

President Kennedy School
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the period
5 September 2013 to 31 August 2014

President Kennedy School

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr P Crisp* ** (Chair of the Governing Body) Mrs H Bilkhu ** (until 30 September 2014) Ms C Issaad**
Governors	Mrs K Basra** (until 11 March 2014) Mr A Chauhan Mr W Copeland* ** (from 12 May 2014) Father K Dunkley** Mr M Moseley* ** (Vice-Chair of the Governing Body) Mrs H Shaw** Mrs N Ghataore** (until 9 September 2014) Mr T Ledgard** Mr I Richardson* Mr G Rippon* Mr J Rose* Mr PJ Thomas* ** (Headteacher) Mrs C Vincent-Squibb* (support staff) (until 3 July 2014) Mr N Mort** (staff) (until 23 September 2014) Mr C Townsend* (staff) * members of the Finance and Resources Committee ** members of the Students, Standards and Community Committee Mrs H Goodwin (Clerk to the Governors)
Senior Management Team:	Mr PJ Thomas Headteacher Mr N Clayton Deputy Headteacher Mr S Toor Acting Deputy Headteacher Mr R Beattie Assistant Headteacher (Support & Guidance) Mrs J Bircher Assistant Headteacher (Teaching & Learning) Mr C Jupp Assistant Headteacher (Teaching & Learning) Miss E Kirby Assistant Headteacher (Teaching & Learning) Mr N Mort Assistant Headteacher (Post 16) Ms S Rooke Assistant Headteacher (T&L and Specialist Schools) Ms K von Rabenau Assistant Headteacher (Intervention/Attainment) Mrs N Rock Assistant Headteacher (Leader of English) Mrs Z Dhanani Assistant Headteacher (Leader of Mathematics)
Director of Finance	Mr M Baker
Principal and Registered Office	President Kennedy School, Rookery Lane Coventry CV6 4GL

President Kennedy School

REFERENCE AND ADMINISTRATIVE DETAILS

Company Registration Number	8678162 (England and Wales)
Independent Auditor	Baker Tilly UK Audit LLP St Philips Point Temple Row Birmingham West Midlands B2 5AF
Bankers	Lloyds Bank plc 30 High Street Coventry CV1 5RA
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

President Kennedy School

GOVERNORS' REPORT

The Governors present their first annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2014.

The trust operates an Academy Trust for pupils aged 11 to 19 serving a catchment area in north west Coventry. It has a capacity of 1,665 and a roll of 1,310 in the school census on 6th November 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust known as President Kennedy School 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 act as Governors for charitable activities of President Kennedy School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as President Kennedy School an Academy Trust.

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

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' indemnities

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Directors and Officers from claims arising from negligent actions, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 for any single claim.

Method of recruitment and appointment or election of Governors

The members and Governors are responsible for:

- The strategic management of the Academy Trust
- Agreeing the School Development Plan and monitoring school standards
- Setting and agreeing school policy
- Reviewing the Academy Trust's major risks and ensuring that these are managed within agreed limits
- Agreeing and monitoring the Academy Trust's budget and financial health
- Appointing the headteacher and holding him or her to account

The method of appointment and election of Governors is set out in the Academy Trust's Articles of Association.

The Governing Body have established procedures that enable regular reviews of mix of skills and experience that should be available to the board. New Governors with the appropriate skills and experience are sought either as replacements for Governors who retire from the board, or as additional Governors. The majority of Governors are drawn from the community served by the school and are often parents or carers of students who attend the school. Governors are recruited by advertising in the school newsletter, by direct approaches or where specific skills are sought via the SGOSS website.

President Kennedy School

GOVERNORS' REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Governors (continued)

In accordance with the Trust's Articles of Association Governors can be elected as follows:

Members can appoint up to 6 Governors.

The Members may appoint Staff Governors through such process as they may determine. The total number of Governors (including the Head Teacher) who are employees of the Academy Trust shall not exceed one third of the total number of Governors.

Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy Trust. A Parent Governor must be a parent of a pupil at the Academy Trust at the time when he is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy Trust. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy Trust.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy Trust is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy Trust; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Policies and procedures adopted for the induction and training of Governors

Induction and training provided for new Governors is adapted according to their skills and experience. All Governors have been issued with the 2014 Governors' Handbook (published by the Department of Education) and the Academies Financial Handbook (issued by the Education Funding Agency). Training opportunities are provided throughout the year and where appropriate will include education, charity, legal and financial training. All Governors have had training and updates from Baker Tilly and legal firms Eversheds and Stone King. Training needs and provision is assessed, addressed and co-ordinated by the clerk to Governors.

Organisational structure

The Board of Governors shall hold at least three meetings in every school year. The Board establishes an overall framework for the governance of the Academy Trust and agrees membership of Committees. It receives reports, and in particular policy documents, from its Committees for ratification. It monitors the activities of the Committees through the Minutes of their meetings. It also establishes the Terms of Reference and Procedures for its Committees.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The members and Governors are responsible for:

- The strategic management of the Academy Trust
- Agreeing the School Development Plan and monitoring school standards
- Setting and agreeing school policy
- Reviewing the Academy Trust's major risks and ensuring that these are managed within agreed limits
- Agreeing and monitoring the Academy Trust's budget and financial health
- Appointing the headteacher and holding him or her to account

The Finance and Resources Committee shall meet at least three times in every school year but may meet more frequently as required and oversees the financial wellbeing of the school, compliance with financial regulations including the Academies Financial Handbook and Funding Agreement, sets and monitors the school's budget, agrees financial policy and material items of expenditure, oversees the Academy Trust's risk management and ensures the efficient and effective deployment of resources.

The Students and Standards Committee shall meet at least three times in every school year but may meet more frequently as required and agrees the School Improvement Plan, oversees educational attainment, achievement and progress, the quality of teaching and learning, student well-being and the effective liaison between the school and parents and the community.

The head teacher is the appointed accounting officer of the Academy Trust and has the overall responsibility for the day to day financial management of the school. The head teacher has delegated responsibility to specific budget holders for expenditure within strictly controlled limits. These limits are monitored by the Academy Trust's Head of Financial Management and items of expenditure with a total BACS payment above £5,000 must be authorised by the Head teacher.

The head teacher manages the day to day running of the Academy Trust supported by a leadership team. The leadership team meets regularly to review the school's progress and consider issues, risks and trends which affect the school. The leadership team assist the head teacher to develop and implement school strategies. Individual members of the leadership team are allocated specific management responsibility by the head teacher.

Risk Management

The Governors are responsible for the management of risks to which the Academy Trust is exposed. The Academy Trust has formulated its own Risk Policy and put in place sound systems of internal governance and control.

The controls used by the Academy Trust include:

- Formal agendas for Governors meetings
- Detailed terms of reference for all committees
- A clear School Development Plan identifying key strategic planning objectives and the resources required to achieve them
- Budget planning, monitoring and review
- Clear financial delegation levels
- Formal written policies reviewed on a regular basis
- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards
- Comprehensive planning and review of admissions processes.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk Management (continued)

Both the leadership team and the Governors have identified and assessed material financial, operational and strategic risks which, if unmanaged, could impact educational standards, the school's reputation and/or financial well-being. These are regularly monitored and updated.

A comprehensive list of these risks has been compiled within the Academy Trust's 'Risk Register'. Mitigating actions have been identified and policies have been put in place and are reviewed regularly. Risk factors which are beyond the Academy Trust's control such as a reduction in Government funding, are monitored and planned for.

A disclosure of the Academy Trust's material risks are made within the Strategic Report later in this document.

The Academy Trust recognises potential threats which could lead to business interruption and has created a Business Continuity Plan to ensure that its critical activities can be maintained within agreed recovery time objectives.

The Academy Trust has procured comprehensive insurance cover to ensure that if risks materialise the impact is limited within quantifiable limits.

The Board of Governors is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

OBJECTIVES AND ACTIVITIES

Objects and aims

The charitable objectives for which the Academy Trust was formed are set out in its Articles of Association:

The Academy Trust's object ("the Object") is specifically restricted to the following: to advance for the public benefit 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 offering a broad and balanced curriculum ("the Academy Trust").

Objectives, strategies and activities

President Kennedy School is focused on Building Brighter Futures for its students, its staff and its community. The school is proud of its 'no barriers' approach to education, ensuring children of all abilities and from all backgrounds are encouraged to set high goals and work hard to achieve them.

The school conducts itself according to a 'students first' ethos. This requires that all decisions and activities are geared to the needs and outcomes for students above all other stakeholders.

President Kennedy School works in a productive and challenging manner to provide a vibrant and engaging learning environment that ensures every student achieves his or her potential.

Our school endeavours to achieve its aims by encouraging:

- High academic attainment
- A caring environment where all individuals are equally valued
- A thirst for study and investigation
- Respect for the beliefs, opinions and needs of other people
- The ability to work independently and with others
- A sense of fairness and responsibility

President Kennedy School

GOVERNORS' REPORT (continued)

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

- Pride in oneself and our school
- An appreciation of art and culture
- Pursuit of a healthy lifestyle
- An awareness of issues that affect the world including the environment
- The professional development of our staff

Public benefit

In accordance with its charitable objectives, the primary purpose of President Kennedy School is to ensure that students who attend the school achieve the best possible educational outcomes and life chances beyond school. The students are therefore the beneficiaries of the school and benefits to students are provided by ensuring the highest standard of teaching and learning in school.

STRATEGIC REPORT

Achievements and Performance

Key Stage 4

Key Stage 4 results this year were very strong.

Measure	Target	Actual
5 GCSE A*-C (incl E&M)	65-75%	65%
5 GCSE A*-C	80-90%	73%
3 GCSE A*/A	40-50%	22%
% targeted students achieve the English Baccalaureate	100% (20% cohort)	93% (22% cohort)
5 GCSE A*-G	100%	96%
All subjects attain GCSE results that are at least in line with national norms		Achieved

Fischer Family Trust data released in July, and the Raise online figures used by Ofsted, suggest that President Kennedy School will be in the top 5% of schools nationally on value added data. Across Coventry, the school was one of only two schools to achieve significantly above the Fischer Family Trust benchmarks for the progress made by students and within the top five performing in terms of attainment.

Most subjects achieved 60% and above, showing consistent performance across the school. Last year the figures were nearer 50%. 61% of the cohort achieved 5A*-C in GCSEs only (this figure excludes vocational courses) which represents a 12% increase over last year. This indicates that standards are rising across a range of academic subjects and that there is sustainability going forward. English achieved its best ever set of results with 80% at A*-C. Students made exceptional progress in English with even our most vulnerable OB2L students outperforming the overall national average. Maths achieved 70% A*-C (a small drop from last year) but still exceeded the national average in terms of progress and attainment. Science results have seen an improvement in both the numbers achieving good passes in single science and those taking two or more sciences, with boys, pupil premium and higher ability students in particular performing particularly better last year. President Kennedy School's results by our high attaining students in the separate sciences were strong and this year 22% of our students achieved the 5A*-C EBAC measure (English, Maths, Double/Triple Science, History/Geography and Spanish) was an increase of 8%.

President Kennedy School

GOVERNORS' REPORT (continued)

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Key Stage 4 (continued)

The gap in performance of pupil premium and non-pupil premium students has remained well below national averages both in attainment and progress. The gap at the 5EM threshold was 15%, a slight increase from last year but significantly less than national.

The achievement of 5A*-C (including English & Maths) is critical for students. It means that these students have far more opportunities open to them, and particularly the ability to progress to Level 3 courses, either at the school or in FE colleges, especially as the bar for entry requirements to level 3 courses continues to rise.

73% of our students achieved 5A*-C and 96% a minimum of 5A*-G. These figures are not directly comparable to previous years due to the changed currencies of vocational qualifications. Both these figures are above the city average with 5A*-C figures being the fourth highest. The school does a great deal of work with students to enable them to achieve qualifications and the work of our Student Support Centre, learning mentors, subject teachers and college teams is crucial in this area.

22% of students attained 3A*/A. Although this seems a significant drop from last year's 64%, again the change in the way vocational courses are counted means that these two figures are not directly comparable. 12% of students attained 5A*/A which put us in the top five schools in the city. This is a threshold that we will want to improve upon.

The 5A*-C (E&M) result was significantly above the target figure for schools wishing to demonstrate they are in the top 25% for the progress made by their students. It reflects our "can do" philosophy that comes from continued success that leads both students and colleagues to push themselves that bit harder.

Key Stage 5

Measure	Target	Actual
AS passes	90%	88%
AS A/B	35%	36%
A2 passes	100%	98%
A2 A*/B	55%	54%

At A2 students achieved a 98% pass rate and 37% of the students achieved A* - B grades. Both these figures represent a drop from last year by 1% and 4% respectively. At the A* - B measure President Kennedy School is 3% below the city average based on provisional data. The number of higher grades needs to improve and be in line with national averages. Changes introduced in September 2013 encapsulating a new leadership structure in Post 16 and a targeted whole school Action Plan are beginning to have an impact as is the focus on T&L at Post 16 in DOPs (Developing Outstanding Practice) working groups. Improvements should be seen in 2015.

However, whole cohort statistics do not reflect in total the performance at Level 3 Post 16.

This should be seen in the performance of individual students, subjects and the life opportunities performance provides. The number of students who achieved positive destinations, whether it be Russell Group Universities (13%) (+4%), other university degree or HND courses (83.3%) (-1.3%) or modern apprenticeships (8.3%) (+1.8%). 83.3% of students went on to Higher Education. The outstanding advice and guidance provided to the students in Post 16 resulted in 75% of students who applied to HE being accepted onto their first choice course. This is above the national figure for all acceptances provided by UCAS in 2013 of 73.3%. These figures also represent a larger cohort of 84 who left this year. This was an increase of 7 students from 2013.

President Kennedy School

GOVERNORS' REPORT (continued)

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Key Stage 5 (continued)

A significant development this year is the number and range of students who are accessing Russell Group and leading universities. President Kennedy students have gone on to study at Birmingham, Leicester, Sheffield and Warwick. These courses range from Medicine, History and Maths to Geography and English Literature. Some students have made positive decisions not to go to Russell Group universities.

At AS, performance improved significantly this year with almost 10% increase in the A-E pass rate to 88%. This figure is above the city average and broadly in line with the national average figure. The A*-B pass rate also improved considerably to 36% which places the school second highest in the city. The school has worked extremely hard to address the issues at AS Level and these are indeed key OFSTED improvement targets. Post 16 has a new vocational offer that better suits the needs of the learners and recruitment onto these courses has been very successful. Plans are in place and work is underway to ensure Post 16 improves and becomes outstanding.

Narrowing the Attainment Gap Using Pupil Premium

The Pupil Premium is allocated to schools based upon the number of low-income families who are currently known to be eligible for FSM at any point in the last 6 years as well as students who have been looked after continuously for more than six months.

For the forthcoming academic year Governors allocated almost 90% of the budget to focus upon high quality learning in English and Maths at Key Stage 4 as well as in improving the basic literacy and numeracy of the students in The Bridge (Year 7) and The Gateway (Year 8). By focusing on the basic skills the aim is to improve the life chances of President Kennedy School students and ensure their success at each stage of their education.

In 2013-2014 Governors targeted the Pupil Premium in such a way that students entitled to free school meals performed close to the overall percentage of all students nationally. In the measure of 5A*-C (including English and Maths) 56% of FSM students achieved the threshold compared to the school cohort performance of 65% and the non-Pupil Premium students of 71%.

A large proportion of students join President Kennedy School with attainment that is below average. Despite this, students performance in GCSE examinations at the end of Year 11 in 2014 achieved results that were well above the national average. Student progress between year 7 and year 11 has been consistently in the top 1 or 2% of all state funded, non selective schools in the past three years.

Financial review

Most of the Trust's income is obtained from the Education Funding Agency ("EFA") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

Unrestricted income comprises sports centre, other lettings and departmental sales.

Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme ("LPGS"), provided to support staff, to the restricted fund. This resulted in reducing the reserves in the restricted fund. It should be noted that this does not present the Trust with any current liquidity problems.

President Kennedy School

GOVERNORS' REPORT (continued)

STRATEGIC REPORT (continued)

Key Financial Performance Indicators

The key financial performance indicators monitored by the Leadership Team and Board on a regular basis are as follows:

- Employee costs as a percentage of income
- Quarterly management accounts versus budget
- Forecast management accounts up to period end versus budget
- GAG income versus expenditure

Financial and risk management objectives and policies

For the period ending 31st August 2014, the following significant financial risks have been identified and are being managed by the Governors:

Lagged Funding & rise in student numbers

Following the school's Ofsted inspection in July 2013, the school was judged 'outstanding' and has seen an unprecedented rise in demand for places. An extra 100 students have joined the school in year 7 in September 2014, and over the period other year groups have experienced rapid increase in numbers necessitating the provision of additional classes and associated cost of employing additional teaching staff. Schools receive funding per pupils one year in arrears, consequently additional staffing costs are not offset by an increase in funding leading to an in year cash deficit. It is expected that from next year, as funding for increased numbers of students materialises, the Academy Trust's cash position will improve.

Ongoing maintenance costs associated with school buildings

The school's buildings were built during the 1960s and are no longer fit for purpose. President Kennedy School is scheduled to be rebuilt under the Government's Priority Schools Building Programme (PSPB) in 2017. In the meantime, the Academy Trust must continue to divert funding to patch and repair work in order to ensure all buildings remain operational.

Local Government Pensions Scheme Deficit and Employer Contributions

Currently, the LGPS is in deficit (there are not sufficient assets to meet liabilities) therefore employers (and employees) are having to make increased contributions to support the deficit. LGPS actuaries revalue the fund and set required contributions every three years. The future assets and liabilities and employer contributions within the LGPS are uncertain and are not within the control of the Governors but assumptions relating to the impact of increased contributions are made and modelled within the Academy Trust's financial plans. *A full appraisal of the LGPS on the Academy Trust's financial position can be found in the notes to the Financial Statements at the end of this report.*

Uncertainty Over Future Government Funding

The Academy Trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets. Reserves are in place to ensure that the Trust is able to preserve cash flow despite this uncertainty.

Reserves policy

The Governors' policy is to generate reserves in order to fund future projects which will improve the educational experiences and outcomes for the students who attend President Kennedy School. The level and use of reserves are reviewed at least annually by the Finance and Resources Committee.

At 31st August 2014, the Academy Trust's reserves totalled £5,611,000.

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GOVERNORS' REPORT (continued)

STRATEGIC REPORT (continued)

Investment policy

The Governors' powers to invest cash reserves are set out in the Academy Trust's Memorandum and Articles of Association, which permit the investment of funds that are not immediately required for educational purposes subject to any restrictions which may from time to time be imposed by law.

Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Governors' management of cashflow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FSA Approved List included in the Financial Services Compensation Scheme (FSCS).

The Trust's current policy is to invest in low risk, short term cash deposits. Cash Reserves are currently deposited within Lloyds Bank plc.

Key performance indicators

The Academy Trust utilises a number of performance metrics to set strategic targets and monitor its performance. Performance is measured against agreed targets or limits and comparable 'benchmarking' data is used to compare performance with other, similar schools. The main headline KPIs include:

Ofsted Judgement across all 4 categories.

GCSE Results: % of students attaining

- 5 A*-C, including English and Maths
- A*-C English
- A*-C Maths
- 5 A*-C
- 5 A*-G
- 1 A*-G

A level results. % students attaining:

- AS A*-B
- AS A*-E
- A2 A*-B
- A2 A*-E

Progress Measures: % of students making more than the expected level of progress in English and Maths between year 7 and Year 11 (GCSE results)

Best 8 Value Added: Illustrates the extent to which the Academy Trust delivers academic progress between year 7 and year 11 (GCSE) given the context of its students, disadvantaged pupil and all pupils, relative to other state funded schools

Pupil attendance data relative to city and national average.

STRATEGIC REPORT (continued)

Plans for Future Periods

Strategic Intent: Raising Standards in areas of social and economic deprivation and/or educational underachievement

**School Development Plan: 2014-2016
Building Brighter Futures**

“This is an outstanding learning and values based community. All students can articulate and demonstrate their learning and thereby demonstrate a deeper understanding of the learning process. They make outstanding progress and continually strive for excellence. They are proud of their school and confident in their own abilities to make a positive difference for themselves and for others. This is because the teaching is outstanding, the curriculum is innovative and closely matched to the needs of students and the rich menu of enrichment activities, particularly in performance, develops their confidence and purpose in life. All students demonstrate rapid progress from their starting points in the key skills of literacy and numeracy as well as in reasoning and thinking, speaking and listening and digital skills. Students are aspirational; they know precisely what they need to do and are determined to succeed. They develop as well-rounded people who are able to make a positive contribution as global citizens. They are reflective about their personal conduct and respectful towards others. All students are very committed and involved in their school community. This they demonstrate by their enthusiastic leadership to improve the school and the wider community through a broad range of activities.”

Achieved by

- Improving upon our OFSTED rating of Outstanding by becoming Exceptional
- Students are making outstanding progress at Key Stage 4 that places the school consistently in the top 2% in the country
- Students make progress in Post 16 that is outstanding by September 2015
- Students are confident, well rounded and have a clear and strong purpose in life
- Teaching and Leadership are outstanding and sustainable
- Ensuring that staff are clear about their responsibilities and are motivated, recognised and rewarded appropriately
- Engaging current and prospective parents effectively via a well thought through marketing plan
- Developing an extensive and competitively successful enrichment programme
- Investing in buildings and facilities to provide outstanding facilities

Success Criteria

- **School of first choice in the local community with all year groups oversubscribed**

OFSTED Report July 2013

Key Targets

1. Raise the quality of sixth form outcomes to that of the main part of the school by:
 - developing a wider curriculum better suited to the range of students
 - adapting the highly successful approaches to teaching used in the main school to the specific needs of post-16 students.
2. Continue to improve the quantity of outstanding teaching by ensuring all staff are as skilled as the best in:
 - fine tuning resources, including the use of teaching assistants, and adapting teaching approaches to suit the individual needs of each student
 - planning learning to make the most of subject content and gaining skills at the same time.

President Kennedy School

GOVERNORS' REPORT (continued)

STRATEGIC REPORT (continued)

OFSTED Report July 2013 (continued) **Key Targets (continued)**

3. Seek to further close the gaps in performance between those who join the school with low attainment and other students, by working closely with partner primary schools and other community agencies to help them tackle disadvantage from an early age more effectively.

Principal risks and uncertainties

- Safeguarding students
- Retaining 'Outstanding' Ofsted Judgement
- Managing increased demand for places
- Maintaining ageing buildings
- LGPS Deficit and the Volatility of Employer Contributions
- Uncertainty regarding future Government Funding
- Risks associated with the Priority Schools Building Programme
- Managing the Impact Industrial Action
- Failure to comply with statutory requirements

GOING CONCERN

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

AUDITORS

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors' Report is approved by order of the board of Governors and the Strategic Report (included therein) is approved by the board of Governors in their capacity as the directors at a meeting on 19 December 2014 and signed on its behalf by:

Mr M Moseley
Vice-Chair

President Kennedy School

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the head teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between President Kennedy School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 12 times during the year (between 1 October 2013 and 18 July 2014). Attendance during the year at meetings of the Board of Governors was as follows:

Trustee	Meetings attended	Out of Possible
Paul Crisp (Chair)	11	12
Mr H Bilkhu (until 30 September 2014)	6	8
Ms C Issaad	5	8
Mrs K Basra (until 11 March 2014)	2	5
Mr A Chauhan	3	9
Mr W Copeland (appointed 12 May 2014)	4	4
Father K Dunkley	7	8
Mr M Moseley	10	12
Mrs H Shaw	8	8
Mrs N Ghataore (until 9 September 2014)	3	8
Mr T Ledgard	5	8
Mr I Richardson	9	9
Mr G Rippon	4	9
Mr J Rose	7	9
Mr PJ Thomas (Headteacher)	12	12
Mrs C Vincent-Squibb (until 3 July 2014)	9	9
Mr N Mort (until 23 September 2014)	6	8
Mr C Townsend	9	9

The Finance and Resources Committee is a sub-committee of the main board of Governors. Its purpose is to set and monitor the school's budget, agrees financial policy and material items of expenditure, oversees the Academy Trust's risk management and ensures the efficient and effective deployment of resources.

During the year M Baker, a part qualified ACCA accountant with over 25 years of financial management experience, joined the Trust. Attendance at meeting in the year is as follows:

Trustee	Meetings attended	Out of Possible
Mr I Richardson (Chair of Finance and Resources Committee)	4	4
Mr P Crisp (Chair of Governors)	4	4
Mr A Chauhan	0	4
Mr W Copeland (appointed 12 May 2014)	1	1
Mr M Moseley	3	4
Mr G Rippon	1	4
Mr J Rose	2	4

President Kennedy School

GOVERNANCE STATEMENT

Trustee (continued)	Meetings attended	Out of Possible
Mr PJ Thomas (Headteacher)	4	4
Mrs C Vincent-Squibb (until 3 July 2014)	4	4
Mr C Townsend	4	4

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 President Kennedy School Academy Trust for the period ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The risk and control framework

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 and Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management 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 Baker Tilly Risk Advisory LLP, to perform additional checks

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the Responsible Officer reports to the Finance and Resources Committee on the operation of the systems of control and on the discharge of the board of Governors' financial responsibilities.

The Responsible Officer conducted an appraisal of the Academy Trust's system of internal controls focusing on financial management. No material weaknesses were found except for a delay in issuing employment contracts within statutory timeframe which has since been rectified.

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 financial management and governance self-assessment process
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

President Kennedy School

GOVERNANCE STATEMENT

Review of effectiveness (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 19 December 2014 and signed on its behalf by:

Mr M Moseley
Vice-Chair of Governors

Mr P J Thomas
Accounting Officer

President Kennedy School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of President Kennedy School I have considered my responsibility to notify the Academy Trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust board of 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.

I confirm that no instances of material irregular, 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 EFA.

Mr P J Thomas
Accounting Officer

Date: 19 December 2014

President Kennedy School

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, who are also the directors of the Charitable Company for the purposes of company law, are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 19 December 2014 and signed on its behalf by:

Mr M Moseley
Vice-Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRESIDENT KENNEDY SCHOOL

We have audited the financial statements of President Kennedy School for the period ended 31 August 2014 on pages 20 to 39. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 18, the Governors (who act as Governors for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

PAUL OXTOBY (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date: 14 January 2015

President Kennedy School

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

for the period ended 31 August 2014

	<i>Notes</i>	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2014 £'000
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	1	703	(2,309)	7,575	5,969
Activities for generating funds		152	-	-	152
Investment income		1	-	-	1
Incoming resources from charitable activities:					
Academy Trust's educational operations	2	-	7,007	-	7,007
<hr/>					
Total incoming resources		856	4,698	7,575	13,129
<hr/>					
RESOURCES EXPENDED					
Cost of generating funds:					
Costs of generating funds		135	-	-	135
Charitable activities:					
Academy Trust's educational operations	4	-	6,950	161	7,111
Governance costs	5	-	14	-	14
<hr/>					
Total resources expended	3	135	6,964	161	7,260
<hr/>					
NET INCOMING RESOURCES BEFORE TRANSFERS					
		721	(2,266)	7,414	5,869
TRANSFERS					
Gross transfers between funds	12	-	(141)	141	-
<hr/>					
NET INCOME FOR THE PERIOD					
		721	(2,407)	7,555	5,869
<hr/>					
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial losses on defined benefit pension scheme	21	-	(258)	-	(258)
<hr/>					
NET MOVEMENT IN FUNDS					
		721	(2,665)	7,555	5,611
<hr/>					
RECONCILIATION OF FUNDS					
Total funds brought forward		-	-	-	-
<hr/>					
TOTAL FUNDS CARRIED FORWARD	13	721	(2,665)	7,555	5,611
<hr/> <hr/>					

All of the Academy Trust's activities derive from acquisitions in the current financial period.

President Kennedy School

BALANCE SHEET

31 August 2014

Company Registration No. 8678162

	<i>Notes</i>	2014 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	9		7,555
CURRENT ASSETS			
Debtors	10	363	
Cash at bank and in hand		931	
		<u>1,294</u>	
CREDITORS: Amounts falling due within one year	11	(550)	
		<u></u>	
NET CURRENT ASSETS			744
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS EXCLUDING PENSION LIABILITY			<u>8,299</u>
Pension scheme liability	21		(2,688)
NET ASSETS INCLUDING PENSION LIABILITY			<u>5,611</u>
FUNDS OF THE ACADEMY TRUST: RESTRICTED FUNDS			<u></u>
Fixed asset fund	12		7,555
General fund	12		23
			<u></u>
Restricted funds excluding pension reserve			7,578
Pension reserve	12		(2,688)
			<u></u>
TOTAL RESTRICTED FUNDS			<u>4,890</u>
TOTAL UNRESTRICTED INCOME FUNDS	12		721
			<u></u>
TOTAL FUNDS			<u>5,611</u>

The financial statements on pages 20 to 39 were approved by the Governors and authorised for issue on 19 December 2014 and are signed on their behalf by:

Mr M Moseley
Vice-Chair

President Kennedy School

CASH FLOW STATEMENT

for the period ended 31 August 2014

	Notes	2014 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	16	368
Returns on investments and servicing of finance	17	1
Capital expenditure	18	(141)
Cash transferred on conversion to an academy trust	24	703
		<hr/>
INCREASE IN CASH IN THE PERIOD	19	931
		<hr/> <hr/>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
NET FUNDS AT 31 AUGUST		931
		<hr/> <hr/>

All of the cashflows derive from acquisitions in the current financial period.

President Kennedy School

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently is set out below.

Going Concern

The Governors have reviewed the forecasts of incoming resources and resources expended of the Academy and believe there are adequate resources which will enable the Academy to meet its liabilities for at least one year from the date the financial statements are signed. For this reason, the Governors have adopted the going concern basis in preparing the financial statements.

Incoming resources

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

Grants receivable

Grant income is 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. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued. Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Donations

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

Other income

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

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended

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

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

Charitable activities are costs incurred on the Academy Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

President Kennedy School

ACCOUNTING POLICIES (continued)

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.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency/Department for Education.

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

Tangible fixed assets

Tangible fixed assets costing £2,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Improvements to leasehold property	50 years
Fixtures, fittings and equipment	10 years

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.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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.

Leased assets and obligations

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

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 21, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

President Kennedy School

ACCOUNTING POLICIES (continued)

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

Conversion to an Academy Trust

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

The assets and liabilities transferred on conversion from the maintained school, President Kennedy School, to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 24.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA in creditors.

President Kennedy School
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2014

1 VOLUNTARY INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed asset Funds £'000	2014 Total £'000
Donations	1	-	-	1
Assets / (liabilities) identified from the local authority upon conversion	702	(2,309)	7,575	5,968
	<u>703</u>	<u>(2,309)</u>	<u>7,575</u>	<u>5,969</u>

2 FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000
DfE/EFA REVENUE GRANTS			
General annual grant (GAG)	-	6,849	6,849
Other DfE/EFA grants	-	110	110
	<u>-</u>	<u>6,959</u>	<u>6,959</u>
OTHER GOVERNMENT GRANTS			
Local Authority grants	-	48	48
	<u>-</u>	<u>48</u>	<u>48</u>
TOTAL	<u>-</u>	<u>7,007</u>	<u>7,007</u>

President Kennedy School
 NOTES TO THE FINANCIAL STATEMENTS
 for the period ended 31 August 2014

3 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2014 £'000
Costs of generating voluntary income	11	-	124	135
Academy Trust's educational operations				
Direct costs	4,478	-	361	4,839
Allocated support costs	1,009	152	1,111	2,272
	<u>5,498</u>	<u>152</u>	<u>1,596</u>	<u>7,246</u>
Governance costs including allocated support costs	-	-	14	14
	<u>5,498</u>	<u>152</u>	<u>1,610</u>	<u>7,260</u>
Net incoming/(outgoing) resources for the year				2014 £'000
Operating leases - plant and machinery				27
Fees payable to Baker Tilly UK Audit LLP and its associates for:				
- audit				10
- other services				2
Depreciation of tangible fixed assets				161
				<u>161</u>

President Kennedy School
 NOTES TO THE FINANCIAL STATEMENTS
 for the period ended 31 August 2014

4	CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS	2014 £’000
	DIRECT COSTS	
	Teaching and educational support staff costs	4,478
	Educational supplies	121
	Examination fees	105
	Educational consultancy	135
		<hr/>
		4,839
		<hr/> <hr/>
	ALLOCATED SUPPORT COSTS	
	Support staff costs	1,009
	Depreciation	161
	Printing, posting and stationery	118
	Marketing	27
	Maintenance of premises and equipment	187
	Cleaning	16
	Rent and rates	120
	Energy costs	173
	Legal and professional costs	44
	Insurance	45
	Security and transport	11
	Catering	102
	Trips and prizes	64
	Telephone	12
	Equipment costs	98
	IT costs	77
	Other support costs	31
	Interest charge (FRS 17)	101
	Allocated to costs of generating funds	(124)
		<hr/>
		2,272
		<hr/>
		7,111
		<hr/> <hr/>

President Kennedy School
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2014

5	GOVERNANCE COSTS	2014 £'000
	Legal and professional fees	1
	Auditors' remuneration	
	Audit of financial statements	11
	Other services	2
	Governors' reimbursed expenses	-
		14
		14

6 STAFF NUMBERS AND COSTS

Staff costs

		2014 £'000
	Staff costs during the period were:	
	Wages and salaries	4,581
	Social security costs	341
	Pension costs	554
		5,476
	Supply staff costs	22
		5,498
		5,498

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

Educational operations	2014
	No
Teachers	75
Administration and support	63
Management	12
	150
	150

President Kennedy School

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2014

6 STAFF NUMBERS AND COSTS (*continued*)

Higher paid staff

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

	2014 No
£60,001 - £70,000	1
£90,001 - £100,000	1
	<u><u>2</u></u>

These employees participated in the Teachers' Pension Scheme.

7 GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy Trust in respect of their role as Governors.

The Principal received remuneration of £98,134 in 2014 and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £13,836.

No Governors were reimbursed expenses during the period.

The value of the three staff Governors remuneration was £110,954.

8 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £270.

The cost of this insurance is included in the total insurance cost.

President Kennedy School
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2014

9 TANGIBLE FIXED ASSETS

	<i>Long Leasehold property £'000</i>	<i>Fixtures fittings and equipment £'000</i>	<i>Total £'000</i>
Cost:			
Transfer on conversion (note 25)	7,555	20	7,575
Additions	73	68	141
	<hr/>	<hr/>	<hr/>
31 August 2014	7,628	88	7,716
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
Charged in the period	152	9	161
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
31 August 2014	152	9	161
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value 31 August 2014	7,476	79	7,555
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10	DEBTORS	2014 £'000
	Trade debtors	1
	Prepayments and accrued income	148
	Other debtors	214
		<hr/>
		363
		<hr/> <hr/>

11	CREDITORS: Amounts falling due within one year	2014 £'000
	Trade creditors	189
	Other taxation and social security	113
	Other creditors	91
	Accruals	157
		<hr/>
		550
		<hr/> <hr/>

President Kennedy School
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2014

12 FUNDS

	<i>Incoming resources £'000</i>	<i>Resources expended £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>At 31 August 2014 £'000</i>
RESTRICTED				
GENERAL FUNDS				
General Annual Grant (GAG) (excluding pension reserve	6,849	(6,685)	(141)	23
Pension reserve	(2,309)	(121)	(258)	(2,688)
	<hr/>	<hr/>	<hr/>	<hr/>
	4,540	(6,806)	(399)	(2,665)
Other DfE/EFA grants	110	(110)	-	-
Local authority grants	48	(48)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,698	(6,964)	(399)	(2,665)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
RESTRICTED FIXED ASSET FUNDS				
Capital expenditure	7,575	(161)	141	7,555
	<hr/>	<hr/>	<hr/>	<hr/>
	7,575	(161)	141	7,555
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL RESTRICTED FUNDS	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	12,273	(7,125)	(258)	4,890
UNRESTRICTED FUNDS				
Unrestricted funds	856	(135)	-	721
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL UNRESTRICTED FUNDS	<hr/>	<hr/>	<hr/>	<hr/>
	856	(135)	-	721
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	13,129	(7,260)	(258)	5,611

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

Under the funding agreement with the Secretary of State, the academy grant was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other restricted general funds were funded by government grants or donations from sponsors.

Restricted fixed asset funds were funded by government grants or sponsor donations.

President Kennedy School
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2014

13	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
	Tangible fixed assets	-	-	7,555	7,555
	Current assets	721	573	-	1,294
	Current liabilities	-	(550)	-	(550)
	Pension scheme liability	-	(2,688)	-	(2,688)
		<hr/>	<hr/>	<hr/>	<hr/>
	TOTAL NET ASSETS AT 31 AUGUST 2014	721	(2,665)	7,555	5,611
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
14	CAPITAL COMMITMENTS			2014 £'000	
	Contracted for, but not provided in the financial statements			-	
				<hr/> <hr/>	
15	FINANCIAL COMMITMENTS				
	OPERATING LEASES				
	At 31 August the Academy Trust had annual commitments under non-cancellable operating leases as follows:			2014 £'000	
	Other:				
	Expiring within two and five years			30	
				<hr/> <hr/>	
16	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES			2014 £'000	
	Net income			5,869	
	Impact of transfer on conversion (note 24)			(5,969)	
	Depreciation (note 9)			161	
	Interest receivable			(1)	
	FRS 17 pension cost less contributions payable (note 21)			20	
	FRS 17 pension finance income (note 21)			101	
	Increase in debtors			(363)	
	Increase in creditors			550	
				<hr/>	
	NET CASH INFLOW FROM OPERATING ACTIVITIES			368	
				<hr/> <hr/>	

President Kennedy School
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2014

		2014 £000	
17	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
	Interest received	1	
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	1	
		2014 £000	
18	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
	Purchase of tangible fixed assets	(141)	
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(141)	
19	ANALYSIS OF CHANGES IN NET FUNDS		At 31 August 2014
		Cash flows £'000	£'000
	Cash in hand and at bank	931	931
		931	931

20 MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

21 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed as the West Midlands Pension Fund (WMPF). Both are defined-benefit schemes.

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

President Kennedy School

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2014

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these are being discussed in the context of the design for a reformed TPS and, as set out in the Proposed Final Agreement, scheme valuations have been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

President Kennedy School

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2014

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £529,000 (2013: £530,000).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £206,192, of which employer's contributions totalled £144,581 and employees' contribution totalled £61,611. The agreed rates for future years are 14.8% for employers and 5.5% to 8.5% for employees.

President Kennedy School
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2014

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)
Local Government Pension Scheme (*continued*)

Principal actuarial assumptions

	2014 £'000
Rate of increase in salaries	3.95%
Rate of increase for pensions in payment	2.2%
Discount rate	4.0%
Inflation (CPI)	2.2%

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

	2014
Retiring today:	
Males	22.9
Females	25.5
Retiring in 20 years:	
Males	25.1
Females	27.8

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

	Expected return at 31 August 2014	Fair value at 31 August 2014
Equities	7%	191
Government Bonds	2.9%	34
Other bonds	3.8%	44
Property	6.2%	37
Cash	0.5%	19
Other	7%	101
TOTAL MARKET VALUE OF ASSETS		<hr/> 426
Present value of scheme liabilities		(3,114)
DEFICIT IN THE SCHEME		<hr/> <hr/> (2,688)

President Kennedy School
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2014

21 PENSION AND SIMILAR OBLIGATIONS *(continued)*

Local Government Pension Scheme *(continued)*

Amounts recognised in the statement of financial activities	2014 £'000
Current service cost (net of employee contributions)	176
	<hr/>
Total operating charge	176
	<hr/> <hr/>
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	13
Interest on pension liabilities	(114)
	<hr/>
Pension finance costs	(101)
	<hr/> <hr/>

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £258,000.

Movements in the present value of defined benefit obligations were as follows:	2014 £'000
Business combination	2,494
Current service cost	176
Interest cost	114
Employee contributions	56
Actuarial loss	274
	<hr/>
At 31 August	3,114
	<hr/> <hr/>
Movements in the fair value of Academy Trust's share of scheme assets:	
Business combination	185
Expected return on assets	13
Actuarial gain	16
Employer contributions	156
Employee contributions	56
	<hr/>
At 31 August	426
	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2014 is £155,700.

President Kennedy School

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2014

22 RELATED PARTIES

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 a trustee 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.

23 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £13,913 and disbursed £13,913.

24 CONVERSION TO AN ACADEMY TRUST

On 5 September 2013 President Kennedy School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to President Kennedy School from the Coventry City Council for £Nil consideration.

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

The following table sets out the fair value of the identifiable assets and liabilities transferred and an analysis of the recognition in the SOFA:

	Voluntary income analysis			
	Total	Unrestricted	Restricted	Restricted
	£'000	funds	general	fixed asset
		£'000	fund	funds
			£'000	£'000
Tangible fixed assets:				
Plant and equipment	7,575	-	-	7,575
School budget surplus	703	703	-	-
LGPS Pension deficit	(2,309)	-	(2,309)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	5,969	703	(2,309)	7,575
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The above net assets include £703k that was transferred as cash.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PRESIDENT KENNEDY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by President Kennedy School during the period 5 September 2013 to 31 August 2014 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 President Kennedy School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the President Kennedy School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the President Kennedy School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of President Kennedy School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of President Kennedy School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 5 September 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO PRESIDENT KENNEDY SCHOOL AND THE EDUCATION FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 5 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BAKER TILLY UK AUDIT LLP

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

14 January 2015