

Company Registration No. 08475184 (England and Wales)

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE PERIOD ENDED 31 AUGUST 2014

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

CONTENTS

	Page
Reference and administrative details	1
Governors' report	2 - 7
Governance statement	8 - 10
Statement on regularity, propriety and compliance	11
Statement of governors' responsibilities	12
Independent auditor's report on the accounts	13 - 14
Independent reporting accountant's report on regularity	15 - 16
Statement of financial activities	17
Balance sheet	18
Cash flow statement	19
Notes to the accounts	20 - 33

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Professor A Wolf (Chair) (Appointed 5 April 2013) *
Professor Alice Rogers (Appointed 5 April 2013)
Mr Andrew Halls (Appointed 10 April 2013) *
Mrs Margaret Peacock (Appointed 24 January 2014) *
Dr Claire Craig (Deputy Chair) (Appointed 1 July 2013)
Mr Daniel Abramson (Principal) (Appointed 24 January 2014) *

* members of the finance and general purposes committee

Members

Professor Edward Byrne
Professor Karen O'Brien
Professor Evelyn Welch
Professor Alison Wolf

Senior management team - Principal

Mr Daniel Abramson

Clerk to the Governors

Mrs Magdalen Meade

Company registration number

08475184 (England and Wales)

Registered office

James Clark Maxwell Building
57 Waterloo Road
London
SE1 8WA

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

GOVERNORS' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period from incorporation on 5 April 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

King's College London Maths School Trust was set up by King's College London to run a free school for students of 16 to 19 years under the Government's academy and free school initiative.

This is the first report and financial statement of the Trust and covers the period from incorporation on 5 April 2013 to 31 August 2014. The school opened to its first students in September 2014 and this period is therefore only concerned with the set up, acquisition of premises and the fitting out of those premises.

Structure, governance and management

Constitution

The 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 Trust.

The trustees of King's College London Maths School Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period 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 Trust provides third party indemnity cover for Governors in their duties as trustees and directors of the Trust.

Method of recruitment and appointment or election of trustees

The Trust shall have as Governors up to five appointed by the members, the Principal of the school and, once the school has opened, a minimum of two parent Governors. Parent Governors will be elected by parents of students registered with the school. In addition, co-opted Governors may be appointed by Governors who are not themselves co-opted.

The term of office of any Governor is four years unless, in the case of co-opted Governors, a different term is specified on their appointment. Subject to remaining qualified, any Governor may be re-appointed or re-elected.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Policies and procedures adopted for the induction and training of trustees

The existing Governors are all experienced trustees. Safeguarding training has been given or updated for each Governor. An induction pack is being prepared and training arranged for the parent governors who will be joining the governing body shortly.

The School will be undertaking an audit of Governors' skills in January 2015 to ensure that the Board has all the necessary skills and knowledge to discharge its duties successfully and competently. Where gaps are identified the Board will recruit additional Governors as necessary to ensure that all relevant skills are represented. Additional training on the duties and responsibilities of trustees of a Free School will be provided as required.

Organisational structure

Subject to the Companies Act 2006, the Articles and any directions given by special resolution, the Board of Governors is responsible for the direction and management of the business of the Trust.

In addition to the main Board, the Governors have established two committees of the Board, the Education Committee and the Finance and General Purposes Committee which advise the Board on educational strategy and financial policy respectively.

The Governors appoint the Principal of the school. Responsibility for the day to day running of the school is formally delegated to the Principal.

Connected organisations including related party relationships

All the members of the company and three of the Governors are currently members of staff of King's College London which acted as sponsor the Trust.

Objectives and activities

Objects and aims

The Academy Trust's objects are specifically restricted to the following:

- (a) 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 16 to 19 academy offering a curriculum appropriate to the needs of its students; and
- (b) to promote for the benefit of the inhabitants of London and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Public benefit

In setting the Trust's vision, aims and objectives and the strategic planning of activities and corporate development, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Trust operates under a Funding Agreement with the Secretary of State for Education. The Trust is incorporated as Company Limited by Guarantee and is an exempt charity. The Trust's Articles of Association have been endorsed by the Charity Commission under section 198 of the Charities Act (2011).

The objects of the Trust are the advancement of education and in particular to establish and maintain a publicly funded school and related activities. It aims to provide high-quality education for males and females from the ages of 16-19, with a focus on specialist education provision in the areas of mathematics, physics and related subjects. The Trust seeks to increase participation in these subjects particularly amongst disadvantaged communities and groups.

The Trust seeks to provide a structured educational environment that develops its students' knowledge, capabilities, competences and skills. The Trust promotes the academic, technical, moral and career development of its students through its academic and technical curriculum, pastoral care, enrichment and extra-curricular provision and other activities.

Strategic report

Achievements and performance

This first period was dedicated to setting up the school with a view to commencing teaching from September 2014. Particular achievements were:

- Appointment of the Principal (Head) and Deputy Head
- Appointment of four additional teaching staff and a business manager
- Marketing of the school and organising open evenings and other taster events
- Recruitment of 69 students for the September 2014 intake
- Acquisition of premises in Lambeth and refitting them for use by the school
- Acquiring furniture, fittings, equipment and signage
- Setting up a bank account and financial systems
- Drafting core policies for the operation of the school
- Passing the pre-opening Ofsted inspection

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

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.

Financial review

These accounts cover the period prior to the opening of the School in September 2014 and therefore only deal with the initial set up of the school.

Funding was provided by the EFA in the form of a £300,000 start up grant and a capital grant of £1,821,615. Other income includes a grant of £8,500 from King's College London to promote widening participation and miscellaneous income of £9,588 giving total incoming resources of £2,139,703.

Revenue set up costs of £195,968 have been incurred giving a balance of restricted revenue funds carried forward of £110,982 for use in future periods.

The capital grant is only claimable to the extent that it has been used for the purchase of fixed assets. The amount of the grant in these accounts thus matches the expenditure incurred on building works, furniture and IT equipment. As the school had not opened by the balance sheet date, no depreciation has been charged during the period on these assets, so that the whole amount of the grant is carried forward as a balance on the restricted capital fund. This will reduce over future years as the assets are depreciated.

Reserves policy

It is too early in the life of the school to set or operate a meaningful reserves policy, but the Governors are keen to establish a level of reserves which will provide the school with an adequate cushion against unforeseen events and ensure that the school will remain a going concern.

Principal risks and uncertainties

The Governors review periodically the risks and uncertainties facing the Trust and ensure that there are adequate systems and procedures in place to manage those risks.

The Governors have approved Financial Regulations which set out the requirements for reliable systems of internal control, reporting and value for money. These supplement the Academies Financial Handbook.

An operating budget for 2014/15 has been approved by the Board of Governors and submitted to the Education Funding Agency.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

The Board of Governors has identified the principal risks and uncertainties that it faces, as follows:

- Under-recruitment of pupils, placing the budget in jeopardy
- Progress on financial management, planning and risk management systems
- Loss of key staff/vacancy filling

In addition, it has identified a number of risks and uncertainties which are less likely to seriously affect performance, prospects and reputation. These were discussed at length in the Risks and Mitigating Action report submitted to the Department for Education in June 2014, and include failure of governors to understand and exercise their responsibilities; failure to implement good internal management information and tracking systems to monitor pupil progress; failure to progress pay and pension policies; failure to develop statutory safeguarding, behavioural and other policies. The risk of each was rated Low and good progress has indeed been made on all these areas.

The principal risks identified above are all being addressed. Under-recruitment of pupils clearly threatens the short and long-term viability of the school. The school has this year recruited to target, and at present, applications are three times higher than at the same time last year. Since our catchment area is London-wide, we are continuing to emphasise publicity and our successful outreach programme for years 10 and 11 as our main approaches to meeting targets, although long-term our actual performance will of course be the key determinant of recruitment.

We are actively working to complete the set-up of financial and risk management systems internal to the school: but are confident that, in the meantime, the assistance of King's College London Finance and Planning departments and their continued involvement with our system of financial controls greatly reduces the risks of any major problems. Authorisers of payments are limited in number, and for anything over small amounts (as detailed in the Financial Procedures, which have been finalised and adopted) either the College's Chief Accountant or the Chair of Governors co-authorises. We have decided not to have any petty cash system. We are negotiating a SLA with the College's Internal Audit unit, as part of the development of our risk management systems. These are not yet complete but we have a draft Risk Management policy which we will be bringing to Finance and General Purpose Committee (which also has the audit function) early in 2015.

The third and final principal risk identified by governors is the loss of key staff, and resulting problems with filling vacancies. This is a particularly acute risk with a small school. However, we are reassured by the fact that, when the deputy head announced her departure (for personal reasons) we were able both to take the opportunity to rethink our staffing structure in a way which will spread risks (and burdens) more robustly – by appointing two assistant heads rather than one deputy – and by the high quality of candidates for the posts. As with all schools, the position of Head is critical. We hope and expect that our current post-holder will remain in post for some years, but one of the issues which he is discussing with his mentor (CEO of a London academy chain) is, on an ongoing basis, his own job remit and the need to ensure back-up/clear secondary accountability for all critical sub-components. We also have established clear targets and have implemented review procedures for all staff. This will be important not simply in maintain school quality but in allowing us to identify any likely shortfalls in performance which might necessitate staffing changes, and sources of undue demands and stress which might create absences or departures.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Plans for future periods

The next year will see the first year of operation following the creation of the school. Emphasis will be on promoting excellence in teaching and the student experience and developing the ethos of the school. Other activities will include:

- Recruitment of a further year's intake to bring the school up to capacity
- Setting up of the administration and financial systems within the school (currently embedded within King's College London)
- Election of parent Governors
- Fund raising
- Consolidation of an outreach mathematics programme to London schools

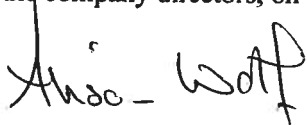
Auditor

In so far as the trustees are aware:

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

A resolution proposing that UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 03 December 2014 and signed on its behalf by:



Professor A Wolf

Chair

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that King's College London Maths School Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk 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 principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between King's College London Maths School Trust 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 4 times during the period. Attendance during the period at meetings of the board of governors was as follows:

Trustees	Meetings attended	Out of possible
Professor A Wolf (Chair) (Appointed 5 April 2013)	4	4
Professor Alice Rogers (Appointed 5 April 2013)	4	4
Mr Andrew Halls (Appointed 10 April 2013)	4	4
Mrs Margaret Peacock (Appointed 24 January 2014)	1	2
Dr Claire Craig (Deputy Chair) (Appointed 1 July 2013)	4	4
Mr Daniel Abramson (Principal) (Appointed 24 January 2014)	4	4

The finance and general purposes committee is a sub-committee of the main board of governors. Its purpose is to:

- To be responsible to the Governing Body for the effective assurance of the management and control of the financial affairs, assets and human resources of the School.
- To formulate, for the approval of the Governing Body, strategies and policies for the effective management and control of the financial affairs of the School.
- To discharge other responsibilities as may be delegated by the Governing Body through the Committee's terms of reference.

Attendance at meetings of the finance and general purpose committee in the period was as follows:

Trustees	Meetings attended	Out of possible
Professor A Wolf (Chair) (Appointed 5 April 2013)	1	1
Mr Andrew Halls (Appointed 10 April 2013)	1	1
Mrs Margaret Peacock (Appointed 24 January 2014)	1	1
Mr Daniel Abramson (Principal) (Appointed 24 January 2014)	1	1

Mr Alex Perry was appointed as a co-opted non-trustee member of the finance and general purpose committee on 24 January 2014 and attended this meeting.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in King's College London Maths School Trust for the period 5 April 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

During this period, which pre-dates in its entirety the formal opening of the School, internal controls were part of the planning and project management activities of King's College London, the sponsor of the school, reporting termly to both to College Council (the Members of the Trust are senior officers of the College, ex officio) and to the Governors (termly). The College and the Trust established an internal project group to deliver the maths school project, whose terms of reference included oversight and risk management. This met fortnightly, with representation from major King's administrative departments. There was also ongoing consultation with the College's Internal Audit department. In June 2014, as part of the formal process of determining whether the school could open, the Department for Education reviewed risk management and internal control arrangements, and was satisfied. A formal system of internal control, with a SLA with the College's internal audit function, is the process of being established and will be in operation from early 2015.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 5 April 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process will be regularly reviewed by the board of trustees.

The risk and control framework

The 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 general purposes 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 to appoint King's College London as internal auditor.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

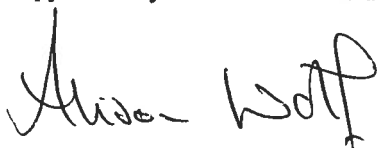
FOR THE PERIOD ENDED 31 AUGUST 2014

The auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On an annual basis the auditor provides an Annual Assurance Report to the board of governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors. Any issues arising will be reported as and when they arise. The Annual Assurance Report will also be submitted to King's College London's Audit and Compliance Committee. The commitment of the College's internal audit team's time to this work has been formally approved by the College's Audit and Compliance Committee.

Review of effectiveness

As accounting officer the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the Board together with the Principal and his staff have been working closely with senior finance staff (notably the Chief Accountant, Senior Management Accountant and the Director of Audit and Business Assurance) of King's College London in order to establish an effective risk management and internal control framework. As a consequence the Board is finalising an action plan, together with the Department for Education, for formal risk management and internal control procedures to be in place for formal approval by the School Finance and General Purposes Committee in December 2014. This includes establishing an ongoing internal audit arrangement with King's College. In developing the action plan the accounting officer has been informed and advised by the above senior finance officers of King's College, the work of the external auditor and through the work of both the Board of Governors and the Finance and General Purposes Committee.

Approved by order of the board of governors on 03 December 2014 and signed on its behalf by:



Professor A Wolf
Chair

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 31 AUGUST 2014**

As accounting officer of King's College London Maths School Trust I have considered my responsibility to notify the 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 Trust and 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 Trust's board of governors are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook.

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

Approved on 03 December 2014 and signed by:



Mr Daniel Abramson
Accounting Officer

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The trustees (who also act as governors for King's College London Maths School Trust and are also the directors of King's College London Maths School Trust 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 Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

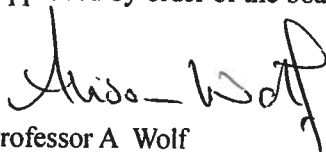
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the board of governors on 03 December 2014 and signed on its behalf by:



Professor A Wolf
Chair

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KING'S COLLEGE LONDON MATHS SCHOOL TRUST**

We have audited the accounts of King's College London Maths School Trust for the period ended 31 August 2014 set out on pages 17 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 12, the trustees, who are also the directors of King's College London Maths School Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- 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, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF KING'S COLLEGE LONDON MATHS SCHOOL TRUST

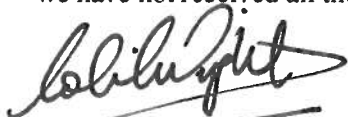
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

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

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



Colin Wright (Senior Statutory Auditor)
UHY Hacker Young

Chartered Accountants
Statutory Auditor

Dated: 3 December 2014

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO KING'S COLLEGE LONDON MATHS SCHOOL TRUST AND THE
EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 September 2014 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 King's College London Maths School Trust during the period 5 April 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 King's College London Maths School Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the King's College London Maths School Trust 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 King's College London Maths School Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of King's College London Maths School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of King's College London Maths School Trust's funding agreement with the Secretary of State for Education dated 6 November 2012 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 April 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 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 Trust's income and expenditure.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO KING'S COLLEGE LONDON MATHS SCHOOL TRUST AND THE
EDUCATION FUNDING AGENCY (CONTINUED)**

The work undertaken to draw our conclusion includes:

- Evaluation of the general control environment
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement

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 April 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.



Colin Wright
Reporting Accountant
UHY Hacker Young

Dated: 03 December 2014

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £
<u>Incoming resources</u>					
<i>Resources from generated funds</i>					
- Voluntary income	2	-	8,500	-	8,500
- Activities for generating funds	3	9,588	-	-	9,588
<i>Resources from charitable activities</i>					
- Funding for educational operations	4	-	300,000	1,821,615	2,121,615
Total incoming resources		9,588	308,500	1,821,615	2,139,703
<u>Resources expended</u>					
<i>Costs of generating funds</i>					
<i>Charitable activities</i>					
- Educational operations	6	-	187,808	-	187,808
Governance costs	7	-	8,160	-	8,160
Total resources expended	5	-	195,968	-	195,968
Net incoming/(outgoing) resources before transfers		9,588	112,532	1,821,615	1,943,735
Gross transfers between funds		-	(1,550)	1,550	-
Net income/(expenditure) for the period		9,588	110,982	1,823,165	1,943,735
Fund balances at 5 April 2013		-	-	-	-
Fund balances at 31 August 2014		9,588	110,982	1,823,165	1,943,735

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the financial period above.

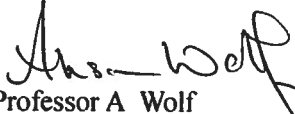
KING'S COLLEGE LONDON MATHS SCHOOL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014	
		£	£
Fixed assets			
Tangible assets	10		1,823,165
Current assets			
Debtors	11	1,324,663	
Cash at bank and in hand		62,298	
		<u>1,386,961</u>	
Creditors: amounts falling due within one year	12	(1,266,391)	
Net current assets			<u>120,570</u>
Total assets less current liabilities			<u>1,943,735</u>
Funds of the Trust:			
Restricted income funds	14		
- Fixed asset funds			1,823,165
- General funds			110,982
Total restricted funds			<u>1,934,147</u>
Unrestricted funds	14		9,588
Total funds			<u>1,943,735</u>

The accounts were approved by order of the board of governors and authorised for issue on 03 December 2014.


Professor A Wolf
Chair

Company Number
08475184

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

	Notes	31 August 2014 £
Net cash inflow/(outflow) from operating activities	17	63,848
Capital expenditure and financial investments		
Capital grants received		1,821,615
Payments to acquire tangible fixed assets		(1,823,165)
Net cash flow from capital activities		(1,550)
Increase/(decrease) in cash	18	62,298

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the period for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

Other income

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

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

1.4 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 on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

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

Charitable activities

These are costs incurred on the Trust's educational operations.

Governance costs

These include the costs attributable to the 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.

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

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

Land and buildings	over the life of the lease
Computer equipment	two to three years
Fixtures, fittings & equipment	three to five years

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

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

1.6 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.

1.7 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme and the assets are held separately from those of the 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 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 16, the TPS is a multi-employer scheme and the 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 are recognised as they are paid each period.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies **(Continued)**

1.9 Fund accounting

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

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

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

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £
Other donations	-	8,500	8,500
	<u> </u>	<u> </u>	<u> </u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £
Other income	9,588	-	9,588
	<u> </u>	<u> </u>	<u> </u>

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £
DfE / EFA grants			
Start up grants	-	300,000	300,000
Capital grants	-	1,821,615	1,821,615
	<u> </u>	<u> </u>	<u> </u>
	-	2,121,615	2,121,615
	<u> </u>	<u> </u>	<u> </u>
Total funding	<u> </u>	<u> </u>	<u> </u>
	-	2,121,615	2,121,615
	<u> </u>	<u> </u>	<u> </u>

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

5 Resources expended

	Staff costs & £	Premises equipment £	Other costs £	Total 2014 £
Academy's educational operations				
- Direct costs	96,460	-	8,610	105,070
- Allocated support costs	36,235	-	46,503	82,738
	<u>132,695</u>	<u>-</u>	<u>55,113</u>	<u>187,808</u>
Other expenditure				
Governance costs	-	-	8,160	8,160
	<u>-</u>	<u>-</u>	<u>8,160</u>	<u>8,160</u>
Total expenditure	<u>132,695</u>	<u>-</u>	<u>63,273</u>	<u>195,968</u>
Incoming/outgoing resources for the year include:				2014
				£
Fees payable to auditor				
- Audit				5,500
				<u>5,500</u>

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £
Direct costs			
Teaching and educational support staff costs	-	96,245	96,245
Educational supplies and services	-	8,610	8,610
Staff development	-	215	215
	-	105,070	105,070
Allocated support costs			
Support staff costs	-	36,235	36,235
Technology costs	-	11,072	11,072
Recruitment and support	-	24,332	24,332
Rent and rates	-	5,185	5,185
Security and transport	-	885	885
Catering	-	2,155	2,155
Other support costs	-	2,874	2,874
	-	82,738	82,738
Total costs	-	187,808	187,808

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £
Legal and professional fees	-	2,660	2,660
Auditor's remuneration	-	5,500	5,500
- Audit of financial statements	-	5,500	5,500
	-	8,160	8,160

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

8 Staff costs

The average number of persons (including senior management team) employed by the Trust during the period expressed as full time equivalents was as follows:

	2014
	Number
Teachers	2
Administration and support	2
	<u>4</u>

Costs included within the accounts:

	2014
	£
Wages and salaries	118,792
Social security costs	5,612
Other pension costs	8,076
	<u>132,480</u>
Staff development and other staff costs	215
	<u>132,695</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2014
	Number
£60,001 - £70,000	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014
Teachers' Pension Scheme	Numbers	1
	£	4,759
Local Government Pension Scheme	Numbers	-
	£	-

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

9 Governors' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the period, travel and subsistence payments totalling £844 were reimbursed to 2 trustees.

The value of governors' remuneration was as follows:

D Abramson (principal) £30,000 - £35,000

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

Governors' and officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2014 was £435.

10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 5 April 2013	-	-	-	-
Additions	1,598,878	121,241	103,046	1,823,165
At 31 August 2014	<u>1,598,878</u>	<u>121,241</u>	<u>103,046</u>	<u>1,823,165</u>
Depreciation				
At 5 April 2013 and at 31 August 2014	-	-	-	-
Net book value				
At 31 August 2014	<u><u>1,598,878</u></u>	<u><u>121,241</u></u>	<u><u>103,046</u></u>	<u><u>1,823,165</u></u>

The School occupies premises comprising two buildings that as at 31 August 2014 were leased by King's College London. The intention is for King's College London to assign one lease to the Trust and grant a sub-lease to the Trust on the other property, however at the date of approval of the financial statements these arrangements had not been finalised. The above balance for leasehold land and buildings represents building works undertaken in anticipation of the property transfers.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

11 Debtors		2014
		£
	VAT recoverable	293,846
	Other debtors	97,585
	Prepayments and accrued income	933,232
		<u>1,324,663</u>

Prepayments and accrued income include £839,000 relating to grants due from the EFA for building works and the purchase of other assets capitalised during the period.

12 Creditors: amounts falling due within one year		2014
		£
	Trade creditors	564,143
	Other creditors	294,496
	Accruals	375,752
	Deferred income	32,000
		<u>1,266,391</u>

13 Deferred income		2014
		£
	Deferred income is included within:	
	Creditors due within one year	<u>32,000</u>
	Total deferred income at 5 April 2013	-
	Amounts credited to the statement of financial activities	-
	Amounts deferred in the period	32,000
	Total deferred income at 31 August 2014	<u><u>32,000</u></u>

Deferred income relates to the GAG for the 2014/2015 academic year received in advance.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

14 Funds

	Balance at 5 April 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
Restricted general funds					
Start up grants	-	300,000	(195,968)	(1,550)	102,482
Other restricted funds	-	8,500	-	-	8,500
	-	308,500	(195,968)	(1,550)	110,982
Restricted fixed asset funds					
DfE / EFA capital grants	-	1,821,615	-	1,550	1,823,165
Total restricted funds	-	2,130,115	(195,968)	-	1,934,147
Unrestricted funds					
General funds	-	9,588	-	-	9,588
Total funds	-	2,139,703	(195,968)	-	1,943,735

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

Start-Up Grant

The Start-Up Grant must be used for the development of the Academy including salary costs, overheads and premises costs as the school is prepared for opening. Under the funding agreement with the Secretary of State the academy was not subject to a limit on the amount of Start-Up Grant that it could carry forward as at 31st August 2014.

Capital Grant

The Capital Grant must be used for the acquisition of capital assets as agreed upon with the EFA.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	1,823,165	1,823,165
Current assets	9,588	1,377,373	-	1,386,961
Creditors: amounts falling due within one year	-	(1,266,391)	-	(1,266,391)
	<u>9,588</u>	<u>110,982</u>	<u>1,823,165</u>	<u>1,943,735</u>

16 Pensions and similar obligations

The Trust's headteacher belongs to the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

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 2014.

Contributions amounting to £4,001 were payable to the scheme at 31 August 2014 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was 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 review, 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.

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations

(Continued)

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100 percent basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and 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.

17 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014
	£
Net income	1,943,735
Capital grants and similar income	(1,821,615)
(Increase)/decrease in debtors	(1,324,663)
Increase/(decrease) in creditors	1,266,391
Net cash inflow/(outflow) from operating activities	<u>63,848</u>

18 Reconciliation of net cash flow to movement in net funds

	2014
	£
Increase/(decrease) in cash	62,298
Net funds at 5 April 2013	-
Net funds at 31 August 2014	<u>62,298</u>

KING'S COLLEGE LONDON MATHS SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

19 Analysis of net funds

	At 5 April 2013 £	Cash flows £	Non-cash changes £	At 31 August 2014 £
Cash at bank and in hand	-	62,298	-	62,298

20 Related parties

The members of the Trust are employees of King's College London as are some members of the Board of Governors. King's College London is therefore considered to be a related party of the Trust.

In this set up period, some of the expenditure of the Trust was routed through the College and some of its members of staff were recharged to the Trust at cost.

During the period, King's College London received grant income of £237,088 and incurred £139,503 of expenditure on behalf of the school.

Included in other debtors at the period end is a balance of £97,585 due from King's College London.

The premises occupied by the school are currently leased by the College (see note 9).

The College will provide certain services to the Trust under agreed service level agreements, including IT infrastructure and support and building maintenance and facilities. These are to be charged at cost. The value of the IT assets bought on behalf of the school during the period is £119,691 (excluding VAT).

21 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.