina Church of England Academy during the year 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 King Ina Church of England Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King Ina Church of England Academy 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 King Ina Church of England Academy and EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of King Ina Church of England Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of King Ina Church of England Academy's funding agreement with the Secretary of State for Education dated 1 September 2012 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 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 trust's income and expenditure.



## King Ina Church of England Academy

Independent Reporting Accountant's Assurance Report on Regularity to King Ina Church of England Academy and the Education Funding Agency  
For the Year Ended 31 August 2015

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The work undertaken to draw our conclusion includes:

- Reviewing compliance against the requirements of the Academies Financial Handbook (September 2014);
- A review of the governance policies and procedures with specific consideration for financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by EFA have been adhered to;
- A review of all meeting minutes of the board of trustees and the finance committee;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

### 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 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Albert Goodman LLP  
Chartered Accountants

Mary Street House  
Mary Street  
Taunton  
Somerset  
TA1 3NW

Date: 11 December 2015

# King Ina Church of England Academy

Statement of Financial Activities (incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
For the Year Ended 31 August 2015

		Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
	Notes					
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	46,127	-	-	46,127	12,538
Voluntary income – transfer from local authority on conversion	24	6,667	(194,000)	1,388,354	1,201,021	-
Activities for generating funds	3	70,964	-	-	70,964	106,947
Investment income	4	268	-	-	268	176
		<u>124,026</u>	<u>-</u>	<u>1,388,354</u>	<u>1,318,380</u>	<u>119,661</u>
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	-	1,277,654	106,713	1,384,367	824,179
		<u>-</u>	<u>1,277,654</u>	<u>106,713</u>	<u>1,384,367</u>	<u>824,179</u>
<b>Total incoming resources</b>		<b>124,026</b>	<b>1,083,654</b>	<b>1,495,067</b>	<b>2,702,747</b>	<b>943,840</b>
<b>Resources expended</b>						
Costs of generating funds	7	-	2,312	-	2,312	27,405
<i>Charitable activities:</i>						
Academy trust's educational operations	8	104,283	1,316,026	67,401	1,487,710	816,422
Governance costs	9	-	9,948	-	9,948	8,635
		<u>104,283</u>	<u>1,325,974</u>	<u>67,401</u>	<u>1,499,658</u>	<u>825,057</u>
<b>Total resources expended</b>		<b>104,283</b>	<b>1,328,286</b>	<b>67,401</b>	<b>1,499,970</b>	<b>852,462</b>
<b>Net incoming / (outgoing) resources before transfers</b>						
		19,743	(244,632)	1,427,666	1,202,777	91,378
Gross transfers between funds	17	-	(11,846)	11,846	-	-
		<u>-</u>	<u>(11,846)</u>	<u>11,846</u>	<u>-</u>	<u>-</u>
<b>Net income / (expenditure) for the year</b>		<b>19,743</b>	<b>(256,478)</b>	<b>1,439,512</b>	<b>1,202,777</b>	<b>91,378</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17,21	-	12,000	-	12,000	18,000
		<u>-</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>18,000</u>
<b>Net movement in funds</b>		<b>19,743</b>	<b>(244,478)</b>	<b>1,439,512</b>	<b>1,214,777</b>	<b>109,378</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2014	17	34,355	(113,964)	369,300	289,691	180,313
		<u>34,355</u>	<u>(113,964)</u>	<u>369,300</u>	<u>289,691</u>	<u>180,313</u>
<b>Total funds carried forward at 31 August 2015</b>	<b>17</b>	<b>54,098</b>	<b>(358,442)</b>	<b>1,808,812</b>	<b>1,504,468</b>	<b>289,691</b>

All of the academy trust's activities derive from continuing operations during the above two financial periods.

**King Ina Church of England Academy - Company Registration Number: 08120037****Balance Sheet**

As at 31 August 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	13	1,763,100	358,771
<b>Current assets</b>			
Stock	14	910	1,977
Debtors	15	49,082	108,449
Cash at bank and in hand		196,916	135,465
		<u>246,908</u>	<u>245,891</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	16	(87,540)	(123,971)
		<u>159,368</u>	<u>121,920</u>
<b>Net current assets</b>			
		<u>1,922,468</u>	<u>480,691</u>
<b>Total assets less current liabilities</b>			
Pension scheme liability	21	(418,000)	(191,000)
		<u>1,504,468</u>	<u>289,691</u>
<b>Net assets including pension liability</b>			
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
Fixed asset fund	17	1,808,812	369,300
General fund	17	59,558	77,036
Pension reserve	17	(418,000)	(191,000)
		<u>1,450,370</u>	<u>255,336</u>
<b>Total restricted funds</b>			
<b>Unrestricted income funds</b>			
General fund	17	54,098	34,355
		<u>54,098</u>	<u>34,355</u>
<b>Total unrestricted funds</b>			
		<u>1,504,468</u>	<u>289,691</u>
<b>Total funds</b>			

The financial statements on pages 17 to 39 were approved by the trustees, and authorised for issue on 21/12/15 and are signed on their behalf by:

  
 David Speed  
 Chair of trustees

**King Ina Church of England Academy**  
**Cash Flow Statement**  
**For the Year Ended 31 August 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Net cash inflow from operating activities</b>	<b>1</b>	<b>37,846</b>	<b>74,683</b>
Returns on investments and servicing of finance	2	268	176
Capital expenditure and financial investment	3	23,337	(27,408)
<b>Increase in cash in the year</b>		<b>61,451</b>	<b>47,451</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		135,465	88,014
<b>Net funds at 31 August 2015</b>		<b>196,916</b>	<b>135,465</b>

**King Ina Church of England Academy**  
Notes to Cash Flow Statement  
For the Year Ended 31 August 2015

**1 Reconciliation of net income to net cash inflow from operating activities**

	2015 £	2014 £
Net income resources	1,202,777	91,378
Depreciation (note 13)	67,401	31,837
Loss on disposal	-	1,041
Interest receivable (note 4)	(268)	(176)
FRS17 pension cost less contributions payable (note 21)	34,000	12,000
FRS17 pension finance costs (note 21)	11,000	9,000
Decrease/(increase) in stock	1,067	(1,708)
Decrease/(increase) in debtors	59,367	(26,235)
(Decrease)/increase in creditors	(36,431)	55,571
Assets transferred on conversion (excluding cash)	(1,388,354)	-
Pension deficit inherited from Local Authority on conversion	194,000	-
DfE and other capital grants	(106,713)	(98,025)
	<u>37,846</u>	<u>74,683</u>
Net cash provided by operating activities	<u>37,846</u>	<u>74,683</u>

**2 Returns on investment and servicing of finance**

	2015 £	2014 £
Interest received	268	176
	<u>268</u>	<u>176</u>
Net cash inflow from returns on investment and servicing of finance	<u>268</u>	<u>176</u>

**3 Capital expenditure and financial investment**

	2015 £	2014 £
Purchase of tangible fixed assets	(83,376)	(125,433)
Capital grants from DfE	106,713	98,025
	<u>23,337</u>	<u>(27,408)</u>
Net cash inflow from capital expenditure and financial investment	<u>23,337</u>	<u>(27,408)</u>

**4 Analysis of change in net funds**

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	<u>135,465</u>	<u>61,451</u>	<u>196,916</u>

**1 Statement of accounting policies**

**1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005, revised 2008'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**1.3 Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust 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 academy trust's policies.

**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**

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

- **Charitable activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets**

Assets costing £1,500 or more are capitalised as tangible fixed assets 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and 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 trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Long leasehold land	Over the lease term
Long leasehold buildings	2%
Fixtures and fittings	20%
Computer equipment	20%
Motor vehicles	20%

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

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.

**1.6 Leased assets**

Rentals under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

**1.7 Taxation**

The academy trust 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 trust 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.

**1.8 Pensions**

Retirement benefits to employees of the academy trust 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 trust.

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 trust 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 21, the TPS is a multi-employer scheme and the academy trust 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 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 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 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 until 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.

**1.9 Fund Accounting**

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

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

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

**1.10 Conversion to an Academy Trust**

The conversion of Somerton Infants School from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.



**King Ina Church of England Academy**  
Notes to the Financial Statements  
For the Year Ended 31 August 2015

The assets and liabilities transferred on conversion of Somerton Infants School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for King Ina Church of England Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24.

**2 Voluntary Income**

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
Other donations	46,127	-	-	46,127	12,538
	<u>46,127</u>	<u>-</u>	<u>-</u>	<u>46,127</u>	<u>12,538</u>

**3 Activities for Generating Funds**

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
Educational trips	23,508	-	-	23,508	20,828
Resale of goods	9,823	-	-	9,823	10,101
Catering income	19,494	-	-	19,494	37,123
Lettings and hire of facilities	5,109	-	-	5,109	2,415
Other income	13,030	-	-	13,030	36,480
	<u>70,964</u>	<u>-</u>	<u>-</u>	<u>70,964</u>	<u>106,947</u>

**4 Investment income**

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
Bank interest	268	-	-	268	176
	<u>268</u>	<u>-</u>	<u>-</u>	<u>268</u>	<u>176</u>

**King Ina Church of England Academy**

Notes to the Financial Statements

For the Year Ended 31 August 2015

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**5 Funding for the academy trust's educational operations**

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
<b>DfE/EFA revenue grants</b>					
General annual grant (GAG)	-	1,097,557	-	1,097,557	635,182
Capital grant	-		106,713	106,713	98,025
Devolved Formula Capital Grant	-	11,643	-	11,643	-
Other DfE/EFA grants	-	133,499	-	133,499	69,701
<b>Other Government grants</b>					
Other local authority income	-	34,955	-	34,955	21,271
	-	1,277,654	106,713	1,384,367	824,179

**King Ina Church of England Academy**  
Notes to the Financial Statements  
For the Year Ended 31 August 2015

**6 Resources expended**

	Staff costs £	Non pay expenditure Premises £	Other £	2015 Total £	2014 Total £
<b>Costs of activities for generating funds</b>					
Catering	-	-	-	-	26,319
Lettings	2,312	-	-	2,312	1,086
	<u>2,312</u>	<u>-</u>	<u>-</u>	<u>2,312</u>	<u>27,405</u>
<b>Academy's educational operations</b>					
Direct costs	927,672	-	103,328	1,031,000	610,134
Allocated support costs	155,942	83,874	216,894	456,710	206,288
	<u>1,083,614</u>	<u>83,874</u>	<u>320,222</u>	<u>1,487,710</u>	<u>816,422</u>
<b>Governance costs including allocated support costs</b>	-	-	9,948	9,948	8,635
	<u>1,085,926</u>	<u>83,874</u>	<u>330,170</u>	<u>1,499,970</u>	<u>852,462</u>
				<b>2015 Total £</b>	<b>2014 Total £</b>
Resources expended for the year include:					
Operating leases				4,108	3,894
Fees payable to auditor - audit				4,500	4,500
- other services				3,875	675
				<u>4,108</u>	<u>4,500</u>

**7 Costs of activities for generating funds**

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
Catering costs	-	-	-	-	26,319
Lettings costs	-	2,312	-	2,312	1,086
	<u>-</u>	<u>2,312</u>	<u>-</u>	<u>2,312</u>	<u>27,405</u>

# King Ina Church of England Academy

Notes to the Financial Statements

For the Year Ended 31 August 2015

## 8 Resources expended on charitable activities

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
<b>Direct costs – educational operations</b>					
Teaching and educational support staff	19,312	908,360	-	927,672	529,333
Educational supplies	25,511	42,194	-	67,705	45,181
Staff development	-	11,989	-	11,989	12,325
Educational professional fees	-	23,634	-	23,634	23,295
<b>Support costs – educational operations</b>					
Support staff costs	2,665	153,277	-	155,942	65,086
Staff recruitment	-	3,176	-	3,176	1,523
Rates	-	4,303	-	4,303	2,710
Water and sewage	322	5,087	-	5,409	3,609
Utilities	-	18,403	-	18,403	16,272
Insurance	-	19,839	-	19,839	13,030
Catering	19,594	8,697	-	28,291	9,202
Computer software and maintenance	-	20,660	-	20,660	10,086
Maintenance of premises and equipment	1,469	23,690	-	25,159	11,703
Leasing of equipment	-	4,108	-	4,108	3,894
Cleaning	-	8,638	-	8,638	2,790
Non curriculum support costs	8,855	19,696	-	28,551	26,527
Donations	1,039	667	-	1,706	724
Legal and professional fees	25,351	37,848	-	63,199	5,822
Travel and subsistence	165	1,671	-	1,836	338
Depreciation	-	-	67,401	67,401	31,837
Loss on disposal of fixed assets	-	-	-	-	1,041
Bank charges	-	89	-	89	94
<b>Total direct and support costs</b>	<b>104,283</b>	<b>1,316,026</b>	<b>67,401</b>	<b>1,487,710</b>	<b>816,422</b>

## 9 Governance costs

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
Legal and professional fees	-	1,573	-	1,573	3,460
Auditor's remuneration					
Audit of financial statements	-	4,500	-	4,500	4,500
Other services	-	3,875	-	3,875	675
	-	9,948	-	9,948	8,635

**King Ina Church of England Academy**  
Notes to the Financial Statements  
For the Year Ended 31 August 2015

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**10 Staff**

<b>a. Staff costs</b>	<b>2015 £</b>	<b>2014 £</b>
Staff costs during the year were:		
Wages and salaries	844,734	474,495
Social security costs	43,612	25,963
Pension costs	173,455	85,948
	<u>1,061,801</u>	<u>586,406</u>
Supply staff costs	24,125	19,797
	<u>1,085,926</u>	<u>606,203</u>

**b. Staff numbers**

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

	<b>2015 No</b>	<b>2014 No</b>
Charitable activities:		
Teachers	13	7
Administration and support	25	12
Management	2	2
	<u>40</u>	<u>21</u>

**c. Higher paid staff**

No employee earned more than £60,000.

**11 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 headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and 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:

D Norton, Headteacher and trustee	
Remuneration	£55,000 - £60,000 (2014: £50,000 - £55,000)
Employer's pension contributions	£5,000 - £10,000 (2014: £5,000 - £10,000)
O Feltham, Staff trustee	
Remuneration	£35,000 - £40,000 ( <i>appointed 1 September 2014</i> )
Employer's pension contributions	£5,000 - £10,000
C Tune, Staff trustee	
Remuneration	£40,000 - £45,000 (2014: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000 (2014: £5,000 - £10,000)
L Watts, Staff trustee	
Remuneration	£15,000 - £20,000 (2014: £15,000 - £20,000)
Employer's pension contributions	£0,000 - £5,000 (2014: £0,000 - £5,000)
I Stone, Staff trustee	
Remuneration	£15,000 - £20,000
Employer's pension contributions	£0,000 - £5,000

During the year ended 31 August 2015 no travel and subsistence expenses (2014: £nil) were reimbursed to the trustees.

**12 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 is included in the total insurance cost.

**King Ina Church of England Academy**  
Notes to the Financial Statements  
For the Year Ended 31 August 2015

**13 Tangible fixed assets**

	<b>Leasehold Land and Buildings</b>	<b>Fixtures and Fittings</b>	<b>Computer Equipment</b>	<b>Motor Vehicle</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 September 2014	331,886	45,009	27,344	1,700	405,939
Transfer on conversion	1,373,000	11,397	3,957	-	1,388,354
Additions	71,530	-	11,846	-	83,376
	<u>1,776,416</u>	<u>56,406</u>	<u>43,147</u>	<u>1,700</u>	<u>1,877,669</u>
<b>Depreciation</b>					
At 1 September 2014	24,339	11,049	11,440	340	47,168
Charge in year	47,121	10,878	9,062	340	67,401
	<u>71,460</u>	<u>21,927</u>	<u>20,502</u>	<u>680</u>	<u>114,569</u>
<b>Net book value</b>					
At 31 August 2015	<u>1,704,956</u>	<u>34,479</u>	<u>22,645</u>	<u>1,020</u>	<u>1,763,100</u>
At 31 August 2014	<u>307,547</u>	<u>33,960</u>	<u>15,904</u>	<u>1,360</u>	<u>358,771</u>

Included within leasehold land and buildings is land valued at £176,000. This is King Ina CoE Academy (Juniors)'s playing field and is leased from Somerset County Council on a 125 year lease. There is no separate valuation of this land, but the academy received a valuation for the entire land occupied by the academy. The trustees consider that the playing field represents 50% of the total land occupied, and therefore have applied the same proportion to the land valuation to obtain a value for inclusion in the financial statements. The land is being depreciated over the term of the lease.

Additionally, King Ina CoE Academy (Juniors) occupies land and buildings provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the academy trust occupies the land and buildings as may be, or may come to be, erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees of the academy trust have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy trust.

King Ina Academy (Infants) occupies land provided to it by the local authority under a 125 year lease. This was valued on conversion based on the Mouchel valuation.

**14 Stock**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Clothing	910	1,063
Catering	-	914
	<u>910</u>	<u>1,977</u>

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**15 Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,235	10,855
Other debtors and accrued income	10,670	69,752
VAT recoverable	16,318	7,079
Prepayments	19,859	20,763
	<u>49,082</u>	<u>108,449</u>

**16 Creditors: amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Taxation and social security	13,228	8,450
Other creditors	16,273	8,807
Accruals and deferred income	58,039	106,714
	<u>87,540</u>	<u>123,971</u>

At the balance sheet date the academy trust was holding £26,135 (2014: £nil) received in advance for Universal Infant Free School Meals for the academic year ended 31 August 2016.

**17 Funds**

	<b>Balance at 1 September 2014</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Gains, losses and transfers</b>	<b>Balance at 31 August 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	73,679	1,097,557	(1,132,660)	(1,594)	36,982
Other DfE/EFA grants	3,357	145,142	(115,671)	(10,252)	22,576
Individually assigned resources	-	34,955	(34,955)	-	-
Pension reserve	(191,000)	(194,000)	(45,000)	12,000	(418,000)
	<u>(113,964)</u>	<u>1,083,654</u>	<u>(1,328,286)</u>	<u>154</u>	<u>(358,442)</u>
<b>Restricted fixed asset funds</b>					
Inherited from the Diocese	9,243	-	(274)	-	8,969
Inherited from local authority	191,815	1,388,354	(33,405)	-	1,546,764
DfE/EFA capital grants	161,746	106,713	(29,419)	-	239,040
Capital expenditure from GAG	6,496	-	(2,253)	1,594	5,837
Other restricted funds	-	-	(2,050)	10,252	8,202
	<u>369,300</u>	<u>1,495,067</u>	<u>(67,401)</u>	<u>11,846</u>	<u>1,808,812</u>
<b>Unrestricted funds</b>					
General	34,355	124,026	(104,283)	-	54,098
	<u>34,355</u>	<u>124,026</u>	<u>(104,283)</u>	<u>-</u>	<u>54,098</u>
<b>Total funds</b>	<u><b>289,691</b></u>	<u><b>2,702,747</b></u>	<u><b>(1,499,970)</b></u>	<u><b>12,000</b></u>	<u><b>1,504,468</b></u>



## 17 Funds (contd)

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

**General Annual Grant (GAG)** – Funding from the Education Funding Agency to support the education and running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

**Other DfE/EFA grants** – Grants from the Education Funding Agency to support non-staff insurance costs, pupils from low income families and PE and sport costs.

**Individually assigned resources** - A grant from the local authority to support costs associated with supporting pupils with special educational needs.

**Pension Reserve** – This fund represents the pension deficit for the Local Government Pension Scheme and its associated costs for the period.

**Inherited from local authority** - Represents the building and equipment donated to the school from the County Council and The Bath and Wells Diocesan on conversion to an academy.

**DfE/EFA capital grants** - Represents additional funding from the Education Funding Agency to spend on fixed assets.

**Capital expenditure from GAG** – Represents the amount spent on fixed assets out of the GAG funding received from the Education Funding Agency.

Fund balances at 31 August 2015 were allocated as follows:

	<b>2015 £</b>
King Ina CoE Academy (Juniors)	123,983
King Ina Academy (Infants)	(10,327)
	<hr/>
Total before fixed asset fund and pension reserve	113,656
Restricted fixed asset fund	1,808,812
Pension reserve	(418,000)
	<hr/>
<b>Total</b>	<b>1,504,468</b>
	<hr/>

King Ina Academy (Infants) is carrying a net deficit of £10k on these funds because of the small cash surplus inherited from the local authority on conversion. Additionally the multi-academy trust effectively operates as a single primary school. The trust believes that the King Ina Academy (Infants) should initially be supported which will benefit the trust as a whole due to the close relationship between the two schools.

King Ina Academy (Infants) will have a larger number on role in the 2015-16 accounting year and therefore is expected to return to a surplus position.

**King Ina Church of England Academy**

Notes to the Financial Statements

For the Year Ended 31 August 2015

**Analysis of academies by cost:**

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
King Ina CoE Academy (Juniors)	519,485	97,357	52,736	148,217	817,795
King Ina Academy (Infants)	369,187	54,897	14,969	130,722	569,775
FRS 17 costs	39,000	6,000	-	-	45,000
	<u>927,672</u>	<u>158,254</u>	<u>67,705</u>	<u>278,939</u>	<u>1,432,570</u>

**18 Analysis of net assets between funds**

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset funds £	Total £
Tangible Fixed Assets	-	-	1,763,100	1,763,100
Current Assets	54,098	147,098	45,712	246,908
Current Liabilities	-	(87,540)	-	(87,540)
Pension scheme liability	-	(418,000)	-	(418,000)
<b>Total net assets</b>	<u><b>54,098</b></u>	<u><b>(358,442)</b></u>	<u><b>1,808,812</b></u>	<u><b>1,504,468</b></u>

**19 Central services**

The Multi-Academy Trust has provided the following central services to its academies during the period:

- Professional and legal services

The Multi-Academy Trust charges these services on the following basis:

Proportion based on the total revenue funding received from the EFA.

The actual amounts charged during the period were as follows:

	2015 £
King Ina CoE Academy (Juniors)	38,872
King Ina Academy (Infants)	23,942
	<u>62,814</u>

## **20 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 cease to be a member.

## **21 Pension and similar obligations**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Somerset County Council. Both are multi-employer defined-benefit schemes.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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 £10,215 (2014: £6,171) were payable to the schemes at 31 August 2015 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%))

## King Ina Church of England Academy

### Notes to the Financial Statements

For the Year Ended 31 August 2015

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- 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 year amounted to £74,000 (2014: £46,000).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £71,000 (2014: £25,000), of which employer's contributions totalled £54,000 (2014: £19,000) and employees' contributions totalled £17,000 (2014: £6,000). The agreed contribution rates for future years are 18.1% per cent for employers and 6.5% per cent 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 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.50%	4.50%
Rate of increase for pensions in payment / inflation	2.70%	2.70%
Discount rate for scheme liabilities	4.00%	3.90%
Inflation assumption (CPI)	2.70%	2.70%
Inflation assumption (RPI)	3.60%	3.50%

### Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

Disclosure item	£000's +0.1%	£000's 0.0%	£000's -0.1%
Adjustment to discount rate			
Present value of total obligation	698	715	732
Projected service cost	86	88	90
Adjustment to long term salary increase			
Present value of total obligation	719	715	711
Projected service cost	88	88	88
Adjustment to pension increases and deferred revaluation			
Present value of total obligation	728	715	702
Projected service cost	90	88	86
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	733	715	697
Projected service cost	90	88	86

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	23.7	23.6
Females	26.1	26.0
<i>Retiring in 20 years</i>		
Males	26.0	25.8
Females	28.4	28.3

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

	Expected return As at 31 August 2015*	Fair value as at 31 August 2015 £	Expected return as at 31 August 2014	Fair value as at 31 August 2014 £
Equities		211,000	6.70%	83,000
Gilts		20,000	3.00%	8,000
Bonds		31,000	3.60%	14,000
Property		30,000	5.90%	12,000
Cash		5,000	2.90%	2,000
<b>Total market value of assets</b>		<b>297,000</b>		<b>119,000</b>
Present value of scheme liabilities - funded		(715,000)		(310,000)
<b>Deficit in the scheme</b>		<b>(418,000)</b>		<b>(191,000)</b>

**King Ina Church of England Academy**

## Notes to the Financial Statements

For the Year Ended 31 August 2015

*\* For the year to 31 August 2015, the expected return was 5.9% per annum, which has been used to determine the profit and loss charge for the year ended 31 August 2015.*

The expected return on gilts and other bonds are assumed to be at the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilts.

The actual return on scheme assets was £8,000 (2014: £11,000).

**Amounts recognised in the statement of financial activities**

	2015 £	2014 £
Current service cost (net of employee contributions)	(88,000)	(31,000)
Past service cost	-	-
	<u>(88,000)</u>	<u>(31,000)</u>
Total operating charge	(88,000)	(31,000)
	<u>(88,000)</u>	<u>(31,000)</u>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	15,000	5,000
Interest on pension liabilities	(26,000)	(14,000)
	<u>(11,000)</u>	<u>(9,000)</u>
<b>Pension finance income / (costs)</b>	(11,000)	(9,000)
	<u>(11,000)</u>	<u>(9,000)</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £8,000 loss.

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

	2015 £	2014 £
<b>At 1 September 2014</b>	(310,000)	(264,000)
Current service cost	(88,000)	(31,000)
Interest cost	(26,000)	(14,000)
Employee contributions	(17,000)	5,000
Actuarial gains/ (losses)	19,000	(6,000)
Benefits paid	4,000	-
Transferred from Somerton Infants School	(297,000)	-
	<u>(715,000)</u>	<u>(310,000)</u>
<b>At 31 August 2015</b>	(715,000)	(310,000)
	<u>(715,000)</u>	<u>(310,000)</u>

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

	<b>2015</b> £	<b>2014</b> £
<b>At 1 September 2014</b>	119,000	76,000
Expected return on assets	15,000	5,000
Employer contributions	54,000	19,000
Employee contributions	17,000	6,000
Actuarial gains/ (losses)	(7,000)	13,000
Benefits paid	(4,000)	-
Transferred from Somerton Infants School	103,000	-
	<u>297,000</u>	<u>119,000</u>
<b>At 31 August 2015</b>	<u>297,000</u>	<u>119,000</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £54,000.

**The history of experience adjustments is as follows:**

	<b>2015</b> £	<b>2014</b> £	<b>2013</b> £
Present value of defined benefit obligations	(715,000)	(310,000)	(264,000)
Fair value of share of scheme assets	297,000	119,000	76,000
	<u>(418,000)</u>	<u>(191,000)</u>	<u>(188,000)</u>
<b>Experience adjustments on share of scheme assets:</b>	(7,000)	13,000	5,000
<b>Experience adjustments on scheme liabilities:</b>	-	(30,000)	-

**22 Related party transactions**

Owing to the nature of the academy trust'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. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

## King Ina Church of England Academy

### Notes to the Financial Statements

For the Year Ended 31 August 2015

#### 23 Financial commitments

##### Operating leases

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

	2015 £	2014 £
<b>Other</b>		
Expiring within one year	1,693	240
Expiring within two and five years	2,631	3,430
	<u>4,324</u>	<u>3,670</u>

#### 24 Conversion to an Academy Trust

On 1 September 2014 Somerton Infants School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to King Ina Church of England Academy from Somerset County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,373,000	1,373,000
Other tangible fixed assets	-	-	15,354	15,354
Budget surplus on LA funds	6,667	-	-	6,667
LGPS pension deficit	-	(194,000)	-	(194,000)
<b>Net assets/(liabilities)</b>	<u>6,667</u>	<u>(194,000)</u>	<u>1,388,354</u>	<u>1,201,021</u>

The above net assets include £6,667 that was transferred as cash.