

Company Registration No. 07464058 (England and Wales)

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

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THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Mr Darren Ayling (Accounting Officer)
The Reverend Canon Jonathan Baker
Mr Stephen Crane (Chair of Finance)
Mr Steven Grahl
Mr Timothy Hitch
Mrs Sarah Jackson
Mrs Barbara John
Mrs Susan Kudlinski
Cllr Diane Lamb (Resigned 12 September 2016)
Mrs Susan Lowe-Lauri
Mr Christopher Marsden (Resigned 30 January 2017)
Mr Kevin Palmer (Chair of Governors)
Mr Philip Rolfe (Responsible Officer)
Mrs Emma Stephens-Dunn
The Very Reverend Charles Taylor (Resigned 1 October 2016)
Mr Christopher Trotman
Mr Paul Cook
Mrs Alexandra Carton
Mr Simon Warsap (Appointed 5 October 2016)
Mrs Sharon Abbott (Appointed 1 September 2017)
Mr Martin Bloom (Appointed 17 January 2017)
Mr Andrew Boulton (Appointed 10 February 2017)

Members

Mr Darren Ayling
The Reverend Canon Jonathan Baker
Mr Andrew Boulton
Mr Stephen Crane
Mr Kevin Palmer
The Very Reverend Charles Taylor
Mr Christopher Trotman

Senior management team

- Headteacher	Mr Darren Ayling	
- Deputy Headteacher - Academic	Mr Duncan Rhodes	(Appointed 1 September 2016)
- Deputy Headteacher - Pastoral	Mrs Helen Birch	(Appointed 1 September 2016)
- Assistant Headteacher - Sixth Form	Mrs Lucy Willis	(Appointed 1 September 2016)
- Assistant Headteacher - Middle School	Mr Charlie Armstrong	
- Assistant Headteacher - Lower School	Mr James Stubbs	(Appointed 1 September 2016)
- Finance & Administration Manager	Mr Martin Blee	(Appointed 1 September 2017)
- Co-Opted Member	Mrs Sharon Stimson	(Appointed for year to 31 August 2017)
- Co-Opted Member	Miss Elizabeth Dunmore	(Appointed for year to 31 August 2018)
- Accounting officer	Mr Darren Ayling	

Company secretary

Mrs Suzanne Arnold	(Resigned 31 August 2017)
Mr Martin Blee	(Appointed 20 November 2017)

Company registration number

07464058 (England and Wales)

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

REFERENCE AND ADMINISTRATIVE DETAILS

Principal address	Park Road Peterborough Cambridgeshire PE1 2UE
Registered office	Park Road Peterborough Cambridgeshire PE1 2UE
Independent auditor	Rawlinsons Chartered Accountants Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire PE1 2SP
Bankers	Yorkshire Bank 10 Church Street Peterborough Cambridgeshire PE1 1XB
	Virgin Money PLC Jubilee House Gosforth Newcastle upon Tyne NE3 4PL
Solicitors	Stone King LLP Wellington House East Road Cambridge CB1 1BH

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged between 7 and 18 serving a catchment area of Peterborough and surrounding counties. It has a pupil capacity of 1,150 and had a roll of 1,197 in the school census on 6 October 2016.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors are the trustees of The King's (The Cathedral) School, Peterborough and are also the directors of the charitable company for the purposes of company law. Details of the governors 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.

Governors' indemnities

The Academy Trust has insurance cover of £1m for Governors' Liabilities.

Method of recruitment and appointment or election of governors

10 Governors are appointed by The Dean and Chapter of Peterborough Cathedral and one by the Diocese of Peterborough. Two are Community Governors appointed by the members. The Headteacher is a Staff Governor, and two other members of staff are elected Staff Governors. Four Parent Governors, who must be parents of students on roll at the time of their election, are elected by other such parents. Vacancies are advertised to the relevant constituencies, and nominations sought. Those appointing Chapter and Community Governors would seek to achieve a breadth of experience and skills across the Board of Governors.

Policies and procedures adopted for the induction and training of governors

A programme of induction and training is offered to all Governors, who are encouraged to attend relevant training organised by the Academy and external agencies, including the Diocese of Peterborough and Peterborough City Council.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

The Board of Governors is responsible for setting general policy, adopting a development plan and annual budget, monitoring the academy by the use of budgets and making major decisions about the direction and nature of the academy, capital expenditure and the appointment of the Headteacher and Deputy Headteacher (s). Governors are also involved in the appointment of other members of the academy staff by taking part in the interview process.

The Board of Governors is responsible for the authorisation of spending within agreed budgets and limits. There are four Governor committees which report to the Board of Governors: Finance, Personnel, Curriculum and Admissions. The Board has adopted a formal Scheme of Delegation to delegate functions to those Committees, whilst some spending control is devolved to the Headteacher as Accounting Officer and to members of the Senior Leadership Team and Senior Managers. The Chairs of the four committees also meet together on a regular basis.

In January 2017 the Board of Governors set up a Fundraising Committee, consisting of five Governors and a number of experienced executives in the field of fundraising from the local business community. The remit of this committee, chaired by the Chair of Governors, is to establish and develop a culture of giving from past pupils, parents and the wider community.

During 2015/16, the Senior Management Team had been temporarily reduced to four members to achieve cost savings resulting from cuts in Government funding. Due to the retirement of Deputy Headteacher Trevor Elliott on 31 August 2016 after 40 years' service to the school, the Senior Management Team was restructured from 1 September 2016. Duncan Rhodes was appointed as Deputy Headteacher (Academic) whilst Helen Birch was promoted to Deputy Headteacher (Pastoral) from Assistant Headteacher. Alongside Assistant Headteacher Charlie Armstrong, Lucy Willis and James Stubbs were promoted from within the school to Assistant Headteachers, so that each of the lower school, middle school and sixth form had a dedicated Assistant Headteacher. In addition, the Academy has a policy for seconding a middle manager in the School to the Senior Management Team for an academic year. In 2016-17 this role was fulfilled by Sharon Stimson, with Elizabeth Dunmore being appointed for 2017-18. From 1 September 2017 the Finance & Administration Manager, Martin Blee, was appointed to the Senior Management Team.

Arrangements for setting pay and remuneration of key management personnel

The Board of Governors operates a Whole School Pay Policy, as the "Relevant Body" as defined in the School Teachers' Pay and Conditions (STPC) document, following the pay tables determined by the Secretary of State and set out in the STPC. Having determined the policy, the Board delegates the day to day management of the policy to the Headteacher in consultation with the Personnel Committee and the Chair of Governors.

At the start of each academic year, the Board of Governors will set performance objectives for the Headteacher together with performance indicators and measures, reflecting priorities identified in the School's development plan. After an annual review of performance, any changes to the Headteacher's salary will be decided upon by the Personnel Committee.

The Board of Governors, following consideration of the relevant criteria set out in the STPC Document, will determine the individual range for a newly appointed Deputy Headteacher or Assistant Headteacher's salary. At the time of the annual assessment of teachers' salaries, the Headteacher will decide if any Deputy or Assistant Headteacher should be awarded an additional pay point, subject to the maximum of the individual range, and report this to the Personnel Committee.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Related parties and other connected charities and organisations

Schola Regia Trading Ltd is a wholly-owned subsidiary, the company operates as vendors of Academy uniform and stationery.

The Academy has a close working relationship with Peterborough Cathedral.

The Academy collaborates with the St John Fisher Roman Catholic High School by offering some Sixth Form teaching to their students.

Objectives and activities

Objects and aims

The Academy's main aim is to provide the very best all-round educational experience for all youngsters on its roll. The Academy's objects are specifically related to advancing for the public benefit and education in the United Kingdom, in particular, but without prejudice to, the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with the designated Church of England religious character, offering a broad and balanced curriculum in accordance with the principles, practices and tenets of the Church of England, which includes representing other faiths and in partnership with the Church of England at Parish and Diocesan level.

The School's Values and Ethos are:

- To recognise and value the contribution of every member of the school community;
- To maintain the tradition of achievement and academic excellence to the best of our individual's ability;
- To foster a community in which good mutual communications are promoted and in which, through pastoral care, all students achieve self-esteem and an appreciation of others with a sense of responsibility for their environment;
- To provide a broad range of extra-curricular activities that give opportunities for all to develop individual interests and skills;
- To encourage a happy, well-motivated staff to work effectively and successfully through good leadership, efficient structures and the provision of resources.

The basis for these values is the Christian ethos of the School.

Objectives, strategies and activities

Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

Since the Academy opened in January 2011 it has been full in every year-group, including the 60 pupils in the Junior Department, which opened in September 2011. In the main school Years 7 to 11 have 150 youngsters in each year. The Sixth Form is fully subscribed to its minimum target of 340. In Year 12, 116 students continued their education from Year 11, and were joined by 75 external students. The latter were selected from over 222 applications received for places for September 2017.

The Academy sets targets for all pupils; these relate to external benchmarking data. The Academy subscribes to national schemes for determining value added at each of the Key Stages. Each member of the teaching staff is observed teaching a minimum of once a term by line managers and the Senior Leadership Team, so that standards across the Academy can be monitored. The Academy has in place a full performance management process.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

Examination results were again excellent for 2017. The GCSE results were well above national averages with a 100% pass rate, 85% of grades were C and above and 45% of grades were A or A*. Our School's Progress 8 score was 0.49 which was above average.

The Post 16 results were excellent at both A2 and AS levels, with ALIS data showing high levels of positive residuals across the curriculum areas. At A2 level, the pass rate was 98%, 33% of grades were A or A* and 62% were A* to B. In 2017, 3 students were successful in securing places at Oxford and Cambridge Universities and of 149 UCAS applications 140 (94%) accepted final places at university.

In 2013, the Academy was inspected by Ofsted and Denominational Inspectors. The Academy was judged 'Outstanding' in every category in both inspections. No inspection took place during the year under review.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

The academy set a budget for the 2016-17 academic year showing a small deficit, which was to be funded from the surplus net income for the year ended 31 August 2016, specifically from the growth funding awarded from the Local Authority.

Total income and endowments for the year declined by £27,121, reflecting a one off award of growth funding of £60,341 from the Local Authority in 2015-16, offset by the award of Condition Improvement Funding (CIF) and other fundraising activities. Two CIF bids were submitted and although only one was successful, the sum granted of £62,745 allowed essential maintenance to two science laboratories to be carried out. In conjunction with this work, the Governors decided to spend a further £97,279 from school reserves to fully refurbish four of the school's science laboratories. In September 2016, 1,200 pupils and staff took part in a 10 mile sponsored walk around Peterborough raising £17,744 (before Gift Aid) of which £12,815 has been spent to date on academic and extra-curricular school projects. In June 2017, year 11 pupil Celina Worraker undertook a sponsored sky dive raising £4,280 (before Gift Aid) to fund the renovation of the school clock in the tower of the main Victorian building.

Total expenditure for the year increased by £743,582 reflecting increases in property expenditure and employment costs. As well as the expenditure on the science laboratories, Governors approved over £150,000 from school reserves to enable the redesign and refurbishment of the main student toilet block, and the first two phases of replacing the Victorian building windows. Further improvements were made to the humanities and sixth form areas as part of the school's ongoing improvement plan. The withdrawal of the national insurance contracting out rebate and the increased cost of funding the Local Government Pension Scheme deficit further contributed to the increase in expenditure in the year.

As a result there was net expenditure for the year of £702,287 as opposed to net income of £68,241 in the previous year. After an actuarial gain of £1,689,000 on the defined benefit Local Government Pension Scheme, total funds of the school at 31 August 2017 were £19,449,635, an increase of £986,713 over the year. As stated in note 21 to the financial statements, Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The academy has set a budget for the 2017-18 academic year showing an increased deficit on that budgeted for in 2016-17, which is to be funded from accumulated reserves. Governors took the decision to reduce the level of GCSE and A Level provision from the 2017-18 academic year as a first step towards achieving a balanced in year budget within three years. Whilst this curriculum reduction has resulted in a lower budget deficit for 2017-18 than was originally forecast, the continued uncertainty in the funding regime due to the upcoming introduction of the National Funding Formula and potential increases in teaching salaries above the historic 1%, means that outline budgets for 2018-19 and 2019-20 are still forecasting increasing deficits. Whilst the accumulated unrestricted operating reserves at 31 August 2017 will be used to carefully plan, cushion and manage this reduction over the coming three years, further cuts in curriculum provision may be necessary in the future.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Reserves policy

The academy's reserves policy is designed to ensure the stability of the academy's operations, to smooth the impact of changes in financial circumstances, such as large unbudgeted expenditure and cyclical maintenance, and to fund working capital requirements. The Governors review the level of academy reserves annually, identifying the need for access to the funds and confirming that the use is consistent with the purpose of the reserve as contained within the formal Reserves Policy.

As detailed in note 19 to the financial statements, total funds at 31 August 2017 were £19,449,635 an increase of £986,713 over the year as noted in the Financial Review above.

Of these reserves, £17,888,311 are restricted and therefore not available for use or distribution. Of this figure:

- £18,605,297 represents the current net book value of the academy's land, buildings and fixtures and fittings;
- there is a defined benefit pension liability of £1,329,000;
- the restricted endowment fund of £21,418 represents the original value of donated investments; stated in the balance sheet at market value;
- the balances on individual donated prize funds amounts to £49,950; and
- the unspent balances on the Sponsored Walk and Clock Tower Appeal amount to £9,209.

The remaining restricted reserves of £531,437 arise from accumulated unspent GAG grants received for the education of the children of the academy, which are being held to smooth out the impact of changes in financial circumstances. The Governors currently aim to hold at least 2% of GAG as a working reserve and whilst the reserve is in excess of this figure, as noted in the financial review above, these reserves will be used to manage the expected reduction of funding in the coming three years, whilst expenditure is reduced to achieve a balanced in year budget in this time frame.

Total unrestricted reserves of £1,561,324 consist of designated reserves of £1,352,488, reserves of £35,513 held within the wholly owned subsidiary company for working capital purposes and £173,323 of general funds.

The designated Property Maintenance Fund will be used for significant expected expenditure on the ageing Victorian building, where work on windows, flat roofs and boilers are among areas identified as necessary in the near future. A detailed asset maintenance and replacement plan is maintained to ensure the balance on this fund is sufficient for the academy's needs over the next three years. The balance on this fund of £521,000 has been increased by transferring £300,000 from general funds, as this is the amount expected to be required over the next three years to be spent on assets that are currently in a poor or fair condition that need repairing or replacing.

Given the deteriorating nature of the academy's estate and the growth in the student population, Governors are currently considering the longer-term accommodation needs of the academy. Unspent proceeds of £756,043 from the sale of land in the past is held within a designated Capital Development Fund to meet the Governors' contribution to future building and facilities developments. Future Condition Improvement Funding bids to improve the school's catering facilities and replacement of roofs may require matched funding to be made, which could come from this fund.

Other designated funds of £75,445 arise from long term balances generated by student trips, clubs and other activities that will be utilised on similar activities in the future.

General funds of £173,323 have arisen from the academy's non-core education activities including generating funds and investment income. Governors intend to maintain this reserve in the longer term so that if, as anticipated, GAG reserves are fully utilised in the next three years, the academy would still have available reserves to support its day to day operations.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Investment policy and powers

Due to the persistence of low interest rates, resulting in an erosion of the real value of the academy's cash reserves, the Governors are currently reviewing the academy's investment policy. The Governors' power is governed by the Trustee Act 2000. This confers a general power of investment and requires the Governors to invest in a diversified range of suitable investments.

The objectives of the Governors' policy are:

- To ensure that The King's School has sufficient cash available to meet its commitments;
- To ensure that sufficient funds are available at short or no notice to meet foreseeable requirements and a contingency for emergency needs;
- To optimise the rate of return on other funds without undue risk;
- To protect the capital value of funds held against inflation;
- To spread risk, where appropriate; and
- To comply with Academy Articles of Association.

In determining the level of funds available that could be considered for investment, due regard will be taken of the short, medium and long term requirements of the academy. These are defined as follows:

- Short term – funds likely to be expended within the next 12 months;
- Medium term – funds likely to be expended between 1 to 5 years; and
- Long term – funds unlikely to be required in the next 5 years.

The academy inherited a small number of investments with CCLA and M&G from the predecessor school that are recorded on the balance sheet of the academy. Their future retention or disposal is part of an ongoing review to ensure they are compliant with the current policy.

Taking all these considerations into account, the Governors authorised the investment of up to £100,000 into the academy's CCLA investment account as market conditions allowed. During August 2017, £50,000 of this investment was made, with a review scheduled in the 2017-18 academic year to determine when and if the remaining £50,000 would be invested.

Current policy is for all other investments to be held as cash deposits.

Principal risks and uncertainties

The Board of Governors has assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy, and its finances. A formal Risk Register is in place. The Board of Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have systems and operational procedures in place e.g. vetting of new staff and internal financial controls in order to minimise risk.

The three most significant areas that have been identified are:

- Accidental failure to comply with Health and Safety legislation resulting in injury and/or attracting adverse publicity (mitigated by staff training, risk assessments, making equipment available and the employment of an external consultant)
- A safeguarding incident (mitigated by staff training, the appointment of Safeguarding officers, and the school culture)
- Possible incident on a school trip (mitigated by risk assessments, staff training, insurance cover, school behaviour policy, employment of an external adviser, and the work of the Educational Visits Co-ordinator).

Uncertainty over the future of school funding is also a major cause for concern given the proposed introduction of the National Funding Formula. In its current form this would result in the academy relying on the funding floor, ensuring that every school will gain at least a 0.5% increase in per pupil funding in 2018-19 and a 1% increase in 2019-20 compared to its funding baseline, to avoid a decrease in Government funding.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

- To protect the quality of education in terms of a broad and balanced curriculum and the broad and exciting extra-curricular offering that the academy has been able to offer in the past, at a time of falling income per head in real terms and rising costs.
- To further redefine our educational priorities in terms of the range of courses the academy should or can offer at GCSE, AS and A-levels, in the light of latest legislation and the academy's reducing funding.
- To maximise existing and create new income streams, through the work of the fundraising committee.
- To continue to apply for Condition Improvement Funding for projects to improve the academy's facilities, particularly with regard to catering facilities and the fabric of the buildings.
- To apply for funding from the Wolfson Foundation for a library media centre. This funding is only available to schools rated outstanding by Ofsted.
- To maximise the contribution that IT can make to Teaching and Learning by continually updating the academy's IT infrastructure and deriving maximum benefit from the use of mobile devices (BYOD).
- To close the gap for vulnerable learners.
- To find strategies to improve on an outstanding school.

Auditor

In so far as the governors are aware:

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

A resolution proposing that Rawlinsons Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 20 November 2017 and signed on its behalf by:



Mr Kevin Palmer
Chair of Governors

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

The board of governors has delegated the day-to-day responsibility to the 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 The King's (The Cathedral) School, Peterborough and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

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

Governors	Meetings attended	Out of possible
Mr Darren Ayling (Accounting Officer)	6	6
The Reverend Canon Jonathan Baker	4	6
Mr Stephen Crane (Chair of Finance)	6	6
Mr Steven Grahl	4	6
Mr Timothy Hitch	5	6
Mrs Sarah Jackson	6	6
Mrs Barbara John	4	6
Mrs Susan Kudlinski	6	6
Cllr Diane Lamb (Resigned 12 September 2016)	0	0
Mrs Susan Lowe-Lauri	5	6
Mr Christopher Marsden (Resigned 30 January 2017)	3	3
Mr Kevin Palmer (Chair of Governors)	6	6
Mr Philip Rolfe (Responsible Officer)	4	6
Mrs Emma Stephens-Dunn	4	6
The Very Reverend Charles Taylor (Resigned 1 October 2016)	0	1
Mr Christopher Trotman	6	6
Mr Paul Cook	3	6
Mrs Alexandra Carton	4	6
Mr Simon Warsap (Appointed 5 October 2016)	3	5
Mrs Sharon Abbott (Appointed 1 September 2017)	0	0
Mr Martin Bloom (Appointed 17 January 2017)	3	3
Mr Andrew Boulton (Appointed 10 February 2017)	3	3

There have been no key changes in the composition of the Governing Body, other than the changes noted above, or any particular challenges that arisen during the year.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The finance committee is a sub-committee of the main board of governors. Its purpose is to advise the Board of Governors on all matters regarding finance and property.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr Darren Ayling (Accounting Officer)	7	7
Mr Stephen Crane (Chair of Finance)	7	7
Mrs Susan Kudlinski	5	7
Mr Christopher Marsden (Resigned 30 January 2017)	3	4
Mr Kevin Palmer (Chair of Governors)	5	7
Mr Philip Rolfe (Responsible Officer)	5	7
Mr Christopher Trotman	6	7

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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Both the Denominational Inspector and the team of Ofsted Inspectors rated the Academy during 2014 as 'Outstanding' in every category.
- The Academy has continued to set challenging targets for all curriculum areas and individual students, using National benchmarks and data as a guide. A comprehensive tracking process is in place to monitor the students' progress.
- We have improved our Pupil Premium provision by moving from 1:1 support to targeted mentor intervention. This is overseen the Deputy Headteacher (Pastoral) to monitor and evaluate outcomes against investment.
- The Learning Commission was further developed, providing a comprehensive programme involving staff and students who have researched new initiatives in teaching and learning, and developed a mentoring programme which was presented to the local Headteachers' conference.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

- The Board of Governors set a budget within its means, with expenditure a little below Government funding and other income available for the financial year.
- The Board of Governors Finance Committee has received monthly budget and cash reports. Investments have been reviewed on a regular basis with monies moved to gain maximum returns.
- Staffing levels were adjusted, as every year, to meet the needs of the curriculum for the current financial/academic year.
- The Academy has appointed a Responsible Officer, The external auditors were appointed to undertake a series of additional checks across a range of financial accounting procedures to support the role of the Responsible Officer. The findings from this work were reported via the Responsible Officer to the Board of Governors' Finance Committee and no major issues were required to be highlighted from this work.
- External auditors have recorded an unqualified audit opinion within these financial statements.
- The Academy endeavours to achieve value for money when purchasing equipment and services. It employs independent procurement services for items such as cleaning and fuel, and uses the Local Authority as broker for insurance.
- Tenders and estimates are sought for all purchases as follows:
 - Orders between £5,001 and £10,000.**
 - At least two written estimates or price-lists are obtained for all orders, to identify the best source of the goods/services.
 - Orders between £10,001 and £50,000**
 - At least three written estimates are obtained for all orders, to identify the best source of the goods/ services.
 - Orders between £50,001 and the OJEU Threshold**
 - At least three written quotations (preferably fixed price) are obtained using the Restricted Tender (or Negotiated Tender, where appropriate), process.
 - Orders over the OJEU Threshold**
 - Purchases over £164,176 (the threshold from January 2016) fall under EU procurement rulers, which require advertising in the Official Journal of the European Union.

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 The King's (The Cathedral) School, Peterborough for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Capacity to handle risk

The board of governors 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 governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

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 governors;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governors have appointed Mr Philip Rolfe, a trustee, as responsible officer (RO); and the governors have appointed Rawlinsons Chartered Accountants, the external auditor, to perform additional checks.

The auditor's/RO'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:

- Reviewing governor's expense claims
- Reviewing governor's interests
- Reviewing ESFA income and agreeing back to source documentation
- Sample checking miscellaneous income
- Review bank reconciliations
- Review petty cash
- Review bank balances

The auditor/RO reports to the board of governors through the finance committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors.

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 responsible officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

Approved by order of the board of governors on 20 November 2017 and signed on its behalf by:



Mr Darren Ayling
Accounting Officer



Mr Kevin Palmer
Chair of Governors

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of The King's (The Cathedral) School, Peterborough I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's board of governors 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 2016.

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 governors and ESFA.



Mr Darren Ayling
Accounting Officer

20 November 2017

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The governors (who act as trustees for The King's (The Cathedral) School, Peterborough and are also the directors of The King's (The Cathedral) School, Peterborough for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors 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 governors 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 2016 to 2017;
- 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 governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of governors on 20 November 2017 and signed on its behalf by:



Mr Kevin Palmer
Chair of Governors

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

Opinion

We have audited the accounts of The King's (The Cathedral) School, Peterborough for the year ended 31 August 2017 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 2016 to 2017 issued by the Education and 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 2017 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 2016 to 2017.

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 governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the governors 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 governors 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.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' 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 Governors' 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities, the governors 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 governors 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 governors 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 governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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.

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. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Rawlinsons Chartered Accountants

30.11.2017

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The King's (The Cathedral) School, Peterborough during the period 1 September 2016 to 31 August 2017 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 The King's (The Cathedral) School, Peterborough and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The King's (The Cathedral) School, Peterborough 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 The King's (The Cathedral) School, Peterborough and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The King's (The Cathedral) School, Peterborough's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The King's (The Cathedral) School, Peterborough's funding agreement with the Secretary of State for Education dated 30 December 2010 (as amended by the deed of variation dated 15 January 2013) and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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.

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr Mark Jackson FCA DChA
Reporting Accountant
Rawlinsons Chartered Accountants

Dated: 30.11.2017

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: Endowment General Fixed asset £ £		Funds £	Total 2017 £	Total 2016 £
Income and endowments from:							
Donations and capital grants	2	37,414	22,024	88,667	-	148,105	58,672
Charitable activities:							
- Funding for educational operations	3	452,692	5,975,555	-	-	6,428,247	6,523,438
Other trading activities	4	499,787	-	-	-	499,787	518,446
Investments	5	14,015	-	-	-	14,015	16,719
Total income and endowments		<u>1,003,908</u>	<u>5,997,579</u>	<u>88,667</u>	<u>-</u>	<u>7,090,154</u>	<u>7,117,275</u>
Expenditure on:							
Raising funds	6	55,253	-	-	-	55,253	56,475
Charitable activities:							
- Educational operations	7	1,016,943	6,258,873	474,028	-	7,749,844	7,005,040
Total expenditure	6	<u>1,072,196</u>	<u>6,258,873</u>	<u>474,028</u>	<u>-</u>	<u>7,805,097</u>	<u>7,061,515</u>
Gains on endowment investments		12,656	-	-	-	12,656	12,481
Net income/ (expenditure)		(55,632)	(261,294)	(385,361)	-	(702,287)	68,241
Other recognised gains and losses							
Actuarial gains/(losses) on defined benefit pension schemes	21	-	1,689,000	-	-	1,689,000	(1,134,000)
Net movement in funds		(55,632)	1,427,706	(385,361)	-	986,713	(1,065,759)
Reconciliation of funds							
Total funds brought forward		1,616,956	(2,166,110)	18,990,658	21,418	18,462,922	19,528,681
Total funds carried forward		<u>1,561,324</u>	<u>(738,404)</u>	<u>18,605,297</u>	<u>21,418</u>	<u>19,449,635</u>	<u>18,462,922</u>

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

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

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information		Unrestricted	Restricted funds: Endowment		Total	
Year ended 31 August 2016		Funds	General	Fixed asset	Funds	2016
Notes		£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	33,115	-	25,557	-	58,672
Charitable activities:						
- Funding for educational operations	3	460,054	6,063,384	-	-	6,523,438
Other trading activities	4	518,446	-	-	-	518,446
Investments	5	16,719	-	-	-	16,719
Total income and endowments		1,028,334	6,063,384	25,557	-	7,117,275
Expenditure on:						
Raising funds	6	56,475	-	-	-	56,475
Charitable activities:						
- Educational operations	7	825,192	5,833,865	345,983	-	7,005,040
Total expenditure	6	881,667	5,833,865	345,983	-	7,061,515
Gains on endowment investments		12,481	-	-	-	12,481
Net income/(expenditure)		159,148	229,519	(320,426)	-	68,241
Transfers between funds		(35,684)	23,295	12,389	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	21	-	(1,134,000)	-	-	(1,134,000)
Net movement in funds		123,464	(881,186)	(308,037)	-	(1,065,759)
Reconciliation of funds						
Total funds brought forward		1,493,492	(1,284,924)	19,298,695	21,418	19,528,681
Total funds carried forward		1,616,956	(2,166,110)	18,990,658	21,418	18,462,922

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	12	18,605,297		18,990,658	
Investments	13	205,050		142,394	
			18,810,347		19,133,052
Current assets					
Stocks	15	42,808		43,339	
Debtors	16	144,973		119,901	
Cash at bank and in hand		2,397,826		2,267,366	
		2,585,607		2,430,606	
Current liabilities					
Creditors: amounts falling due within one year	17	(617,319)		(338,736)	
Net current assets			1,968,288		2,091,870
Net assets excluding pension liability			20,778,635		21,224,922
Defined benefit pension liability	21	(1,329,000)		(2,762,000)	
Net assets			19,449,635		18,462,922
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds		18,605,297		18,990,658	
- General funds		590,596		595,890	
- Pension reserve		(1,329,000)		(2,762,000)	
- Endowment funds		21,418		21,418	
Total restricted funds		17,888,311		16,845,966	
Unrestricted income funds	19	1,561,324		1,616,956	
Total funds		19,449,635		18,462,922	

The accounts were approved by order of the board of governors and authorised for issue on 20 November 2017.



Mr Kevin Palmer
Chair of Governors

Company Number 07464058

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

BALANCE SHEET ACADEMY ONLY

AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	12	18,605,297		18,990,658	
Investments	13	205,052		142,396	
			<u>18,810,349</u>		<u>19,133,054</u>
Current assets					
Debtors	16	171,647		142,754	
Cash at bank and in hand		2,360,448		2,245,121	
			<u>2,532,095</u>		<u>2,387,875</u>
Current liabilities					
Creditors: amounts falling due within one year	17	(599,322)		(330,839)	
Net current assets			<u>1,932,773</u>		<u>2,057,036</u>
Net assets excluding pension liability			20,743,122		21,190,090
Defined benefit pension liability	21	(1,329,000)		(2,762,000)	
Net assets			<u>19,414,122</u>		<u>18,428,090</u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds		18,605,297		18,990,658	
- General funds		590,596		595,890	
- Pension reserve		(1,329,000)		(2,762,000)	
- Endowment funds		21,418		21,418	
Total restricted funds			<u>17,888,311</u>		<u>16,845,966</u>
Unrestricted income funds	19		<u>1,525,811</u>		<u>1,582,124</u>
Total funds			<u>19,414,122</u>		<u>18,428,090</u>

The accounts were approved by order of the board of governors and authorised for issue on 20 November 2017.



Mr Kevin Palmer
Chair of Governors

Company Number 07464058

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22		97,780		480,510
Cash flows from investing activities					
Dividends, interest and rents from investments		14,015		16,719	
Capital grants from DfE and ESFA		88,667		25,557	
Payments to acquire tangible fixed assets		(13,085)		(37,946)	
Payments to acquire investments		(50,000)		-	
			39,597		4,330
Cash flows from financing activities					
Finance costs		(6,917)		(7,202)	
			(6,917)		(7,202)
Change in cash and cash equivalents in the reporting period					
			130,460		477,638
Cash and cash equivalents at 1 September 2016			2,267,366		1,789,728
Cash and cash equivalents at 31 August 2017			<u>2,397,826</u>		<u>2,267,366</u>

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The King's (The Cathedral) School, Peterborough meets the definition of a public benefit entity under FRS 102.

The financial accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The governors 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 governors have made 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.

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 receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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.

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.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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.

Governance costs

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

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Buildings	2% p.a. straight line
Fixtures, fittings & equipment	33% / 20% straight line

Property introduced into the Academy Trust from the previous Voluntary Aided school has been transferred in at insurance value.

Furniture and equipment transferred into the Academy Trust from the previous Voluntary Aided school has been introduced into these accounts at a value equivalent to its estimated depreciated cost.

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

1.6 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.

1.7 Leasing and hire purchase commitments

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

1.8 Investments

Fixed asset investments are stated at market value.

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.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 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.

1.12 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 prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.13 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 governors.

Designated funds are where the Governors have ring fenced unrestricted income for specific projects.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Academy Trust.

1.14 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.

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	88,667	88,667	25,557
Other donations	37,414	22,024	59,438	33,115
	<u>37,414</u>	<u>110,691</u>	<u>148,105</u>	<u>58,672</u>

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,595,161	5,595,161	5,624,586
Other DfE / ESFA grants	-	151,477	151,477	129,622
	-	5,746,638	5,746,638	5,754,208
Other government grants				
Local authority grants	-	138,540	138,540	233,983
Special educational projects	-	-	-	19,939
	-	138,540	138,540	253,922
Other funds				
Other incoming resources	452,692	90,377	543,069	515,308
Total funding	452,692	5,975,555	6,428,247	6,523,438

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	5,174	-	5,174	14,475
Catering income	410,891	-	410,891	403,714
Income from trading subsidiary	82,228	-	82,228	78,923
Other income	1,494	-	1,494	21,334
	499,787	-	499,787	518,446

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	9,089	-	9,089	11,835
Other investment income	4,926	-	4,926	4,884
	14,015	-	14,015	16,719

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	55,253	55,253	56,475
Academy's educational operations					
- Direct costs	4,231,627	-	929,513	5,161,140	4,962,026
- Allocated support costs	948,887	1,089,498	550,319	2,588,704	2,043,014
	<u>5,180,514</u>	<u>1,089,498</u>	<u>1,535,085</u>	<u>7,805,097</u>	<u>7,061,515</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	12,500	12,500
- Other services	725	1,250
Operating lease rentals	29,772	34,098
Depreciation of tangible fixed assets	398,446	345,983
Bank interest payable	6,917	7,202
Net interest on defined benefit pension liability	57,000	56,000

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	425,341	4,735,799	5,161,140	4,962,026
Support costs - educational operations	591,602	1,997,102	2,588,704	2,043,014
	<u>1,016,943</u>	<u>6,732,901</u>	<u>7,749,844</u>	<u>7,005,040</u>

Analysis of costs

	2017 £	2016 £
Direct costs		
Teaching and educational support staff costs	4,202,140	4,110,009
Staff development	29,487	22,654
Technology costs	60,045	62,320
Educational supplies and services	244,341	196,919
Examination fees	178,800	152,925
Other direct costs	446,327	417,199
	<u>5,161,140</u>	<u>4,962,026</u>

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7	Charitable activities	(Continued)	
	Support costs		
	Support staff costs	948,887	784,439
	Depreciation and amortisation	398,446	345,983
	Recruitment and support	11,197	42,964
	Maintenance of premises and equipment	452,195	129,631
	Rent and rates	238,857	244,059
	Security and transport	25,273	25,903
	Catering	249,459	224,025
	Finance costs	63,917	63,202
	Other support costs	177,388	160,166
	Governance costs	23,085	22,642
		2,588,704	2,043,014
		2,588,704	2,043,014
8	Governance costs		
		Unrestricted	Restricted
		funds	funds
		£	£
	Amounts included in support costs		
	Legal and professional fees	4,782	5,078
	Auditor's remuneration		
	- Audit of financial statements	-	12,500
	- Other audit costs	-	725
	Governors' reimbursed expenses	-	-
		4,782	18,303
		4,782	18,303
9	Staff costs		
		2017	2016
		£	£
	Wages and salaries	3,838,923	3,783,282
	Social security costs	366,746	311,012
	Operating costs of defined benefit pension schemes	874,407	751,674
	Apprenticeship levy	1,896	-
	Staff costs	5,081,972	4,845,968
	Supply staff costs	44,057	11,313
	Staff development and other staff costs	54,485	59,821
	Total staff expenditure	5,180,514	4,917,102
		5,180,514	4,917,102

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

(Continued)

Staff numbers

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

	2017 Number	2016 Number
Teachers	65	65
Administration and support	47	49
Management	2	2
	<u>114</u>	<u>116</u>

Higher paid staff

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

	2017 Number	2016 Number
£80,001 - £90,000	2	1
£100,001 - £110,000	1	1
	<u>3</u>	<u>2</u>

Key management personnel

The key management personnel of the academy trust comprise 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 £552,350 (2016: £344,457). The increase in the total employee benefits reflects the increase in the number of senior management team members as detailed on page 4 of the financial statements.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors.

The value of governors' remuneration and other benefits was as follows:

Mr D Ayling (headteacher and governor)

Remuneration £100,000 - £110,000 (2016: £100,000 - £110,000)

Employer's pension contributions £15,000 - £20,000 (2016: £15,000 - £20,000)

Mr J Stubbs (staff governor) - resigned 22 July 2016

Remuneration £nil (2016: £40,000 - £45,000)

Employer's pension contributions £nil (2016: £5,000 - £10,000)

Mrs S Kudlinski (staff governor)

Remuneration £20,000 - £25,000 (2016: £20,000 - £25,000)

Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

Mr S Warsap (staff governor) - Appointed 5 October 2016

Remuneration £30,000 - £35,000 (2016: £nil)

Employer's pension contributions £5,000 - £10,000 (2016: £nil)

During the year ended 31 August 2017, travel and subsistence expenses totalling £nil (2016: £nil) were reimbursed to 0 Governors (2016 - 0) in respect of their staff responsibilities.

Governors did not receive any remuneration or expenses in respect of their role as Governor.

In addition to the above the school employed 6 members of staff (2016: 3) during the year who are related to the Governors. The total remuneration paid was £148,867 (2016: £49,269).

11 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2017 was £685 (2016 - £664).

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets Group and Charity

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 September 2016	20,340,098	520,986	20,861,084
Additions	-	13,085	13,085
At 31 August 2017	20,340,098	534,071	20,874,169
Depreciation			
At 1 September 2016	1,483,895	386,531	1,870,426
Charge for the year	316,497	81,949	398,446
At 31 August 2017	1,800,392	468,480	2,268,872
Net book value			
At 31 August 2017	18,539,706	65,591	18,605,297
At 31 August 2016	18,856,203	134,455	18,990,658

The Academy owns the freehold of the property noted above. The property introduced into the Academy Trust from the previous Voluntary Aided School has been transferred in at insurance value, and retained at that value.

13 Fixed asset investments Group

	Listed investments	Investment in subsidiary undertaking	Total
	£	£	£
Market value			
At 1 September 2016	142,394	-	142,394
Acquisitions at cost	50,000	-	50,000
Change in value in the year	12,656	-	12,656
At 31 August 2017	205,050	-	205,050

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Fixed asset investments (Continued)

Charity	Listed investments £	Investment in subsidiary undertaking £	Total £
Market value			
At 1 September 2016	142,394	2	142,396
Disposals at opening book value	-	-	-
Acquisitions at cost	50,000	-	50,000
Change in value in the year	12,656	-	12,656
At 31 August 2017	<u>205,050</u>	<u>2</u>	<u>205,052</u>

All investments held were donated to the Academy.

Schola Regia Trading Limited is a wholly owned subsidiary of The King's (The Cathedral) School, Peterborough, and is incorporated in England and Wales. Schola Regia Trading Limited is the school shop which sells uniform and stationery to pupils of the Academy. The Charity owns the entire issued share capital of 2 ordinary shares at £1 each.

14 Financial instruments

	2017 £ Group	2017 £ Charity	2016 £ Group	2016 £ Charity
Carrying amount of financial assets				
Trade debtors	2,933	2,933	4,767	4,767
Bank and cash	2,397,826	2,360,448	2,267,366	2,245,121
VAT recoverable	39,720	41,993	13,458	15,212
	<u>2,440,479</u>	<u>2,405,374</u>	<u>2,285,591</u>	<u>2,265,100</u>
Carrying amount of financial liabilities				
Trade payables	94,939	81,552	55,355	50,038
Other taxes and social security	173,982	173,982	90,954	90,954
Other creditors	8,436	8,436	4,079	4,079
Accruals and deferred income	339,962	335,352	188,348	185,768
	<u>617,319</u>	<u>599,322</u>	<u>338,736</u>	<u>330,839</u>

15 Stocks

	2017 £ Group	2017 £ Charity	2016 £ Group	2016 £ Charity
School uniform	42,808	-	43,339	-

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Debtors	2017	2017	2016	2016
	£	£	£	£
	Group	Charity	Group	Charity
Trade debtors	2,933	2,933	4,767	4,767
Amounts owed by group undertakings	-	25,229	-	21,924
VAT recoverable	39,720	41,993	13,458	15,212
Prepayments and accrued income	102,320	101,492	101,676	100,851
	<u>144,973</u>	<u>171,647</u>	<u>119,901</u>	<u>142,754</u>
17 Creditors: amounts falling due within one year				
	2017	2017	2016	2016
	£	£	£	£
	Group	Charity	Group	Charity
Trade creditors	94,939	81,552	55,355	50,038
Taxes and social security costs	173,982	173,982	90,954	90,954
Other creditors	8,436	8,436	4,079	4,079
Accruals	171,441	166,831	55,842	53,262
Deferred income	168,521	168,521	132,506	132,506
	<u>617,319</u>	<u>599,322</u>	<u>338,736</u>	<u>330,839</u>
18 Deferred income			2017	2016
			£	£
Deferred income is included within:				
Creditors due within one year			<u>168,521</u>	<u>132,506</u>
Deferred income at 1 September 2016			132,506	137,972
Released from previous years			(132,506)	(137,972)
Amounts deferred in the year			<u>168,521</u>	<u>132,506</u>
Deferred income at 31 August 2017			<u>168,521</u>	<u>132,506</u>

Deferred income relates to trip and grant income which was received in advance.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	485,246	5,595,161	(5,551,064)	-	529,343
Other DfE / ESFA grants	-	151,477	(151,477)	-	-
Other government grants	65,831	138,540	(202,277)	-	2,094
Other restricted funds	44,813	112,401	(98,055)	-	59,159
	<u>595,890</u>	<u>5,997,579</u>	<u>(6,002,873)</u>	<u>-</u>	<u>590,596</u>
Funds excluding pensions					
Pension reserve	(2,762,000)	-	(256,000)	1,689,000	(1,329,000)
	<u>(2,166,110)</u>	<u>5,997,579</u>	<u>(6,258,873)</u>	<u>1,689,000</u>	<u>(738,404)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	18,990,658	88,667	(474,028)	-	18,605,297
	<u>18,990,658</u>	<u>88,667</u>	<u>(474,028)</u>	<u>-</u>	<u>18,605,297</u>
Restricted endowment fund	21,418	-	-	-	21,418
	<u>21,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,418</u>
Total restricted funds	<u>16,845,966</u>	<u>6,086,246</u>	<u>(6,732,901)</u>	<u>1,689,000</u>	<u>17,888,311</u>
Unrestricted funds					
General funds	1,616,956	1,003,908	(1,072,196)	12,656	1,561,324
	<u>1,616,956</u>	<u>1,003,908</u>	<u>(1,072,196)</u>	<u>12,656</u>	<u>1,561,324</u>
Total funds	<u>18,462,922</u>	<u>7,090,154</u>	<u>(7,805,097)</u>	<u>1,701,656</u>	<u>19,449,635</u>
General unrestricted funds include the following designated funds:					
Capital development fund	766,959	4,628	(15,544)	-	756,043
Property maintenance fund	225,291	12,656	(16,947)	300,000	521,000
Other designated	161,941	587,000	(673,496)	-	75,445
Balance of general funds	427,933	317,397	(284,663)	(287,344)	173,323
	<u>1,582,124</u>	<u>921,681</u>	<u>(990,650)</u>	<u>12,656</u>	<u>1,525,811</u>
Charity total					
Schola Regia Trading Limited	34,832	82,227	(81,546)	-	35,513
	<u>34,832</u>	<u>82,227</u>	<u>(81,546)</u>	<u>-</u>	<u>35,513</u>
	<u>1,616,956</u>	<u>1,003,908</u>	<u>(1,072,196)</u>	<u>12,656</u>	<u>1,561,324</u>
Group total					

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Funds

(Continued)

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

The transfers represent expenditure out of the specific capital funds on relevant expenditure.

The restricted grant income in the year all relates to the provision of education for the children 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 2017. Other restricted funds relate to the prize funds which represents donations to fund annual prizes presented to pupils.

The property maintenance fund will be used to fund major maintenance projects that cannot be funded out of general income.

The capital development fund has been set aside to fund major capital improvements to the school's premises.

Other designated funds represent other general donations and long term balances within the trips, clubs and activities of the school.

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	163,850	5,624,586	(5,334,835)	31,645	485,246
Other DfE / ESFA grants	-	129,622	(129,622)	-	-
Other government grants	-	253,922	(179,741)	(8,350)	65,831
Other restricted funds	43,226	55,254	(53,667)	-	44,813
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Funds excluding pensions	207,076	6,063,384	(5,697,865)	23,295	595,890
Pension reserve	(1,492,000)	-	(136,000)	(1,134,000)	(2,762,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(1,284,924)	6,063,384	(5,833,865)	(1,110,705)	(2,166,110)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds					
DfE / ESFA capital grants	19,298,695	25,557	(345,983)	12,389	18,990,658
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted endowment fund	21,418	-	-	-	21,418
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	18,035,189	6,088,941	(6,179,848)	(1,098,316)	16,845,966
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds					
General funds	1,493,492	1,028,334	(881,667)	(23,203)	1,616,956
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	19,528,681	7,117,275	(7,061,515)	(1,121,519)	18,462,922
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Endowment Funds £	Total 2017 £
Fund balances at 31 August 2017 are represented by:					
Tangible fixed assets	-	-	18,605,297	-	18,605,297
Fixed asset investments	183,632	-	-	21,418	205,050
Current assets	1,509,165	1,076,442	-	-	2,585,607
Creditors falling due within one year	(131,473)	(485,846)	-	-	(617,319)
Defined benefit pension liability	-	(1,329,000)	-	-	(1,329,000)
	1,561,324	(738,404)	18,605,297	21,418	19,449,635
	1,561,324	(738,404)	18,605,297	21,418	19,449,635

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Endowment Funds £	Total 2016 £
Fund balances at 31 August 2016 are represented by:					
Tangible fixed assets	-	-	18,990,658	-	18,990,658
Fixed asset investments	120,976	-	-	21,418	142,394
Current assets	1,683,470	747,136	-	-	2,430,606
Creditors falling due within one year	(187,490)	(151,246)	-	-	(338,736)
Defined benefit pension liability	-	(2,762,000)	-	-	(2,762,000)
	1,616,956	(2,166,110)	18,990,658	21,418	18,462,922
	1,616,956	(2,166,110)	18,990,658	21,418	18,462,922

21 Pensions 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 Cambridgeshire County 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.

Contributions amounting to £83,127 (2016: £nil) were payable to the schemes at 31 August 2017 and are included within creditors.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

21 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £713,103 (2016 - £707,166).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22% for employers and 5.5-6.8% for employees. The estimated value of employer contributions for the forthcoming year is £218,000.

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

21 Pensions and similar obligations

(Continued)

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	2017 £	2016 £
Employer's contributions	228,000	224,000
Employees' contributions	60,000	59,000
Total contributions	288,000	283,000

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.7	4.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.0

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

	2017 Years	2016 Years
Retiring today		
- Males	22.4	22.5
- Females	24.4	24.5
Retiring in 20 years		
- Males	24.0	24.4
- Females	26.3	26.9

Sensitivity analysis	2017 £	2016 £
0.5% decrease in Real Discount Rate	641,000	789,000
0.5% decrease in Salary Increase Rate	116,000	302,000
0.5% decrease in Pension Increase Rate	514,000	458,000

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

21 Pensions and similar obligations	(Continued)	
The academy trust's share of the assets in the scheme	2017	2016
	Fair value	Fair value
	£	£
Equities	3,177,000	2,674,000
Bonds	536,000	534,000
Property	289,000	249,000
Other assets	124,000	106,000
	<u>4,126,000</u>	<u>3,563,000</u>
Total market value of assets	4,126,000	3,563,000
	<u>323,000</u>	<u>563,000</u>
Actual return on scheme assets - gain/(loss)	323,000	563,000
	<u>323,000</u>	<u>563,000</u>
Amounts recognised in the statement of financial activities	2017	2016
	£	£
Current service cost	427,000	304,000
Interest income	(74,000)	(107,000)
Interest cost	131,000	163,000
	<u>484,000</u>	<u>360,000</u>
Total operating charge	484,000	360,000
	<u>484,000</u>	<u>360,000</u>
Changes in the present value of defined benefit obligations	2017	2016
	£	£
Obligations at 1 September 2016	6,325,000	4,255,000
Current service cost	427,000	304,000
Interest cost	131,000	163,000
Employee contributions	60,000	59,000
Actuarial (gain)/loss	(1,440,000)	1,590,000
Benefits paid	(48,000)	(46,000)
	<u>5,455,000</u>	<u>6,325,000</u>
At 31 August 2017	5,455,000	6,325,000
	<u>5,455,000</u>	<u>6,325,000</u>

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

21 Pensions and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2017 £	2016 £
Assets at 1 September 2016	3,563,000	2,763,000
Interest income	74,000	107,000
Actuarial gain	249,000	456,000
Employer contributions	228,000	224,000
Employee contributions	60,000	59,000
Benefits paid	(48,000)	(46,000)
	<hr/>	<hr/>
At 31 August 2017	4,126,000	3,563,000
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22 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2017 £	2016 £
Net (expenditure)/income for the reporting period	(714,943)	55,760
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(88,667)	(25,557)
Investment income receivable	(14,015)	(16,719)
Finance costs payable	6,917	7,202
Defined benefit pension costs less contributions payable	199,000	80,000
Defined benefit pension net finance cost	57,000	56,000
Depreciation of tangible fixed assets	398,446	345,983
Decrease/(increase) in stocks	531	(2,556)
(Increase) in debtors	(25,072)	(29,219)
Increase in creditors	278,583	9,616
	<hr/>	<hr/>
Net cash provided by operating activities	97,780	480,510
	<hr/> <hr/>	<hr/> <hr/>

23 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	30,315	29,556
Amounts due in two and five years	44,164	29,267
	<hr/>	<hr/>
	74,479	58,823
	<hr/> <hr/>	<hr/> <hr/>

THE KING'S (THE CATHEDRAL) SCHOOL, PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of governors 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.

During the year the Academy received £33,942 (2016 - £33,902) from The Chapter of Peterborough Cathedral. As referred to in the Governors' Report, ten of the Governors are appointed by The Dean and Chapter of Peterborough Cathedral and one by the Diocese of Peterborough. There was no amount outstanding at the year end.

Some of the Governors have children who are pupils at the Academy, consequently there will be transactions between those Governors and the Academy in respect of their children's education. These are on the same basis as other pupils at the Academy.

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.