

GOLDSWORTH TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

GOLDSWORTH TRUST
(A company limited by guarantee)

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GOLDSWORTH TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Trustees

Mr V Shipp ^, Chair
Mrs P Alexander, Head Teacher and Accounting Officer
Mrs J Deans ^
Mrs S Finlay
Mr A Hall ^
Miss S May
Mrs G Kozlowski (appointed 7 December 2015)

^ Members

Company registered number

07887259

Company name

Goldsworth Trust

Principal and registered office

Goldsworth Primary School, Bridge Barn Lane, Woking, Surrey, GU21 6NL

Senior management team

Mrs P Alexander, Executive Headteacher
Mrs G Kozlowski, Goldsworth Head of School
Miss S May, St John's Primary Head of School
Mrs L Webb, Trust Accountant

Independent auditor

James Cowper Kreston, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

Bankers

Lloyds Bank Plc, 32 Commercial Way, Woking, Surrey, GU21 6ER

Solicitors

Browne Jacobson LLP, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

GOLDSWORTH TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the audited financial statements of Goldsworth Trust ('the Trust' or 'the charitable company') for the period 31 August 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust, which was incorporated on 20th December 2011 and opened as a Trust on 1st February 2012, 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 Trust (formerly known as Goldsworth Primary School) operated Goldsworth Primary School until 1st December 2013 when St John's Primary, Knaphill joined the Trust. The Trust was renamed Goldsworth Trust.

The Trustees act for the charitable activities of the Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

The Trust operates two primary schools (both nursery provision for 2 to 4 year olds) within the local Woking area. The pupil capacity as at the May 2016 census was as follows:-

- Goldsworth Primary School – capacity of 540 children with 534 on roll
- Golden Owls Day Nursery – capacity of 32 children per session with 48 on roll
- St John's Primary School – capacity of 210 children with 169 on roll
- St John's Nursery and Little Bears – capacity of 80 children with 60 on roll

Members' Liability

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

Trustees' Indemnities

The Governors benefit from indemnity insurance purchased by the Trust to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Trust business. The limit of this indemnity is £10 million.

Principal Activities

The principal activity of the Academy is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing primary education offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

On the 1st February 2012, the Governors that served the predecessor school were appointed as Trustees of the newly formed Trust.

The constitution of the Trust was reorganised when St John's Primary joined the Trust. Several directors stood down (but remained Governors of the local Governing Body) and representation from St John's Primary School was included.

The Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trust shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- up to 16 Trustees who are appointed by the Members;
- up to minimum of two Parent Trustees who are elected by the parents of registered pupils at the Trust;
- up to no maximum stated, but mustn't exceed one third Staff Trustees appointed by the Members (provided that the total number of Trustees, including the Headteacher, who are employees of the Trust, does not exceed one third of the total number of Trustees);
- up to three co-opted Trustees who are appointed by Trustees who were not themselves appointed in such a way; and
- the Executive Headteacher and Heads of School who are treated for all purposes as being ex-officio Trustees.

There are no Local Authority appointed Trustees.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Executive Headteacher or Heads of School. Subject to remaining eligible to be a particular type of Trustee, any Trustees can be re-appointed or re-elected.

When appointing new Trustees, the Governing Body will give consideration to the skills and experience mix of existing Trustees in order to ensure the Trust has the necessary skills to contribute fully to the Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Trust schools and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

There is a Trustees training day organised each year which includes training sessions to keep the Governors updated on relevant developments impacting on their roles and responsibilities. New Governors have the opportunity to undertake National Governor Association training and all Governors receive regular National Governor Association updates.

Organisational Structure

The Trust Board normally meets once a term. The Trust Board establishes an overall framework for the governance of the Trust and has agreed by way of a Scheme of Delegation that certain of their duties may be delegated to the relevant Local Governing Body. Each Local Governing Body in turn has further delegated some of its duties to local committees.

The Trust Board may from time to time establish working groups to perform specific tasks over a limited timescale. There are currently no sub-Committees of the Trust Board.

Each Local Governing Body has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the Trust Board:

- to consider any proposals for changes to the status or constitution of the Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Headteacher
- to appoint the Company Secretary.

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Trust by the use of budgets and other data, and making the major decisions about the direction of the Trust, capital expenditure and significant staff appointments.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees have devolved the day-to-day management of the Trust to the Executive Headteacher and the Senior Leadership Team ('SLT') of each school. Each SLT comprises of the Executive Headteacher, Head of School, Deputy Headteachers and/or Assistant Headteachers. The SLT implement the policies laid down by the Trustees and report back to them on performance.

Risk Management

The Trustees have implemented a system to assess risks that the Trust faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

Arrangements for setting pay and remuneration of key management personnel

The Trust has a pay policy in place which is updated and approved on an annual basis. All Key management personnel are paid in accordance with this policy.

Connected Organisations, including Related Party Relationships

The Trust maintains a relationship with Surrey County Council and continues to use some of its support services either directly with the Council or via its educational partner, Babcock 4S.

The school is also an active member of the Woking Schools Learning Partnership (a confederation with other local schools).

Each School has a Parent Teachers Association.

Beyond the above, there are no related parties which either control or significantly influence the decisions and operations of the Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of the Trust, as set out in its Articles of Association, are 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; and
- promote for the benefit of the inhabitants of Woking 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, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Trust during the period ended 31 August 2016 are summarised below:

- to maximise the strengths of the trust
- to continue to find ways of working together to improve outcomes for children at both schools
- to streamline the governing body structure to ensure meetings are productive
- to appoint new governors with the necessary skills to make the trust more effective
- to procure services for the financial benefit of both schools

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, Strategies and Activities

The key priorities for the period are contained in the Trust's Development Plan which is available from the Headteacher.

The main activities of the Trust for the period ended 31 August 2016 were as follows:

Leadership and Management

The Executive Headteacher has reduced her hours to 2 days a week – 1 day to each school. Goldsworth has appointed a new assistant head due to the expansion of the school. The SENCo at St John's has recently completed the accredited SENCo qualification.

Student Achievement

Both schools have had a focus on improving writing.

Teaching and Learning

Both schools have adopted Transforming writing and Alan Peat sentence structure to improve writing outcomes

Behaviour and Safety

The current safeguarding requirements have been communicated to staff and the 3 year training of staff took place at Goldsworth.

Public Benefit

The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit education in Woking and the surrounding area, offering a broad curriculum.

The Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

The Trust is in its fifth period of operation since conversion on 1st February 2012.

The total number of pupils in the period ended 31 August 2016 was 703 (excluding Nursery Provision), but this has increased to 752 at the October 2016 census date due to the continued demand for places at the Trust.

The Trust is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

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TRUSTEES' REPORT (continued)
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The particular achievements and performance of the Trust during the period ended 31 August 2016 were as follows:

St Johns Primary School

- Reading - 68% reached end of year expectation – 9% greater depth
- Writing - 63% reached end of year expectation – 9% greater depth
- Maths - 77% reached end of year expectation – 18% greater depth
- GPS - 77% reached end of year expectation – 14% greater depth
- RWM - 59% reached end of year expectation – 5% greater depth

Goldsworth Primary School

- Reading - 80% reached end of year expectation – 31% greater depth
- Writing - 69% reached end of year expectation – 13% greater depth
- Maths - 81% reached end of year expectation – 33% greater depth
- SPAG - 83% reached end of year expectation – 28% greater depth
- RWM - 63% reached end of year expectation – 17% greater depth

Going Concern

After making appropriate enquiries, the Board of Trustees, including the Local Governing Bodies, has a reasonable expectation that the 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 Accounting Policies note of the financial statements.

Strategic report

The Trust has continued to work on the priorities set out in the development plan approved by the Governing Body. Notable achievements this year were:

- St John's Primary School were awarded an overall 'Good' in their recent Ofsted inspection (October 2016) with 'outstanding' in personal development, behaviour and welfare.
- SAT Results 2016 – St John's and Goldsworth both achieved 'above floor standard'

Environmental factors have continued to be further enhanced by the replacement of drainage at St John's and new external doors at Goldsworth.

The School faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section.

The School uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the school to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The school seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Key Performance Indicators

The governors use the following key measures to assess the success of the activities of the Trust:

- School Development Plan (3 Year Plan)
- Self-Evaluation Form (SEF)
- Benchmarking
- SATs results
- Findings and observations of the Senior Education Consultant (Babcock)

Attainment at St John's and Goldsworth for Key Stage 2 SATs are above the national average for all subjects except writing.

Although the Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2016, the balance of the GAG Restricted Fund was £nil.

As the majority of the Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 752 which is an increase of 7% from the previous census.

As a result, the ratio of GAG funding per pupil was £3,656 for the period.

Staffing costs are another key performance indicator for the Trust and the percentage of staff costs to total costs was 72%.

FINANCIAL REVIEW

The majority of the Trust's income is received from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2016, the total expenditure of £4,251,113 was covered by the recurrent grant funding from the DfE, together with other incoming resources. The excess of total expenditure over incoming resources for the period was £162,537.

The net book value of fixed assets at 31 August 2016 were £12,230,631, which includes the value of land and buildings transferred on conversion of £8,984,227 and depreciation charges for the period of £323,567.

The deficit in the Local Government Pension Scheme (LGPS) of £1,316,000 is recognised in the balance sheet as per the requirements of FRS 102. The pension deficit is not expected to have any material impact on the financial viability of the Trust.

The fixed assets held by the Trust are used exclusively for providing education and associated support services to the pupils of the Trust.

The balance of total funds held at 31 August 2016 were £11,608,249 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£ 39,899
Restricted Pension Liability Fund	(£ 1,316,000)
Restricted Fixed Asset Fund	£ 12,367,225
Unrestricted Funds	£ 517,125

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TRUSTEES' REPORT (continued)
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The key financial policies reviewed and adopted during the period included the Finance Policy, Finance Manual and Local Governing Body Scheme of Delegation which lays out the framework for the Trust's financial management, including financial responsibilities of the Governing Body, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending.

Financial and Risk Management Objectives and Policies

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Trust. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Governors have ensured the Academy has adequate insurance cover.

Whilst Goldsworth Primary School is currently oversubscribed, risks to revenue funding from a falling roll are small. However, the current freeze on the Governments overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health of the Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings.

At the balance sheet date, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Trust's liquidity.

The Trustees recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Trust. However, as the Trustees consider the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial

The Trust has considerable reliance on continued Government funding through the EFA. In the period, approximately 86% of the Trust's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

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TRUSTEES' REPORT (continued)
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Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Trust has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

Reserves Policy

Each School retains its own individual Reserves Policy and the Trustees review the reserve levels of the Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the minimum level of free cash reserves should be approximately:-

Goldsworth Primary School – £70,000
St Johns Knaphill – £50,000
Total – £120,000

The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Trust's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £557,024 of which £517,125 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

The current level of reserves is above our minimum target level of free cash reserves. The reserves policy will be reviewed in the coming year.

PLANS FOR FUTURE PERIODS

The Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Trust's plans for future periods are:

To develop two outstanding schools; both centres of excellence in working with their own particular intake of pupils to ensure they are happy, respectful, well rounded children achieving their highest potential and finding their own unique talents.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

This vision has formed the Trust's Strategic Development Plan which is continually monitored by Directors. This comprises of four strands:

- Trust schools are two outstanding centres of excellence in teaching and learning. This includes sharing best practice and St John's Primary becoming an outstanding school.
- Staff act as one team and one pool of human resources. There are targets relating to training, mentoring, Teaching & Learning Leaders and recruitment.
- Shared services to access better quality suppliers and economies of scale. This encompasses finance, grounds, admissions, IT, web services and wrap around care.
- Trust schools work together but maintain individual cultures.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as Custodian Trustees of any other charity.

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.

The Trustees report, incorporating a strategic report has been approved by order of the Board of Trustees on 12/12/2016 and signed on its behalf by:

.....
V Shipp
Mr V Shipp
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Goldsworth 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 Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Goldsworth Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr V Shipp ^, Chair	3	3
Mrs P Alexander, Head Teacher and Accounting Officer	3	3
Mrs J Deans ^	3	3
Mrs S Finlay	3	3
Mr A Hall ^	3	3
Miss S May	3	3
Mrs G Kozlowski	3	3

The role of the Finance Committee at Trust level is carried out by the Trust Board.

During the year the Trust has carried out a review of its governance arrangements and procedures.

Joint governor training has been carried out to address identified training needs of the Trust.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Headteacher has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Improving Educational Results

Both schools continue to have extensive tracking and pupil data recording systems. Children are monitored at individual level and findings are reviewed by class/group teacher(s) through Key Stage Co-ordinators to senior management team.

There is an extensive range of intervention and support programmes which is constantly reviewed to ensure that value for money is achieved and that the programme is successful for the individual child. Where a programme is clearly not working other interventions are considered.

Both schools have processes in place to ensure that Pupil Premium is used in a proper manner and to full effect. We also pride ourselves on our holistic approach to a child's development.

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GOVERNANCE STATEMENT (continued)

Staff development

Staff training – staff training is held jointly between the schools where appropriate, resulting in an economy of scale, a wider exchange of ideas and best practice. In addition, our staff provide training to other schools (e.g. leading from the middle course).

Staff deployment - the staffing structure at both schools is routinely reviewed to ensure staff are efficiently deployed, appropriately qualified and used to the best of their abilities. This allows us to bring in additional staff to target key curriculum areas such as reading recovery and to use staff to the best of their ability at either school. We are also able to share good practice and resources in support services such as IT, gymnastics and administration.

As a Trust with a growing number of pupils, staff are offered more opportunity for career development and to progress to management - we are therefore able to reap the benefits of this additional training. Retaining staff for longer in this way enables the Trust to more confidently prepare for management sustainability and to also avoid the cost of recruitment and training of new staff.

As a Trust we like to home-grow our new teachers. In 2016 we employed four SCITT students with a view to moulding them into excellent teachers and subsequently leading to employment within the Trust. In addition, we have also appointed four graduate Teaching assistants with the intention that they will undertake the SCITT programme the following year.

Financial Governance and Oversight

The schools are continuing to build a closer partnership with regards to financial management and are working collaboratively to look at both economies of scale when making purchases with one individual assessing the needs of both schools. This is a developing area but to date we have purchased IT software and a new entry door system. We also try to share resources such as stage lighting rather than both schools buying expensive equipment that is used infrequently. Both schools are part of the local group of academies which meet under various umbrella groups to disseminate and share financial information.

Both schools have strong financial governance with a range of skills on the Finance Committees. The Committees receive regular financial reports and are involved in the procuring of large expense items. Budgets and unforeseen or additional expenditure are discussed and challenged at these meetings in line with the Trust's scheme of delegation.

Reviewing controls and managing risks

One of the targets for the Trust Accountant is to establish consistency between the schools in the trust and to ensure that best financial practice (in line with the EfA's Finance Manual) is identified and adhered to at both schools. The trust has invested in the PSF financial software package and the target for the coming year, using the trust accountant's professional skills, is to maximise the impact of the system allowing for a more streamlined monthly and year end procedures and reporting.

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 ongoing 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 Goldsworth Trust for the period ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 from incorporation to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (continued)

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed James Cowper Kreston, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In June 2016, the auditor issued an internal assurance report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees', including all Committees', financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive 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 external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the of each school 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 Trustees on 12/12/2016 and signed on their behalf, by:


.....
Mr V Shipp
Chair of Trustees


.....
Mrs P Alexander
Accounting Officer

GOLDSWORTH TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Goldsworth Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

P.R. Alexander
.....

Mrs P Alexander
Accounting Officer

Date: *12.12.16*
.....

GOLDSWORTH TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Goldsworth Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 12/12/2016 and signed on its behalf by:


.....
Mr V Shipp
Chair of Trustees

GOLDSWORTH TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GOLDSWORTH TRUST**

We have audited the financial statements of Goldsworth Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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 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 www.frc.org.uk/auditscopeukprivate.

UNQUALIFIED OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

GOLDSWORTH TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GOLDSWORTH TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Alexander Peal BSc (Hons) FCA DChA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 20 December 2016

GOLDSWORTH TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
GOLDSWORTH TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 11 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Goldsworth Trust during the year 1 September 2015 to 31 August 2016 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 Goldsworth Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Goldsworth 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 Goldsworth Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOLDSWORTH TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Goldsworth Trust's funding agreement with the Secretary of State for Education dated 1 February 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 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's income and expenditure.

Our work on regularity included a review of the internal controls, policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
GOLDSWORTH TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

James Cowper Kreston

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: *20 December 2016*

GOLDSWORTH TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	25,361	-	107,087	132,448	329,091
Charitable activities	5	463,595	3,397,128	-	3,860,723	3,651,198
Other trading activities	3	94,411	-	-	94,411	92,165
Investments	4	994	-	-	994	741
TOTAL INCOME		584,361	3,397,128	107,087	4,088,576	4,073,195
EXPENDITURE ON:						
Charitable activities		447,130	3,480,416	323,567	4,251,113	3,928,565
TOTAL EXPENDITURE	7	447,130	3,480,416	323,567	4,251,113	3,928,565
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	137,231	(83,288)	(216,480)	(162,537)	144,630
		-	4,106	(4,106)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		137,231	(79,182)	(220,586)	(162,537)	144,630
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(306,000)	-	(306,000)	23,000
NET MOVEMENT IN FUNDS		137,231	(385,182)	(220,586)	(468,537)	167,630
RECONCILIATION OF FUNDS:						
Total funds brought forward		379,894	(890,919)	12,587,811	12,076,786	11,909,156
TOTAL FUNDS CARRIED FORWARD		517,125	(1,276,101)	12,367,225	11,608,249	12,076,786

GOLDSWORTH TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07887259

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		12,230,631		12,326,447
CURRENT ASSETS					
Debtors	14	208,305		163,918	
Cash at bank and in hand		856,603		1,009,184	
		<u>1,064,908</u>		<u>1,173,102</u>	
CREDITORS: amounts falling due within one year	15	<u>(371,290)</u>		<u>(478,763)</u>	
NET CURRENT ASSETS			693,618		694,339
TOTAL ASSETS LESS CURRENT LIABILITIES			12,924,249		13,020,786
Defined benefit pension scheme liability	21		<u>(1,316,000)</u>		<u>(944,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			11,608,249		12,076,786
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	39,899		53,081	
Restricted fixed asset funds	16	12,367,225		12,587,811	
		<u>12,407,124</u>		<u>12,640,892</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(1,316,000)</u>		<u>(944,000)</u>	
Total restricted funds			11,091,124		11,696,892
Unrestricted funds	16		<u>517,125</u>		<u>379,894</u>
TOTAL FUNDS			11,608,249		12,076,786

The financial statements were approved by the Trustees, and authorised for issue, on 12/12/2016 and are signed on their behalf, by:

V Shipp
.....
Mr V Shipp
Chair of Trustees

The notes on pages 23 to 39 form part of these financial statements.

GOLDSWORTH TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>74,176</u>	<u>973,457</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		994	741
Purchase of tangible fixed assets		<u>(227,751)</u>	<u>(310,371)</u>
Net cash used in investing activities		<u>(226,757)</u>	<u>(309,630)</u>
Change in cash and cash equivalents in the year		(152,581)	663,827
Cash and cash equivalents brought forward		<u>1,009,184</u>	<u>345,357</u>
Cash and cash equivalents carried forward	19	<u><u>856,603</u></u>	<u><u>1,009,184</u></u>

GOLDSWORTH TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Goldsworth Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

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

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

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

GOLDSWORTH TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.6 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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 there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	20 - 50 years straight line
Plant and machinery	-	5 years straight line

GOLDSWORTH TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy 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.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

GOLDSWORTH TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

GOLDSWORTH TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	25,361	-	-	25,361	34,119
Capital grants	-	-	107,087	107,087	294,972
	<u>25,361</u>	<u>-</u>	<u>107,087</u>	<u>132,448</u>	<u>329,091</u>

In 2015, of the total income from donations and capital grants, £34,119 was to unrestricted funds and £294,972 was to restricted funds

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	94,411	-	94,411	92,165
	<u>94,411</u>	<u>-</u>	<u>94,411</u>	<u>92,165</u>

In 2015, of the total income from other trading activities, £92,165 was to unrestricted funds and £nil was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	994	-	994	741
	<u>994</u>	<u>-</u>	<u>994</u>	<u>741</u>

In 2015, of the total investment income, £741 was to unrestricted funds and £nil was to restricted funds.

GOLDSWORTH TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Educational operations (see below)	-	2,829,204	2,829,204	2,681,581
Local Authority	-	567,924	567,924	562,169
Other income from educational activities	463,595	-	463,595	407,448
	<u>463,595</u>	<u>3,397,128</u>	<u>3,860,723</u>	<u>3,651,198</u>

In 2015, of the total income from charitable activities, £407,448 was to unrestricted funds and £3,243,750 was to restricted funds.

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	2,573,704	2,573,704	2,413,644
Other DfE/EFA grants	-	255,500	255,500	267,937
	<u>-</u>	<u>2,829,204</u>	<u>2,829,204</u>	<u>2,681,581</u>

In 2015, of the total income from charitable activities, £nil was to unrestricted funds and £2,681,581 was to restricted funds.

GOLDSWORTH TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	2,106,913	1,975,170
National insurance	153,278	142,482
Pension cost	421,370	332,835
Educational supplies	212,744	180,553
Technology	33,628	41,754
Other direct costs	254,353	245,884
Staff development	28,834	37,122
	<u>3,211,120</u>	<u>2,955,800</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	274,486	277,308
National insurance	14,596	14,324
Pension cost	74,668	82,930
Maintenance of premises and equipment	204,689	154,502
Rates, insurance and utilities	122,487	121,030
Other support costs	14,900	10,566
Depreciation	323,567	303,347
Governance costs	10,600	8,758
	<u>1,039,993</u>	<u>972,765</u>
	<u><u>4,251,113</u></u>	<u><u>3,928,565</u></u>

7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Activities:					
Direct costs	2,681,561	-	529,559	3,211,120	2,955,732
Support costs	363,750	204,689	471,554	1,039,993	972,833
	<u>3,045,311</u>	<u>204,689</u>	<u>1,001,113</u>	<u>4,251,113</u>	<u>3,928,565</u>

In 2016, of the total expenditure, £447,130 (2015: £320,160) was to unrestricted funds and £3,803,983 (2015: £3,608,405) was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the charity	323,567	303,347
Auditor's remuneration - audit	7,200	7,000
Auditor's remuneration - other services	2,550	1,758
	<u>333,317</u>	<u>312,105</u>

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,381,399	2,252,478
Social security costs	167,874	156,806
Pension costs	496,038	415,765
	<u>3,045,311</u>	<u>2,825,049</u>

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

	2016 No.	2015 No.
Teaching	90	93
Administration and support	25	23
Management	7	7
	<u>122</u>	<u>123</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	0
In the band £110,001 - £120,000	0	1

The above employees all participated in the Teachers' Pension Scheme. During the period ended 31 August 2016 contributions for these staff members amounted to £33,068 (2015: £24,369).

The key management personnel of the academy trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £245,120 (2015: £206,623).

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10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees.

The spouse of a Trustee, G Kozłowski, was employed by the trust during the year. The remuneration of Mr Kozłowski was £15,000 - £20,000 (2015: £nil). Remuneration disclosed is for the period from being appointed as trustee where applicable.

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

		2016 £	2015 £
Mrs P Alexander (Executive Principal and Trustee)	Remuneration	75,000-80,000	110,000-115,000
	Pension contributions paid	10,000-15,000	15,000-20,000
Ms S May (Headteacher and Trustee)	Remuneration	60,000-65,000	60,000-65,000
	Pension contributions paid	10,000-15,000	5,000-10,000
Mrs G Kozłowski (Headteacher and Trustee)	Remuneration	60,000-65,000	nil
	Pension contributions paid	10,000-15,000	nil

During the year ended 31 August 2016, expenses totalling £192 (2015: £531) were reimbursed to 2 Trustees (2015: 2).

11. CENTRAL SERVICES

The academy has provided the following central services to its academies during the year:

- Executive Principal
- Legal and professional services
- Finance and administration
- Drafting of Trust policies

The academy charges for these services on the following basis:

The trust charged for these services on the basis of actual costs apportioned by pupil numbers; except where the exact time spent in each school is known

The actual amounts charged during the year were as follows:

	2016 £	2015 £
Central staff	109,967	155,874
Central supplies and services	24,812	20,993
	<u>134,779</u>	<u>176,867</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and machinery etc. £	Total £
Cost			
At 1 September 2015	12,938,082	124,230	13,062,312
Additions	210,992	16,759	227,751
	<u>13,149,074</u>	<u>140,989</u>	<u>13,290,063</u>
At 31 August 2016			
Depreciation			
At 1 September 2015	701,855	34,010	735,865
Charge for the year	295,369	28,198	323,567
	<u>997,224</u>	<u>62,208</u>	<u>1,059,432</u>
At 31 August 2016			
Net book value			
At 31 August 2016	<u>12,151,850</u>	<u>78,781</u>	<u>12,230,631</u>
At 31 August 2015	<u>12,236,227</u>	<u>90,220</u>	<u>12,326,447</u>

14. DEBTORS

	2016 £	2015 £
Trade debtors	24,972	46,473
VAT recoverable	179,857	103,445
Other debtors	2,540	458
Prepayments and accrued income	936	13,542
	<u>208,305</u>	<u>163,918</u>

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15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	83,508	208,014
Other taxation and social security	51,982	43,942
Other creditors	76,368	72,853
Accruals and deferred income	159,432	153,954
	<u>371,290</u>	<u>478,763</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	137,357	130,812
Resources deferred during the year	115,213	137,357
Amounts released from previous years	<u>(137,357)</u>	<u>(130,812)</u>
Deferred income at 31 August 2016	<u>115,213</u>	<u>137,357</u>

The deferred income relates to school activities scheduled to be undertaken in the following financial period. £70,995 (2015: £67,809) was deferred in respect of the Universal Infant Free School Meals grant.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	379,894	584,361	(447,130)	-	-	517,125
Restricted funds						
General Annual Grant (GAG)	-	2,573,705	(2,577,811)	4,106	-	-
Other EFA grants	-	255,499	(255,499)	-	-	-
Feet resources grant	36,804	-	(15,000)	-	-	21,804
Other government grants	16,277	567,924	(566,106)	-	-	18,095
Pension reserve	(944,000)	-	(66,000)	-	(306,000)	(1,316,000)
	(890,919)	3,397,128	(3,480,416)	4,106	(306,000)	(1,276,101)
Restricted fixed asset funds						
Other capital grants	3,405,153	107,087	(125,136)	(4,106)	-	3,382,998
Assets on conversion	9,182,658	-	(198,431)	-	-	8,984,227
	12,587,811	107,087	(323,567)	(4,106)	-	12,367,225
Total restricted funds	11,696,892	3,504,215	(3,803,983)	-	(306,000)	11,091,124
Total of funds	12,076,786	4,088,576	(4,251,113)	-	(306,000)	11,608,249

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

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the trust upon conversion which represent the school site including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the trust following conversion that have been funded by capital grants received by the trust. Depreciation charged on those tangible assets is allocated to the fund.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the trust via the Education Funding Agency by the Department for Education. The General Annual Grant fund has been set up because the GAG must be used for the normal running costs of the trust.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

The Feet resources grant fund has been created to recognise the restricted funding received from government to set up a Feet Nursery called Little Bears at St John's Primary School.

The Other Government grants fund has been created to recognise all restricted income received from Government in relation to Early Years, Feet Funding, Growing Schools and Children's centre. The relevant restricted expenditure is then also recorded through this fund.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Goldsworth Primary School	410,385	333,459
St John's Primary School	143,946	98,463
Goldsworth Trust	2,693	1,053
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	557,024	432,975
Restricted fixed asset fund	12,367,225	12,587,811
Pension reserve	(1,316,000)	(944,000)
	<hr/>	<hr/>
Total	11,608,249	12,076,786
	<hr/> <hr/>	<hr/> <hr/>

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year, excluding depreciation, was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	Total 2015 £
Goldsworth Primary	1,763,952	180,337	152,991	466,276	2,563,556	2,217,889
St John's Primary	815,459	174,194	59,315	180,243	1,229,211	1,230,461
Central costs	97,018	12,949	13	24,799	134,779	176,867
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,676,429	367,480	212,319	671,318	3,927,546	3,625,217
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	12,230,631	12,230,631	12,326,477
Current assets	517,125	411,189	136,594	1,064,908	1,173,102
Creditors due within one year	-	(371,290)	-	(371,290)	(478,763)
Pension liability	-	(1,316,000)	-	(1,316,000)	(944,000)
	<u>517,125</u>	<u>(1,276,101)</u>	<u>12,367,225</u>	<u>11,608,249</u>	<u>12,076,786</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(162,537)	144,630
Adjustment for:		
Depreciation charges	323,567	303,347
Investment income	(994)	(741)
(Increase)/decrease in debtors	(44,387)	598,463
Decrease in creditors	(107,473)	(139,242)
Defined benefit pension scheme finance cost	66,000	67,000
Net cash provided by operating activities	<u>74,176</u>	<u>973,457</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	856,603	1,009,184
	<u>856,603</u>	<u>1,009,184</u>

20. CAPITAL COMMITMENTS

At 31 August 2016 the academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	8,400	148,949

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £53,069 were payable to the schemes at 31 August 2016 (2015 - £44,254) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £231,606 (2015 - £163,916).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £250,000 (2015 - £229,000), of which employer's contributions totalled £202,000 (2015 - £185,000) and employees' contributions totalled £48,000 (2015 - £44,000). The agreed contribution rates for future years are 24.9% for employers and 5.5-12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	2.40 %	4.10 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.5	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.5	24.5
Females	26.9	26.9

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	929,000	662,000
Bonds	210,000	152,000
Property	74,000	63,000
Cash	25,000	18,000
Total market value of assets	1,238,000	895,000

The actual return on scheme assets was £141,000 (2015 - £(5,000)).

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21. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(231,000)	(218,000)

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

	2016 £	2015 £
Opening defined benefit obligation	1,931,000	1,636,000
Current service cost	231,000	218,000
Interest cost	79,000	65,000
Contributions by employees	48,000	44,000
Actuarial losses/(gains)	447,000	(28,000)
Exchange differences on foreign schemes	(2,000)	(4,000)
Closing defined benefit obligation	2,734,000	1,931,000

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

	2016 £	2015 £
Opening fair value of scheme assets	987,000	736,000
Interest income	42,000	31,000
Actuarial gains and (losses)	141,000	(5,000)
Contributions by employer	202,000	185,000
Contributions by employees	48,000	44,000
Assets acquired in a business combination	(2,000)	(4,000)
Closing fair value of scheme assets	1,418,000	987,000

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the year.

23. CONTROLLING PARTY

The ultimate controlling party is that of its trustees as detailed on page 1 of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. MEMBERS' LIABILITY

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

25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. However, as a result of the conversion to FRS 102, there has been a reallocation between actuarial gains/(losses) on defined benefit pension schemes and interest costs within charitable activities expenditure which has no impact on the net movement in funds for the prior year.