

Company Registration No. 08299166 (England and Wales)

**KILTON THORPE SPECIALIST ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018**

KILTON THORPE SPECIALIST ACADEMY

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KILTON THORPE SPECIALIST ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Chair
I Bowman
C Rhodes
M Hadland
F Brown
B McCabe (09/10/2018)

Trustees

K Thompson (Head Teacher and Accounting Officer)
I Bowman (Chair)
D Froom
M Hadland
F Brown (Responsible Governor)
G Hopkins
D Major
F Heslehurst (Resigned 15 March 2018)
R Sherris
A Betts (Staff Trustee) (Resigned 16 July 2018)
M Robinson
S Gunn (Staff Trustee)

Senior management team

- Headteacher
- Deputy Headteacher
- Assistant Headteacher
- School Business Leader
- Head of Lower School
- Head of Upper School
K Thompson
B Richardson
S Gunn
B McCabe (Retired 31 July 2018)
A Gardner
C Smith

Company secretary

B McCabe (Resigned 5 July 2018)
R Anderson (Appointed 5 July 2018)

Company registration number

08299166 (England and Wales)

Registered office

Marshall Drive
Brotton
Saltburn-by-the-Sea
TS12 2UW

Independent auditor

Baldwins Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
St James House
137 Albert Road
Middlesbrough
TS1 2PD

KILTON THORPE SPECIALIST ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Samuel Phillips
18-24 Grey Street
Newcastle upon Tyne
NE1 6AD

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a special academy in Brotton, Yorkshire in the North East. It currently has an EFA registered capacity of 160 and currently has 158 on roll.

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 Kilton Thorpe Specialist Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as KTS Academy.

Details of the trustees who served during the year 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, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Every governor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour of or which they are acquitted or in connection with any application in which relief is granted by them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy trust.

The academy is part of the Risk Protection Arrangement (RPA), provided by the government which protects trustees from claims arising against negligent acts, errors or omissions occurring whilst on trust business.

Method of recruitment and appointment or election of trustees

The Academy Trust is governed by the Governing Body who are directors of the company limited by guarantee. There are three founding members of the Academy, two further members joined during 2016/17. One of these left during 2017 and was replaced in October 2018. There are currently five members three of which are also Trustees. The Members can appoint up to two Governors and the Members may appoint the Staff Governors through such a process as they may determine provided that the number of governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors. The Headteacher is treated as being an Ex-Officio Governor. Parent Governors are elected by parents of the pupils at the Academy. A parent governor must be a parent of the pupil at the Academy at the time when he or she is elected. If in appointing a Parent Governor, it is not possible to identify someone who is a parent of a current registered pupil at the Academy then a Parent Governor can be appointed in this capacity if they are a parent of a child who is of compulsory school age.

The Governors may appoint up to three Co-opted Governors. A Co-opted Governor can be brought in by the Governors in order to complement the Governing Body, for instance by bringing in additional business management skills and experience to the Academy Trust.

Policies and procedures adopted for the induction and training of trustees

The Governing body have a Service Level Agreement with the Local Authority Governing body section, who advise the group and minute meetings. Included in this SLA is a training package for all Trustees. A report is given at each Governing Body meeting on training undertaken.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The Headteacher is the accounting officer of the trust. The Academy has a Senior Leadership Team which consists of the Headteacher, Deputy Headteacher, Assistant Headteacher, 2 Heads of School (Lower and Upper). The trust also employs a finance leader and also an HR Manager. Decisions regarding areas identified on the school development plan or on the day to day running of the academy will be approved at SLT level. The Governing Body is made up of sub committees of governors, each of the groups has an identified remit. The sub groups may also include a member of the SLT to act in an advisory capacity. Depending upon the remit of the group, decisions made at SLT meetings can be taken to sub-committee or full Governors for consideration/ approval. If there is a large financial implication this will be taken to the finance and human resources sub-committee. Financial decisions are set out in the Academy finance handbook and dependent upon the level of finance required will be approved at budget holder level, by the Headteacher and/or Finance Leader, finance and human resources sub-committee or at full governing body level. The budget must be approved by the full governing body.

Arrangements for setting pay and remuneration of key management personnel

Each year as part of their remit the Pay Review Committee members meet to determine the school group and also ensure that the range is still appropriate for members of the SLT. The academy follows the guidelines as set out in the STPCD document. If the individual member of the SLT has met their targets for the previous year the members of the committee will decide if the individual member of the SLT if eligible should move up a point through their individual range.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	466
Total pay bill	2,694,893
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Related parties and other connected charities and organisations

The Academy continues to be an associate member of the East Cleveland Cooperative Trust which includes a number of local maintained primary schools, secondary schools some of which are maintained and some which are foundation and some academies who are associate members. The Academy continues to have strong link with other educational establishments. Collaborations continue with Beverley Special School in Middlesbrough and Beaumont Hill special school in Darlington. The Headteacher has recently been in discussions with the Head of the Cedars Academy in Gateshead. (Similar sized standalone special academy). They have agreed to collaborate to work on developing their respective leadership teams with a focus on Learning and teaching. In addition, as they are similar sized academies the Heads will work together sharing information to allow for benchmarking comparisons. The Academy has recently joined the North East special school hub of Challenge Partners. (National school support network). This will enable the leadership team to work closely with colleges from other special schools in the North East with a particular focus on quality assurance and educational standards. The Headteacher and members of the SLT continue to support the LA on implementation of the new Code of Practice with particular emphasis on ensuring all the Education Health and Care Plans are completed within the statutory time frame. This year the Headteacher has been working closely with the LA on supporting the implementation of the LA SEND action plan. The action plan was an outcome from the local area SEND inspection undertaken by Ofsted in the spring. The Headteacher also continues to be proactive on strategic groups within the LA and the North East region including, SSAT, FSLE, SCIP 14 – 19 strategic group. He also represents academies within the LA and is Chair of the School's Forum and Chair of I2L (Teaching and learning centre) based in Eston which is jointly financed organisation by schools and the LA.

Kilton Thorpe Friends Association is run by a group of staff, parents and friends of the pupils who attend the academy, they are a registered charity. The group's main objective is to advance the education of the pupils of the school by developing more extended relationships between staff, parents and other stake holders, engaging in activities which support the school and provide or assist in providing extra resources not normally provided by the academy funding. The group fundraise and apply for charitable grants to support this.

Objectives and activities

Objects and aims

KTS Academy's mission statement is '**Providing life Long learning through equality of Education and Opportunity for all**'.

This statement needs to be set in the context of the local and national agenda in respect of SEND education and provision.

The Governors are committed to developing and improving the provision at KTS to meet the educational and emotional needs of SEND pupils and young adults within the borough and beyond.

Objectives and Aims

Our aim is to create a supportive and caring environment for children and young people from across the Redcar and Cleveland Borough, as well as surrounding boroughs. Pupils are admitted throughout the year on an individual basis, via referrals from the local authority.

We are continuing to develop the capital resources and appropriate environments both within the current buildings and externally around the grounds, including further development of specialist areas.

- Delivering a targeted and sustained programme of continuous professional development for every member of the staff team including a comprehensive induction programme.
- Working in partnership with the Redcar and Cleveland Local Authority and neighbouring LAs, other schools and organisations including the East Cleveland Cooperative Learning Trust.
- Promoting rigorous scrutiny and challenge in all aspects of its work and a robust self-evaluation and review cycle that enables change to be implemented to ensure the high standards of education care and support for all of our children young people and their families.

The Trustees feel that they can build upon an already sound establishment to firmly establish and sustain a centre of excellence in the region in promoting the education and welfare of children and young adults with SEN.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

Continuing the drive on improving classroom practice/performance. (Every teacher to be remain consistently good or better).

- Maintain our outstanding grade in all areas of the school. Review and update presentation of SEF. Become familiar with the new Ofsted frame work which is due to come into effect in Sept 2019.
- Undertake audit and skills review of Trustees. Review the Governance structure to align more with the recommendations as identified in the Governance Handbook (Jan 2017)
- Implement across all areas of the academy the new behaviour tracking and recording system 'Sleuth'. When fully implemented it should enable quicker access and generation of data and reports.
- Continue to embed new SEND reforms including the EHCP review process.
- Learning and teaching. Emphasis on supporting children with autism:- 54% of pupils have diagnosis. Focus on aspects of child development and behaviours. Through CPD, observations and learning walks.
- Develop the outside areas in lower and upper schools.
- Wellbeing. Continue to develop our school wellbeing programme, including identified whole school wellbeing day and the launch of our Employee Assistance Programme.

Public benefit

We can confirm that KTS Academy Trust trustees have complied with their duty to have due regard to the guidance on public benefit as published by the charity commission. It should be noted that the primary purpose of the services provided by KTS Academy are to directly support its children young adults and families and supporting its main aim as promoted within its mission statement.

Strategic report

Achievements and performance

The Academy has achieved the main targets from last year. As agreed by the Trustees in the annual development plan

These include: -

Continuing to keep a focus on Learning and teaching. The leadership restructure of two years ago is working well and the newly appointed members of the leadership have developed over the two years since they have been in post. Teachers are being supported well by the new heads of school. This year we have introduced a new whole school curriculum including associated documentation.

Despite an unsuccessful CIF bid the trustees agreed to continue with a revised capital project to remove the 3 mobiles from main site and replace with 3 modular classrooms. The project was completed and the new facilities are a great improvement. Work was also undertaken to improve the facilities within the KTS 3 building including the further refurbishment of 3 teaching areas and construction of a sensory room. and also the outside areas including a new evacuation route and extension to the existing play area.

B squared assessment firmly established enabling us to now have 2 years' worth of progress data to measure standards against.

Restructure of Admin team and additional areas of responsibility in the leadership team. This was necessary due to the retirement of the School Business Leader. Since July 2018 the Trust now employs a qualified accountant in the role of Finance lead. His role is to support the Headteacher and the Governors Staffing and finance committee with all aspects of finance. A new post of HR Manager has also been created including with it, the responsibility for line managing of the kitchen and lunchtime staff teams.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

The Academy continues to perform extremely well both financially and educationally.

We continue to operate a healthy balance sheet and have been able to invest money in additional staffing and resources over the last year. This year a substantial amount of our reserves were invested in 3 new classrooms for our lower school and our classrooms in our KTS3 building were redesigned and refurbished. Our staffing structure and staff areas of responsibility are very efficient and offer good value for money when outcomes for pupils are taken into consideration. We clearly have met our main objectives as identified within the annual development plan.

The academy continues to hold the grade of outstanding in all areas, the last inspection was in July 2015. Please note the previous inspection in November 2011 was also graded as outstanding.

The Key Performance Indicators from the school Improvement Plan were mostly achieved.

Leadership and management.

Review undertaken and restructure of Admin team due to retirement of School Business Leader. Resulting in creation of two new posts. Finance Leader and HR Manager.

Whole school Curriculum revised and a new scheme developed and implemented.

Curriculum/Assessment

Collection and presentation of information reviewed and updated including all pupils being baselined and assessed termly using B squared.

Continued development of excellent classroom practice. Increase in the number of excellent lessons observed during the year. Clear focus on the learning.

Self Evaluation

SEF in the process of being updated and transferred to electronic system 'Perspective'

Continued use of electronic system (Perspective) to record performance management linked also to lesson observations and learning walks completed.

Pupil Premium

Pupils on pupil premium continue to achieve the same and sometimes better as highlighted in end of year progress report.

Building and resources

The Governor's identified the need and were given the task of developing and enhancing the provision in KTS3 building and also Early years. Building work and adaptations was completed in KTS3 to include larger classroom space and a specialised sensory room. Further work will be carried out on KTS3 in 2019 to bring the whole building up to the same standard.

The replacement of the 3 mobile classrooms in our main building was completed and provided a much improve environment for the pupils to learn in a safe and secure classroom.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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. 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.

Financial review

The principal sources of funding are the EFA, the Local Authority and two neighbouring authorities (Middlesbrough and North Yorkshire) for top up funding. Funding remained constant to level in 2016/17 as a result of pupils numbers being at maximum capacity.

Our main expense remains teaching and support staff salaries which make up 76% of our total expenditure. Given the nature of our pupils and their individual needs this is considered normal and comparable when benchmarked against other special schools.

The net income for the year (before actuarial gains on the LGPS and charging depreciation) was £198,521 and after charging depreciation was £16,658. After a large portion of reserves was spent on new classrooms and refurbishments the reserves balance (restricted general funds, excluding pension reserves plus unrestricted funds) as at 31 August 2018 was £582,748.

The academy has been saving reserves for the past four years and will continue to do so in order to be able to develop the provision for our changing population of pupils. Having been unsuccessful in our CIF bid to replace 3 mobile classrooms, reserves were used to build 3 new modular classrooms. The new classrooms were completed Easter 2018. During the financial year the Academy also invested in a refurbishment project at our KTS3 (Upper school) building. This was necessary as the building was not fit for purpose for the pupils moving through from lower school to that area of the school. The improvements were considered necessary to ensure the Academy's future in accommodating the changing needs of pupils in attendance.

The effects of the in-year movement on the LGPS liability has resulted in a gain of £147,000 and at 31 August 2018 the pension reserve was in a deficit of £881,000.

Reserves policy

The Academy has a reserves policy which is reviewed annually by the Trustees. The policy explains the requirement of the Academy to carry forward a prudent level of resources designed to meet long-term cyclical needs of renewal or any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA. The trustees also take into account how much of the reserves should be held in investment. For the 2017/18 year a minimum reserve balance equating to 1 month's equivalence of expenditure was agreed, this would equate to approximately £280,000. When reserves are above the amount stated the Trustees consider using some of the additional reserve for investment in academy resources including capital development for the future benefit of the Academy pupils taking into account the changing population and their needs. The end of year accounts for 2017/18 are showing a reserve of £583,000. There are no Academy funds in deficit.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Investment policy

The Headteacher and Governing body have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the Finance Leader. The Finance Leader liaises with the Headteacher and the Finance Committee in relation to strategy, status and market conditions. The chair of Finance liaises with the Governing Body for approval of any changes to strategy and to provide an update on investments. The Academy policy is clearly geared towards avoiding risk than to maximising return. The Academy has a guiding principle for ethical investments. The Academy will not take out any long term investments until a reliable cash flow pattern has been established and agreed by the finance committee. Deposits will be made only with institutions approved by the Governing Body in the context of advice from a financial expert. The Governing Body has delegated authority to the Finance Leader to place deposits in the Academy's name, at approved institution, subject to the agreed limits. No deposits are to be placed by the Finance Leader without prior authorisation by the Headteacher or other bank signatory subject to their relevant limits. Approval of investments are dependent upon the amount of investment, with both the Headteacher and Finance Leader able to approve initial investments, the finance committee approving the second tier and the full Governing Body approving the maximum investment. At the year-end there is £nil held on deposit.

Principal risks and uncertainties

The Academy has a risk register which has 7 categories; strategic and reputational, physical, infrastructure, governance, staffing, pupils and financial. Each identified risk is given consideration for likelihood and impact. The controls in place for all risks are identified with actions required and improvements. All risks identified are low (Green). We use RAG system. The Academy has also completed the Finance and Management Governance Self-assessment which has been approved by the EFA with all actions addressed.

At the most recent Ofsted (July 2015). They reported that: - 'The school is expertly led and managed by the Headteacher and senior leadership team. There is a highly successful shared vision and pride in the pursuit of very high standards in all the school's work.' They also commented on the Governance: - 'The governing body ensures financial resources are well managed including the school's use of additional government funding'

The Academy continues to have an excellent reputation within the LA and beyond both with parents and professionals. The school numbers have steadily grown year on year and there continues to be a demand for more places than we can offer. We currently take children from 3 local Authorities. The school now has an agreed capacity with the EFA for 160 with currently 158 pupils on roll. This number has increased year on year however we have reached our capacity and we would be unable to increase this number unless a substantial investment was made in capital development. The school is the only special school within Redcar and Cleveland that has an Ofsted grade of Outstanding. The senior leadership team (Head and Deputy) have been working together for 17 years and have a great deal of knowledge and expertise between them. The trustees further strengthened the leadership team in 2016/2017 by appointing a new assistant Headteacher and also by creating two new leadership posts, head of upper and lower school. All three appointments make significant contributions to maintaining high standards in all areas of the school. These appointments will also help with future succession planning.

The Academy's overall income has remained consistent with the prior year, however the level of top up funding may well change in April 2019 as the High Needs element of the schools block is in serious deficit and a decision will have to be made by the School's forum how this can be rectified.

KILTON THORPE SPECIALIST ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

The academy supports national charitable events such as Children in Need and Comic relief as well as holding its own in house fundraising activities. The fund raising enables the pupils to gain additional experiences and generates small amounts of additional income to support the purchases of additional resources and trips for the pupils.

Kilton Thorpe Friends Association, a registered charity and is run by a group of staff, parents and friends of the pupils who attend the academy is our main channel for fundraising. The group's main objective is to advance the education of the pupils of the school by developing more extended relationships between staff, parents and other stake holders, engaging in activities which support the school and provide or assist in providing extra resources not normally provided by the academy funding. The group fundraise and apply for charitable grants to support this.

The academy currently does not work with any commercial participators /professional fundraisers and donations to all events related to the academy are on a completely voluntary basis. There have been no complaints with regards to any of the academy's fund raising activities.

Plans for future periods

The Academy will continue to improve and develop the main site on Marshall Drive by investing in capital and refurbishment. The Academy still operates the KTS+ site (approx. half a mile away) for approximately 35 of its 14-19 students under a Tenancy at Will arrangement from the Local Authority: moving forward this building may well not be suitable for the needs of the pupils that are currently on the main site of the school and it may be that the Academy will have to consider relocating this provision on the main site. This may involve a reduction of the number of pupils the Academy can accommodate over the next three to five years. The Headteacher continues to meet in discussions with the Local authority and with the other special schools in the borough to consider a more strategic approach as the demand for specialist places continues to rise.

Funds held as custodian trustee on behalf of others

The Academy has no funds for which it is acting as custodian trustee.

Auditor

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 December 2018 and signed on its behalf by:

I Bowman
Chair



KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that KTS Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk 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 KTS Academy Trust 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 KTS Academy board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
K Thompson (Head Teacher and Accounting Officer)	3	3
I Bowman (Chair)	3	3
D Froom	3	3
M Hadland	3	3
F Brown (Responsible Governor)	3	3
G Hopkins	0	3
D Major	2	3
F Heslehurst (Resigned 15 March 2018)	0	1
R Sherris	3	3
A Betts (Staff Trustee) (Resigned 16 July 2018)	0	3
M Robinson	2	3
S Gunn (Staff Trustee)	3	3

Key changes in the composition of the board of trustees include F Heslehurst and A Betts resigning as trustees. Please note Samantha Smith (teacher from KTS+) joined Trustees (19 November 2018). Governance of the academy remains strong.

Governance was judged to be outstanding at the last Ofsted July 15. There has been a great deal of consistency of the trustees since the Academy came into being in December 2012. The attendance at meetings is very good and there is a reasonable cross section of skill sets and experience across the trustees.

In September 2018 the Trustees undertook a skill set audit. The results from this audit have been collated and the results are due to be shared at the next Trust meeting in December. From the audit an Action plan will be implemented to support any areas that require further development/strengthening. This will be brokered through Redcar and Cleveland governor support service.

KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Finance and Human Resources Committee is a sub-committee of the main board of trustees. Its purpose is

- To consider the budget allocation from the local authority and set a budget for the financial year
- To vire between budget headings during the course of the year
- To monitor spending and examine outturn figures during the financial year
- To advise the Governing Body on the school's charging policy
- To determine charges for letting
- To determine policies on charges and remissions
- To ensure adherence to the requirements of the School funding Framework and EU Procurement Regulations
- To liaise with the full Governing Body over matters relating to the School Development Plan.
- To determine, on behalf of the Governing Body, the services to buy-back into which are offered under the LMS formula for schools, and at what level to buy-back in at.
- To determine appropriate staffing levels throughout the school.
- To determine the number and deployment of posts above the basic level.
- To determine grades for non-teaching staff.
- To consider applications for early retirement from the Headteacher.
- To be responsible for overseeing matters in relation to the Freedom of Information Act.
- To ensure compliance with the requirements of the FMSG.
- To review and approve Performance Management Policy

Note: Day to day management of the budget to be delegated to the Head Teacher, or the deputy in his absence.

Attendance during the year at Finance and Human Resources meetings was as follows:

Trustees	Meetings attended	Out of possible
K Thompson (Head Teacher and Accounting Officer)	7	7
I Bowman (Chair)	7	7
F Brown (Responsible Governor)	7	7
R Sherris	2	7
M Robinson	4	7

The Finance Committee is also the Audit Committee which is a sub-committee of the main board of trustees. Its purpose is to monitor and review the effectiveness of the internal audit activities.

KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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:

At this moment in time the school continues to be extremely popular and the demand for places is always greater than we can offer. The Academy continue to hold an excellent reputation both within the Local Authority and beyond. In July 2015 we were inspected by Ofsted and we were graded 1. Outstanding in all areas. We are currently at maximum capacity and the number of pupils on roll across the three sites is 158. This changing need within our growing population continues to be reflected in our 3 Year Strategic Development Plan. (2017-2020). The overarching aim being to:- ***“ adapt and develop our knowledge, skills and resources to ensure we are well prepared to meet the needs of a complex and changing population of children and young adults. Thus enabling us to continue to offer the highest standard of educational provision to support our children and their families on their journey of life long learning”.***

In order to continue to support this dynamic and evolving population of children with complex needs we have continued to invest and develop further specialist teaching areas, particularly for the children with ASC (Autistic Spectrum Condition) and individuals who have complex and additional needs and require personalised timetables and environments for 1:1 teaching. Over summer 2018 we have refurbished three classrooms in our KTS3 building along with creating an outdoor decked area and extended our all-weather outside play area, this will help ensure that we can meet the needs of the complex population of students that is now moving into Key stage 3 and 4. We have also erected an additional fence along our main field boundary to give us additional play space with added security and safety. We have continued to invest a great deal of CPD in the areas of Sensory awareness, Augmented Communication systems, Positive Behaviour support and behaviour training.

We continue to have 6 of the Academy staff qualified as 'Team Teach Trainers' (Including the Headteacher) and with the support of the CAMHS challenging behaviour team offer training guidance and support to staff in respect of positive behaviour support methods. We also continue to have 8 staff trained in advanced Team Teach methods (floor holds).

This year we have devised and introduced a new curriculum across all areas of the school along with new assessment and tracking system

We have continued to sign up to an SLA for ICT support with Laurence Jackson School and have continued to implement a phased programme of upgrades of hardware and software systems, including linking our KTS+ site to our network so that they have full access to our server based at the main site

We continue to use CPOMS (Child Protection Online Monitoring System) to electronically record information such as CP concerns, and contact with home and other professionals. Since September 2018 we have invested in a new electronic system that hosts all our data in respect of behaviour and if any child has to be physically held. We continue to use 'Perspective' an electronic system to support or performance management and target setting process. Communication, reading and synthetic phonic systems continue to be a teaching priority as does the teaching of number/ mathematics alongside developing individualised behaviour and sensory programmes. Our older learners follow entry level courses in English and Maths and we are a registered NOCN centre. We continue to have great success ensuring our leavers get into appropriate post school placements. The leavers' celebration of achievement in July 2018 included a visit from one of last year's leavers who secured an apprenticeship and is now in full time employment at James Cook University Hospital.

Our assessment data indicates that pupils receiving pupil premium continue to attain as well as their peers and in some cases better. This continues to reflect the fact that we have a personalised approach to delivering the curriculum.

KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The appointed Academy Governors continue to offer a diverse range of skills and experience to challenge and support and collectively hold the leadership of the school to account. Governors experiences include: - LA Head of Education, HT of a primary school, retired course director from Teesside University, Barrister, Nurse, Retired LA Health and Safety officer, Local Business Woman. We had an extremely positive response to our parent/families survey (June 2018). 50 of the 51 parents who responded think the school is well led and managed.

Partnerships/links continue to be a priority and the trustees continue to investigate and review the possibilities of joining in a more formal partnership with other Schools and MATS. During this year the Headteacher and Chair of Governors have had meetings with two North East based specialist MATS. The full Governors also met with the CEO and Chair of a Tees Valley MAT to consider their offer of us joining their MAT, which the Governors declined. The Headteacher and Chair of Governors have also met this year with a representative from the National Schools Commission office. The Academy continues to be a member of the LA Education and Improvement Partnership (EIP), which consists of all the secondary schools and colleges in the authority. The Academy continues to develop links with other schools; recent examples include moderation work with local specialist providers such as Beaumont Hill School in Darlington and Beverley school in Middlesbrough. Recently we have joined the North East Specialists Hub of Challenge Partners. This is a national organisation of over 400 schools. Its main purpose is to support the raising of standards by sharing good practice and offering a degree of challenge. It also enables the senior leaders in the partner schools the opportunity to work alongside Ofsted trained inspectors in reviewing each other schools.

The revised leadership structure which was implemented in September 2016 continues to benefit many areas of the school. The Deputy Brian Richardson still leads on Assessment and Progress and has recently taken on responsibility for Health and Safety and Buildings. Sarah Gunn (AHT) is our lead for Learning and Teaching has also taken on the leadership of the Education Health and Care Plans and is also now the deputy safeguarding lead. Alex Gardner and Claire Smith, the heads of Lower and Upper school respectively continue to lead their respective areas of the Academy

In September 2018 we appointed a new teacher to the Academy to replace a teacher who left at the end of the summer. We are also currently supporting a member of staff in gaining a teaching qualification. The Headteacher continues to chair the stakeholder group at Inspire2learn (learning and training resources centre in Eston). He also continues to be the Chair of the School's Forum. The Headteacher is also proactive on strategic groups within the LA and the North East region including, SSAT, FSLE, EIP and the 14 – 19 strategic group. We continue to hold a Tenancy at Will arrangement with the Local Authority for KTS+ (the building we are using to deliver a curriculum to a cohort of 14-19 students).

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 KTS Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 and human resources 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 risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- Not to appoint an internal auditor. However, Sarah Langstaff, the Finance Manager of Tees Valley Collaborative Trust continues to be employed to perform a one day termly audit role after which a report is sent to the responsible governor who is a member of the finance committee.
- The termly audit includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems, on a termly basis, Sarah Langstaff, the termly auditor reports to the responsible governor who reports to the finance committee.
- The Chair of the finance and human resources committee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The termly 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:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations

On a termly basis the Trustee appointed as the auditor reports to the board of trustees, through the finance, audit and human resources committee on the findings of the Report prepared by the external Reporting Officer. During 2017/18 any action points notified were minor points and have subsequently been acted upon.

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 termly auditor;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

KILTON THORPE SPECIALIST ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

Approved by order of the board of trustees on 13 December 2018 and signed on its behalf by:



K Thompson
Head Teacher and Accounting Officer



I Bowman
Chair

KILTON THORPE SPECIALIST ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Kilton Thorpe Specialist Academy I have considered my responsibility to notify the Academy Trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust's board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



K Thompson
Accounting Officer

13 December 2018

KILTON THORPE SPECIALIST ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Kilton Thorpe Specialist Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 13 December 2018 and signed on its behalf by:

I Bowman
Chair



KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILTON THORPE SPECIALIST ACADEMY

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Kilton Thorpe Specialist Academy for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILTON THORPE SPECIALIST ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILTON THORPE SPECIALIST ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



Ian Whitfield BA FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

13 December 2018

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KILTON THORPE SPECIALIST ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kilton Thorpe Specialist Academy during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Kilton Thorpe Specialist Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kilton Thorpe Specialist Academy's funding agreement with the Secretary of State for Education dated 7 December 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

KILTON THORPE SPECIALIST ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KILTON THORPE SPECIALIST ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Baldwins Audit Services

Dated: 13 December 2018

KILTON THORPE SPECIALIST ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	7,487	4,205	9,373	21,065	14,746
Charitable activities:						
- Funding for educational operations	4	71,856	3,536,284	-	3,608,140	3,317,182
Other trading activities	5	16,042	-	-	16,042	19,628
Investments	6	2,371	-	-	2,371	2,765
Total		97,756	3,540,489	9,373	3,647,618	3,354,321
Expenditure on:						
Raising funds	7	79,760	-	-	79,760	24,895
Charitable activities:						
- Educational operations	8	15,626	3,353,711	181,863	3,551,200	3,345,300
Total	7	95,386	3,353,711	181,863	3,630,960	3,370,195
Net income/(expenditure)		2,370	186,778	(172,490)	16,658	(15,874)
Transfers between funds	17	-	(659,019)	659,019	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	285,000	-	285,000	417,000
Net movement in funds		2,370	(187,241)	486,529	301,658	401,126
Reconciliation of funds						
Total funds brought forward		333,997	(447,378)	6,393,505	6,280,124	5,878,998
Total funds carried forward		336,367	(634,619)	6,880,034	6,581,782	6,280,124

KILTON THORPE SPECIALIST ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted	Restricted funds:		Total
		Funds £	General £	Fixed asset £	2017 £
Income and endowments from:					
Donations and capital grants	3	2,109	3,500	9,137	14,746
Charitable activities:					
- Funding for educational operations	4	25,202	3,291,980	-	3,317,182
Other trading activities	5	19,628	-	-	19,628
Investments	6	2,765	-	-	2,765
Total		49,704	3,295,480	9,137	3,354,321
Expenditure on:					
Raising funds	7	24,895	-	-	24,895
Charitable activities:					
- Educational operations	8	10,521	3,156,757	178,022	3,345,300
Total	7	35,416	3,156,757	178,022	3,370,195
Net income/(expenditure)		14,288	138,723	(168,885)	(15,874)
Transfers between funds	17	-	(238,106)	238,106	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	417,000	-	417,000
Net movement in funds		14,288	317,617	69,221	401,126
Reconciliation of funds					
Total funds brought forward		319,709	(764,995)	6,324,284	5,878,998
Total funds carried forward		333,997	(447,378)	6,393,505	6,280,124

KILTON THORPE SPECIALIST ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Intangible assets	13		6,070		-
Tangible assets	12		6,873,964		6,393,505
			<u>6,880,034</u>		<u>6,393,505</u>
Current assets					
Debtors	14	72,089		86,503	
Cash at bank and in hand		703,915		1,071,829	
		<u>776,004</u>		<u>1,158,332</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(193,256)		(243,713)	
		<u></u>	<u>582,748</u>	<u></u>	<u>914,619</u>
Net current assets					
			<u>582,748</u>		<u>914,619</u>
Net assets excluding pension liability			<u>7,462,782</u>		<u>7,308,124</u>
Defined benefit pension scheme liability	19	(881,000)		(1,028,000)	
		<u></u>	<u>6,581,782</u>	<u></u>	<u>6,280,124</u>
Net assets			<u>6,581,782</u>		<u>6,280,124</u>
Funds of the Academy Trust:					
Restricted funds	17				
- Fixed asset funds			6,880,034		6,393,505
- Restricted income funds			246,381		580,622
- Pension reserve			(881,000)		(1,028,000)
			<u>6,245,415</u>		<u>5,946,127</u>
Total restricted funds			<u>6,245,415</u>		<u>5,946,127</u>
Unrestricted income funds	17		336,367		333,997
			<u>336,367</u>		<u>333,997</u>
Total funds			<u>6,581,782</u>		<u>6,280,124</u>

The accounts set out on pages 24 to 46 were approved by the board of trustees and authorised for issue on 13 December 2018 and are signed on its behalf by:

I Bowman
Chair



Company Number 08299166

KILTON THORPE SPECIALIST ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by operating activities	20		288,734		406,367
Cash flows from investing activities					
Dividends, interest and rents from investments		2,371		2,765	
Capital grants from DfE Group		9,373		9,137	
Purchase of intangible fixed assets		(6,070)		-	
Purchase of tangible fixed assets		(662,322)		(235,246)	
Net cash used in investing activities			(656,648)		(223,344)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(367,914)		183,023
Cash and cash equivalents at beginning of the year			1,071,829		888,806
Cash and cash equivalents at end of the year			<u>703,915</u>		<u>1,071,829</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

Kilton Thorpe Specialist Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts 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 accounts.

The increase in the reported share of the LGPS deficit in the year has had a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable 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 Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These 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.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software - 3 years

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Assets costing £2,000 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.

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:

Land and buildings	2% straight line
Assets under construction	not depreciated
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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.

1.7 Liabilities

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 Trust 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.

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

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

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 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.

1.11 Pensions benefits

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 quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

The LGPS is a funded multi-employer 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 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.

1.12 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.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

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

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments 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 funds received and paid and any balances held are disclosed in note 25.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Private sponsorship	-	-	-	3,500
Capital grants	-	9,373	9,373	9,137
Other donations	7,487	4,205	11,692	2,109
	<u>7,487</u>	<u>13,578</u>	<u>21,065</u>	<u>14,746</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,638,969	1,638,969	1,522,747
Other DfE group grants	-	109,008	109,008	98,305
	-	1,747,977	1,747,977	1,621,052
Other government grants				
Local authority grants	-	1,788,307	1,788,307	1,670,928
Other funding				
Catering income	15,626	-	15,626	14,681
Other incoming resources	56,230	-	56,230	10,521
	71,856	-	71,856	25,202
Total funding	71,856	3,536,284	3,608,140	3,317,182

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Lettings income	3,923	-	3,923	4,461
Catering income	2,219	-	2,219	1,885
Other income	9,900	-	9,900	13,282
	16,042	-	16,042	19,628

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	2,371	-	2,371	2,765

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
- Direct costs	63,744	-	16,016	79,760	24,895
Academy's educational operations					
- Direct costs	2,343,153	-	147,254	2,490,407	2,359,504
- Allocated support costs	585,911	361,096	113,786	1,060,793	985,796
	<u>2,992,808</u>	<u>361,096</u>	<u>277,056</u>	<u>3,630,960</u>	<u>3,370,195</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	7,500	7,500
- Other services	8,553	9,538
Operating lease rentals	3,916	3,852
Depreciation of tangible fixed assets	181,863	178,022
Net interest on defined benefit pension liability	24,000	24,000
	<u>200,832</u>	<u>232,912</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	-	2,490,407	2,490,407	2,359,504
Support costs				
Educational operations	15,626	1,045,167	1,060,793	985,796
	<u>15,626</u>	<u>3,535,574</u>	<u>3,551,200</u>	<u>3,345,300</u>
			2018 £	2017 £
Analysis of support costs				
Support staff costs			585,911	537,093
Depreciation			181,863	178,022
Premises costs			179,233	167,435
Other support costs			76,725	70,572
Governance costs			37,061	32,674
			<u>1,060,793</u>	<u>985,796</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Staff costs

Staff costs during the year were:

	2018	2017
	£	£
Wages and salaries	2,275,984	2,115,929
Social security costs	151,952	149,003
Pension costs	433,196	402,119
Staff costs	2,861,132	2,667,051
Agency staff costs	52,270	47,310
Staff development and other staff costs	79,406	43,522
Total staff expenditure	2,992,808	2,757,883

Staff numbers

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

	2018	2017
	Number	Number
Teachers	104	100
Administration and support	30	31
Management	6	6
	140	137

Higher paid staff

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

	2018	2017
	Number	Number
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £420,722 (2017: £412,709).

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

K Thompson (headteacher)

Remuneration £90,001 - £95,000 (2017: £85,001 - £90,000)

Employer's pension contributions £15,001 - £20,000 (2017: £10,001 - £15,000)

S Gunn (assistant head)

Remuneration £45,001 - £50,000 (2017: £45,001 - £50,000)

Employer's pension contributions £5,001 - £10,000 (2017: £5,001 - £10,000)

A Betts (staff)

Remuneration £35,001 - £40,000 (2017: £35,001 - £40,000)

Employer's pension contributions £5,001 - £10,000 (2017: £5,001 - £10,000)

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees and officers insurance

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

12 Tangible fixed assets

	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2017	6,753,259	57,477	96,559	114,946	70,531	7,092,772
Transfer	57,477	(57,477)	-	-	-	-
Additions	656,862	-	-	5,460	-	662,322
At 31 August 2018	7,467,598	-	96,559	120,406	70,531	7,755,094
Depreciation						
At 1 September 2017	532,709	-	90,855	46,327	29,376	699,267
Charge for the year	130,767	-	5,149	28,314	17,633	181,863
At 31 August 2018	663,476	-	96,004	74,641	47,009	881,130
Net book value						
At 31 August 2018	6,804,122	-	555	45,765	23,522	6,873,964
At 31 August 2017	6,220,550	57,477	5,704	68,619	41,155	6,393,505

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

12 Tangible fixed assets

(Continued)

Land and buildings were valued on the basis of depreciated replacement cost as at 31 March 2013 by Mouchel on behalf of the ESFA. This value was capitalised on the date of conversion.

13 Intangible fixed assets

Computer
software
£

Cost

At 1 September 2017

-

Additions

6,070

At 31 August 2018

6,070

Carrying amount

At 31 August 2018

6,070

At 31 August 2017

-

14 Debtors

2018
£

2017
£

Trade debtors

594

-

VAT recoverable

24,173

40,590

Other debtors

-

1,874

Prepayments and accrued income

47,322

44,039

72,089

86,503

15 Creditors: amounts falling due within one year

2018
£

2017
£

Trade creditors

86,647

42,970

Other taxation and social security

40,677

39,186

Other creditors

1,780

1,803

Accruals and deferred income

64,152

159,754

193,256

243,713

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Deferred income	2018 £	2017 £
Deferred income is included within:		
Creditors due within one year	4,462	17,670
Deferred income at 1 September 2017	17,670	3,059
Released from previous years	(17,670)	(3,059)
Resources deferred in the year	4,462	17,670
Deferred income at 31 August 2018	4,462	17,670

At the year end the Academy Trust was holding Universal Infants Free School Meals grant for the 2018-19 academic year received in advance.

17 Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	580,622	1,638,969	(1,316,241)	(659,019)	244,331
Other DfE / ESFA grants	-	109,008	(109,008)	-	-
Other government grants	-	1,788,307	(1,788,307)	-	-
Other restricted funds	-	4,205	(2,155)	-	2,050
Pension reserve	(1,028,000)	-	(138,000)	285,000	(881,000)
	(447,378)	3,540,489	(3,353,711)	(374,019)	(634,619)
Restricted fixed asset funds					
Transfer on conversion	5,975,302	-	(118,540)	-	5,856,762
DfE group capital grants	60,440	9,373	(671)	-	69,142
Capital expenditure from GAG	344,134	-	(57,376)	659,019	945,777
Private sector capital sponsorship	13,629	-	(5,276)	-	8,353
	6,393,505	9,373	(181,863)	659,019	6,880,034
Total restricted funds	5,946,127	3,549,862	(3,535,574)	285,000	6,245,415
Unrestricted funds					
General funds	333,997	97,756	(95,386)	-	336,367
Total funds	6,280,124	3,647,618	(3,630,960)	285,000	6,581,782

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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

General Annual Grant must be used for the normal 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 2018.

Other DfE/ESFA grants includes pupil premium, PE grant, universal infants free school meals grant funding.

Other government grants includes funding for pupils with special educational needs.

Other restricted income includes monies received other than from the local authority or the DfE/ESFA.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/EFA capital grants consist of the devolved capital grant received which has been spent on building additions during the year.

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds may be used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

The academy's restricted general and unrestricted funds total £582,748 at 31 August 2018.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	520,005	1,522,747	(1,224,024)	(238,106)	580,622
Other DfE / ESFA grants	-	98,305	(98,305)	-	-
Other government grants	-	1,670,928	(1,670,928)	-	-
Other restricted funds	-	3,500	(3,500)	-	-
Pension reserve	(1,285,000)	-	(160,000)	417,000	(1,028,000)
	<u>(764,995)</u>	<u>3,295,480</u>	<u>(3,156,757)</u>	<u>178,894</u>	<u>(447,378)</u>
Restricted fixed asset funds					
Transfer on conversion	6,093,842	-	(118,540)	-	5,975,302
DfE group capital grants	53,738	9,137	(2,435)	-	60,440
Capital expenditure from GAG	157,799	-	(51,771)	238,106	344,134
Private sector capital sponsorship	18,905	-	(5,276)	-	13,629
	<u>6,324,284</u>	<u>9,137</u>	<u>(178,022)</u>	<u>238,106</u>	<u>6,393,505</u>
Total restricted funds	<u>5,559,289</u>	<u>3,304,617</u>	<u>(3,334,779)</u>	<u>417,000</u>	<u>5,946,127</u>
Unrestricted funds					
General funds	<u>319,709</u>	<u>49,704</u>	<u>(35,416)</u>	<u>-</u>	<u>333,997</u>
Total funds	<u>5,878,998</u>	<u>3,354,321</u>	<u>(3,370,195)</u>	<u>417,000</u>	<u>6,280,124</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	-	-	6,070	6,070
Tangible fixed assets	-	-	6,873,964	6,873,964
Current assets	359,715	389,133	27,156	776,004
Creditors falling due within one year	(23,348)	(142,752)	(27,156)	(193,256)
Defined benefit pension liability	-	(881,000)	-	(881,000)
Total net assets	<u>336,367</u>	<u>(634,619)</u>	<u>6,880,034</u>	<u>6,581,782</u>

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	6,393,505	6,393,505
Current assets	333,997	718,128	106,207	1,158,332
Creditors falling due within one year	-	(137,506)	(106,207)	(243,713)
Defined benefit pension liability	-	(1,028,000)	-	(1,028,000)
Total net assets	333,997	(447,378)	6,393,505	6,280,124

19 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 Middlesbrough Borough Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £155,387 (2017: £141,511).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.5% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £175,000.

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.

Total contributions made	2018	2017
	£	£
Employer's contributions	160,000	124,000
Employees' contributions	57,000	49,000
Total contributions	217,000	173,000

Principal actuarial assumptions	2018	2017
	%	%
Rate of increase in salaries	3.0	3.0
Rate of increase for pensions in payment/inflation	2.0	2.0
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.0	2.0

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	22.9	22.8
- Females	25.0	24.9
Retiring in 20 years		
- Males	25.1	25.0
- Females	27.3	27.2

Scheme liabilities would have been affected by changes in assumptions as follows:

The Academy Trust's share of the assets in the scheme	2018 Fair value £	2017 Fair value £
Equities	1,798,720	1,708,560
Corporate bonds	-	2,160
Cash	443,520	276,480
Property	189,728	138,240
Other assets	32,032	34,560
Total market value of assets	2,464,000	2,160,000

The actual return on scheme assets was £123,000 (2017: £169,000).

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	274,000	260,000
Interest income	(56,000)	(39,000)
Interest cost	80,000	63,000
Total operating charge	298,000	284,000

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19	Pension and similar obligations	(Continued)	
	Changes in the present value of defined benefit obligations	2018	
		£	
	At 1 September 2017	3,188,000	
	Current service cost	274,000	
	Interest cost	80,000	
	Employee contributions	57,000	
	Actuarial gain	(218,000)	
	Benefits paid	(36,000)	
	At 31 August 2018	3,345,000	
	Changes in the fair value of the Academy Trust's share of scheme assets	2018	
		£	
	At 1 September 2017	2,160,000	
	Interest income	56,000	
	Actuarial gain	67,000	
	Employer contributions	160,000	
	Employee contributions	57,000	
	Benefits paid	(36,000)	
	At 31 August 2018	2,464,000	
20	Reconciliation of net income/(expenditure) to net cash flow from operating activities	2018	2017
		£	£
	Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	16,658	(15,874)
	Adjusted for:		
	Capital grants from DfE/ESFA and other capital income	(9,373)	(9,137)
	Investment income receivable	(2,371)	(2,765)
	Defined benefit pension costs less contributions payable	114,000	136,000
	Defined benefit pension net finance cost	24,000	24,000
	Depreciation of tangible fixed assets	181,863	178,022
	Decrease/(increase) in debtors	14,414	(14,299)
	(Decrease)/increase in creditors	(50,457)	110,420
	Net cash provided by operating activities	288,734	406,367

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Commitments under operating leases

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

	2018	2017
	£	£
Amounts due within one year	3,316	3,852
Amounts due in two and five years	11,607	3,723
	<u>14,923</u>	<u>7,575</u>

22 Capital commitments

	2018	2017
	£	£
Expenditure contracted for but not provided in the accounts	-	457,908
	<u>-</u>	<u>457,908</u>

23 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 the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The trust employed Mrs S Thompson during the period. Mrs S Thompson is the spouse of Mr K Thompson (accounting officer) and a salary of £39,362 and pension of £6,487 was paid during the year on standard terms under a contract of employment. Proper appointment procedures were followed and Mr K Thompson had no influence over the appointment. The trust has complied with the requirements of the Academies Financial Handbook 2016.

The trust paid Miss A Thompson during the period for supply work. Miss A Thompson is the daughter of Mr K Thompson (accounting officer) and a salary of £2,796 was paid during the year. Proper appointment procedures were followed and Mr K Thompson had no influence over the appointment. The trust has complied with the requirements of the Academies Financial Handbook 2016.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

KILTON THORPE SPECIALIST ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust brought forward £1,803 from previous years, received £3,540 and disbursed £3,564 from the fund. An amount of £1,780 is included in other creditors relating to undistributed funds that is repayable to ESFA.