

Registered number: 07887259

GOLDSWORTH TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

GOLDSWORTH TRUST

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GOLDSWORTH TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

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 ^
Mr D Lander ^
Mrs J Parkinson ^ (resigned 13 October 2017)
Mrs E Rinttila ^ (appointed 21 September 2017)

^ Members

Company registered number 07887259

Company name Goldsworth Trust

Principal and registered office Goldsworth Primary School
Bridge Barn Lane
Woking
Surrey
GU21 6NL

Company secretary Mrs L Webb

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
Chartered Accountants and Statutory Auditor
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

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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 2018.

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.

Goldsworth 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 2018 census was as follows:-

- Goldsworth Primary School – capacity of 600 children with 601 on roll
- Golden Owls Day Nursery – capacity of 32 children per session with 63 on roll
- St John's Primary School – capacity of 210 children with 185 on roll
- St John's Nursery and Little Bears – capacity of 72 children with 50 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 Goldsworth 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 Goldsworth 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.

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

GOLDSWORTH TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 Headteachers 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 Headteachers. 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.

GOLDSWORTH TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 Academy 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.

Trade union facility time

The Trust did not employ any trade union officials during the year ended 31st August 2018.

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.

GOLDSWORTH TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

The aims of the Trust during the period ended 31 August 2018 are summarised below:

- to maximise the strengths of the trust
- to work toward the separation of interests between members, trust directors and the local governing body
- 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

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 2018 were as follows:

Leadership and Management

- To establish a relationship with 2 local maintained schools (Federated) with a view to them joining Goldsworth Trust
- Working with a local MAT to look at the possibility of a merger.
- Developing a succession plan to replace the current Executive Leader due her retirement.
- Re-structuring the current Trust Board to ensure the required skills to fulfil roles and responsibilities and separation are adhered to.
- Both schools coming together to find ways of working together to improve the outcomes for all children
- To ensure Teaching Assistants are effectively employed in schools

Student Achievement

- To improve outcomes for pupils in Year R GLD, Year 1 Phonics, Key Stage 1 SATs, Key Stage 2 SATs.
- To improve progress scores.
- To ensure no significant groups of pupils are underachieving

Teaching and Learning

- Working towards improving writing.
- Developing mastery in mathematics across the school

Behaviour and Safety

- The current safeguarding requirements have been communicated to staff and training undertaken

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.

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

Goldsworth 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.

GOLDSWORTH TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

Goldsworth Trust is in its seventh period of operation since conversion on 1st February 2012.

The total number of pupils in the period ended 31 August 2018 was 786 (excluding Nursery Provision), but this has increased to 820 at the October 2018 census date due to the continued demand for places at the Trust. Goldsworth 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.

The particular achievements and performance of the Academy during the period ended 31 August 2018 were as follows:

St Johns Primary School

- Reading - 83% reached end of year expectation –33% greater depth
- Writing - 67% reached end of year expectation –17% greater depth
- Maths - 83% reached end of year expectation – 40% greater depth
- GPS - 77% reached end of year expectation – 27% greater depth
- RWM - 67% reached end of year expectation –10% greater depth

Goldsworth Primary School

- Reading - 90% reached end of year expectation – 48% greater depth
- Writing - 92% reached end of year expectation – 33% greater depth
- Maths - 87% reached end of year expectation – 47% greater depth
- SPAG - 92% reached end of year expectation – 45% greater depth
- RWM - 78% reached end of year expectation –23% 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

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

- SAT Results 2018 – St John's and Goldsworth both achieved 'above floor standard'

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

Goldsworth 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.

GOLDSWORTH TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 Independent Education Consultant

Attainment at expected level for Key Stage 2 SATs for St John's is above the national average for reading/writing/maths combined and reading and maths but below for writing and SPAG.

Attainment at Goldsworth for expected and greater depth is above the national average for all subjects and the combined reading/writing/maths.

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 2018, the balance of the GAG Restricted Fund was £24,372.

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 820 which is an increase of 3.4% percent from the previous census.

As a result, the ratio of GAG funding per pupil was £3,453 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 2018, the total expenditure of £4,811,018 was covered by the recurrent grant funding from the DfE, together with other incoming resources (excluding the net assets transferred on conversion from the Local Authority). The excess of total expenditure over incoming resources for the period was £359,735.

The net book value of fixed assets at 31 August 2018 were £11,572,978, which includes the value of land and buildings transferred on conversion of £8,528,104 and depreciation charges for the period of £363,059.

The deficit in the Local Government Pension Scheme (LGPS) of £1,200,000 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 Academy are used exclusively for providing education and associated support services to the pupils of the Trust.

GOLDSWORTH TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

The balance of total funds held at 31 August 2018 were £11,266,109 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£80,967
Restricted Pension Liability Fund	(£1,200,000)
Restricted Fixed Asset Fund	£11,663,226
Unrestricted Funds	£721,916

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.

GOLDSWORTH TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 £802,883 of which £721,916 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

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

GOLDSWORTH TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

The trust is looking to expand to give greater depth, further funding opportunities and financial efficiencies to our organisation. This in turn will lead to improving life chances for all our children. It is currently in talks with several other local primary schools who have shown an interest in joining our trust. If all are in agreement there will be 10 schools in the trust.

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 13th December 2018 and signed on its behalf by:

.....
Mr V Shipp
Chair of Trustees

GOLDSWORTH TRUST

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 4 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	6	6
Mrs P Alexander ^, Executive Head Teacher and Accounting Officer	6	6
Mrs J Deans ^	5	6
Mrs S Finlay ^	4	6
Mr A Hall ^	5	6
Mrs G Kozlowski ^	6	6
Mr D Lander ^	4	6
Miss S May ^	6	6
Mrs J Parkinson ^	0	1
Mrs E Rinttila ^	5	5

Governance reviews

During the year, the GoldsworthTrust has carried out a review of its governance arrangements and procedures. This took the form of a skills audit and a restructuring of the board to ensure separation of interests. The original members, were invited to apply for positions on the new board. A shadow trust board was formed and will be formally adopted as the new Goldsworth Trust Board at the next meeting. The board is in the process of appointing trustees to fill the skill gaps.

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:

- Procuring energy savings by signing a 3-year deal for the trust.
- Renovating the empty caretakers bungalow for private letting
- Re-structuring the back office in order to ensure value for money.

We recognise the need to expand the trust to give greater economies of scale and are actively engaged in talks with other schools/MATs.

GOLDSWORTH TRUST

GOVERNANCE STATEMENT (continued)

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

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

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

On a quarterly basis, the reviewer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' 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 period 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.

GOLDSWORTH TRUST

GOVERNANCE STATEMENT (continued)

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 13/12/18 and signed on their behalf, by:


.....
Mr V Shipp
Chair of Trustees


.....
Mrs P Alexander
Accounting Officer

GOLDSWORTH TRUST

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

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

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



Mrs P Alexander
Accounting Officer

Date: 17.12.18

GOLDSWORTH TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 13/12/18 and signed on its behalf by:



Mr V Shipp
Chair of Trustees

GOLDSWORTH TRUST

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

OPINION

We have audited the financial statements of Goldsworth Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

GOLDSWORTH TRUST

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

required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

GOLDSWORTH TRUST

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

USE OF OUR REPORT

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 opinions we have formed.



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 2013

GOLDSWORTH TRUST

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

In accordance with the terms of our engagement letter dated 16 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Goldsworth Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Goldsworth Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Goldsworth Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Goldsworth Trust and the ESFA, 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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


GOLDSWORTH TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GOLDSWORTH TRUST AND THE EDUCATION & SKILLS 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 2017 to 31 August 2018 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

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 20 December 2018

GOLDSWORTH TRUST

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	9,899	-	19,821	29,720	34,515
Charitable activities	5	517,168	3,796,286	-	4,313,454	3,988,534
Other trading activities	3	107,624	-	-	107,624	101,723
Investments	4	485	-	-	485	557
TOTAL INCOME		635,176	3,796,286	19,821	4,451,283	4,125,329
EXPENDITURE ON:						
Charitable activities		439,480	3,999,123	372,415	4,811,018	4,662,734
TOTAL EXPENDITURE	6	439,480	3,999,123	372,415	4,811,018	4,662,734
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	195,696 (13,500)	(202,837) -	(352,594) 13,500	(359,735) -	(537,405) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		182,196	(202,837)	(339,094)	(359,735)	(537,405)
Actuarial gains on defined benefit pension schemes	21	-	436,000	-	436,000	119,000
NET MOVEMENT IN FUNDS		182,196	233,163	(339,094)	76,265	(418,405)
RECONCILIATION OF FUNDS:						
Total funds brought forward		539,720	(1,352,196)	12,002,320	11,189,844	11,608,249
TOTAL FUNDS CARRIED FORWARD		721,916	(1,119,033)	11,663,226	11,266,109	11,189,844

GOLDSWORTH TRUST
REGISTERED NUMBER: 07887259

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		11,572,978		11,913,420
CURRENT ASSETS					
Debtors	14	312,699		325,302	
Cash at bank and in hand		972,215		768,294	
		<u>1,284,914</u>		<u>1,093,596</u>	
CREDITORS: amounts falling due within one year	15	(391,783)		(458,172)	
NET CURRENT ASSETS			893,131		635,424
TOTAL ASSETS LESS CURRENT LIABILITIES			12,466,109		12,548,844
Defined benefit pension scheme liability	21	(1,200,000)		(1,359,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>11,266,109</u>		<u>11,189,844</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	80,967		6,804	
Restricted fixed asset funds	16	11,663,226		12,002,320	
Restricted income funds excluding pension liability		11,744,193		12,009,124	
Pension reserve		(1,200,000)		(1,359,000)	
Total restricted income funds			10,544,193		10,650,124
Unrestricted income funds	16		721,916		539,720
TOTAL FUNDS			<u>11,266,109</u>		<u>11,189,844</u>

The financial statements on pages 21 to 44 were approved by the Trustees, and authorised for issue, on 13/12/18 and are signed on their behalf, by:

.....
Mr V Shipp
Chair of Trustees

GOLDSWORTH TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	<u>226,053</u>	<u>(47,656)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		485	557
Purchase of tangible fixed assets		<u>(22,617)</u>	<u>(41,210)</u>
Net cash used in investing activities		<u>(22,132)</u>	<u>(40,653)</u>
Change in cash and cash equivalents in the year		203,921	(88,309)
Cash and cash equivalents brought forward		<u>768,294</u>	<u>856,603</u>
Cash and cash equivalents carried forward	19	<u><u>972,215</u></u>	<u><u>768,294</u></u>

GOLDSWORTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2017 to 2018 issued by ESFA, 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 funders 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/donor and include grants from the Department for Education Group.

GOLDSWORTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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 receipt is probable 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.

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.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is 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

GOLDSWORTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	- 20 - 50 years straight line
Plant and equipment	- 3-5 years straight line

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.

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 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 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.

GOLDSWORTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 Liabilities and provisions

Liabilities and provisions 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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.

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	9,899	-	3,102	13,001	18,271
Capital grants	-	-	16,719	16,719	16,244
	<u>9,899</u>	<u>-</u>	<u>19,821</u>	<u>29,720</u>	<u>34,515</u>
<i>Total 2017</i>	<u>3,271</u>	<u>-</u>	<u>31,244</u>	<u>34,515</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	107,624	-	107,624	101,723
	<u>107,624</u>	<u>-</u>	<u>107,624</u>	
<i>Total 2017</i>	<u>101,723</u>	<u>-</u>	<u>101,723</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	485	-	485	557
	<u>485</u>	<u>-</u>	<u>485</u>	
<i>Total 2017</i>	<u>557</u>	<u>-</u>	<u>557</u>	

GOLDSWORTH TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational operations (see below)	-	3,077,583	3,077,583	2,885,234
Local Authority	-	718,703	718,703	603,296
Other income from educational activities	517,168	-	517,168	500,004
	<u>517,168</u>	<u>3,796,286</u>	<u>4,313,454</u>	<u>3,988,534</u>
<i>Total 2017</i>	<u>500,004</u>	<u>3,488,530</u>	<u>3,988,534</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,738,232	2,738,232	2,607,499
Other DfE/ESFA grants	-	339,351	339,351	277,735
	<u>-</u>	<u>3,077,583</u>	<u>3,077,583</u>	<u>2,885,234</u>
<i>Total 2017</i>	<u>-</u>	<u>2,885,234</u>	<u>2,885,234</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Activities:					
Direct costs	3,015,474	-	609,309	3,624,783	3,531,483
Support costs	439,689	366,273	380,273	1,186,235	1,131,251
	<u>3,455,163</u>	<u>366,273</u>	<u>989,582</u>	<u>4,811,018</u>	<u>4,662,734</u>
<i>Total 2017</i>	<u>3,220,097</u>	<u>233,305</u>	<u>1,209,332</u>	<u>4,662,734</u>	

GOLDSWORTH TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Expenditure	<u>3,624,783</u>	<u>1,186,235</u>	<u>4,811,018</u>	<u>4,662,734</u>
<i>Total 2017</i>	<u>3,531,483</u>	<u>1,131,251</u>	<u>4,662,734</u>	

Analysis of support costs

	Total 2018 £	Total 2017 £
Staff costs	439,689	398,984
Depreciation	363,059	358,421
Maintenance of premises and equipment	230,887	233,305
Rates, insurances and utilities	129,371	113,944
Other support costs	12,259	16,017
Governance costs	10,970	10,580
	<u>1,186,235</u>	<u>1,131,251</u>
<i>At 31 August 2017</i>	<u>1,131,251</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	363,059	358,421
Auditor's remuneration - audit	7,600	7,400
Auditor's remuneration - other services	<u>3,370</u>	<u>3,330</u>

GOLDSWORTH TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,557,714	2,409,186
Social security costs	207,377	195,043
Pension costs	690,072	615,868
	<u>3,455,163</u>	<u>3,220,097</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff costs are non-statutory severance payments totalling £6,445 (2017: £nil). Individually, the payments were £1,945 and £4,500.

c. Staff numbers

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

	2018 No.	2017 No.
Teaching	94	93
Administration and support	29	27
Management	8	8
	<u>131</u>	<u>128</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	2

The above employees all participated in the Teachers' Pension Scheme. During the period ended 31 August 2018 contributions for these staff members amounted to £22,656 (2017: £22,067).

e. Key management personnel

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 and National Insurance contributions) received by key management personnel for their services to the academy was £269,593 (2017: £256,290).

GOLDSWORTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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 value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Mrs P Alexander (Executive Principal and Trustee)	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Ms S May (Headteacher and Trustee)	Remuneration	65,000-70,000	65,000-70,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mrs G Kozlowski (Headteacher and Trustee)	Remuneration	65,000-70,000	65,000-70,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2018, expenses totalling £Nil (2017 - £Nil) were reimbursed to Trustees (2017 - 0).

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:

	2018 £	2017 £
Central staff	90,095	88,726
Central supplies and services	30,080	36,375
	<u>120,175</u>	<u>125,101</u>

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.

GOLDSWORTH TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Plant and machinery etc. £	Total £
Cost			
At 1 September 2017	13,156,955	174,314	13,331,269
Additions	22,617	-	22,617
At 31 August 2018	<u>13,179,572</u>	<u>174,314</u>	<u>13,353,886</u>
Depreciation			
At 1 September 2017	1,325,610	92,239	1,417,849
Charge for the year	328,973	34,086	363,059
At 31 August 2018	<u>1,654,583</u>	<u>126,325</u>	<u>1,780,908</u>
Net book value			
At 31 August 2018	<u>11,524,989</u>	<u>47,989</u>	<u>11,572,978</u>
At 31 August 2017	<u>11,831,345</u>	<u>82,075</u>	<u>11,913,420</u>

14. DEBTORS

	2018 £	2017 £
Trade debtors	14,607	9,600
VAT recoverable	266,254	288,413
Other debtors	2,000	8,359
Prepayments and accrued income	29,838	18,930
	<u>312,699</u>	<u>325,302</u>

GOLDSWORTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	97,591	154,360
Other taxation and social security	53,241	51,341
Other creditors	83,867	86,850
Accruals and deferred income	157,084	165,621
	<u>391,783</u>	<u>458,172</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	112,329	115,213
Resources deferred during the year	111,287	112,329
Amounts released from previous years	(112,329)	(115,213)
Deferred income at 31 August 2018	<u>111,287</u>	<u>112,329</u>

The deferred income relates to school activities scheduled to be undertaken in the following financial period. £70,358 (2017: £68,191) was deferred in respect of the Universal Infant Free School Meals grant.

GOLDSWORTH TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	539,720	635,176	(439,480)	(13,500)	-	721,916
Restricted funds						
General Annual Grant (GAG)	-	2,738,232	(2,714,760)	-	-	23,472
Other ESFA grants	-	339,351	(321,772)	-	-	17,579
Feet resources set up grant	6,804	-	(6,804)	-	-	-
Other government grants	-	718,703	(678,787)	-	-	39,916
Pension reserve	(1,359,000)	-	(277,000)	-	436,000	(1,200,000)
	<u>(1,352,196)</u>	<u>3,796,286</u>	<u>(3,999,123)</u>	<u>-</u>	<u>436,000</u>	<u>(1,119,033)</u>
Restricted fixed asset funds						
Other capital grants	3,250,387	19,821	(148,586)	13,500	-	3,135,122
Assets on conversion	8,751,933	-	(223,829)	-	-	8,528,104
	<u>12,002,320</u>	<u>19,821</u>	<u>(372,415)</u>	<u>13,500</u>	<u>-</u>	<u>11,663,226</u>
Total restricted funds	<u>10,650,124</u>	<u>3,816,107</u>	<u>(4,371,538)</u>	<u>13,500</u>	<u>436,000</u>	<u>10,544,193</u>
Total of funds	<u>11,189,844</u>	<u>4,451,283</u>	<u>(4,811,018)</u>	<u>-</u>	<u>436,000</u>	<u>11,266,109</u>

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 fixed 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 and Skills 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.

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.

GOLDSWORTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS (continued)

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 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Goldsworth Primary School	568,861	409,819
St John's Primary School	230,534	130,929
Goldsworth Trust	3,488	5,776
Total before fixed asset fund and pension reserve	802,883	546,524
Restricted fixed asset fund	11,663,226	12,002,320
Pension reserve	(1,200,000)	(1,359,000)
Total	11,266,109	11,189,844

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Goldsworth Primary	2,132,103	239,778	166,693	491,923	3,030,497	2,828,387
St John's Primary	809,714	183,473	105,878	198,222	1,297,287	1,350,825
Central costs	73,658	16,437	13	30,067	120,175	125,101
	3,015,475	439,688	272,584	720,212	4,447,959	4,304,313

GOLDSWORTH TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General funds						
General Funds	517,125	605,555	(582,960)	-	-	539,720
Restricted funds						
General Annual Grant (GAG)	-	2,607,500	(2,607,500)	-	-	-
Other ESFA grants	-	277,736	(277,736)	-	-	-
Feet resources set up grant	21,804	-	(15,000)	-	-	6,804
Other government grants	18,095	603,294	(621,389)	-	-	-
Pension reserve	(1,316,000)	-	(162,000)	-	119,000	(1,359,000)
	<u>(1,276,101)</u>	<u>3,488,530</u>	<u>(3,683,625)</u>	<u>-</u>	<u>119,000</u>	<u>(1,352,196)</u>
Restricted fixed asset funds						
Other capital grants	3,382,998	31,244	(163,855)	-	-	3,250,387
Assets on conversion	8,984,227	-	(232,294)	-	-	8,751,933
	<u>12,367,225</u>	<u>31,244</u>	<u>(396,149)</u>	<u>-</u>	<u>-</u>	<u>12,002,320</u>
Total restricted funds	<u>11,091,124</u>	<u>3,519,774</u>	<u>(4,079,774)</u>	<u>-</u>	<u>119,000</u>	<u>10,650,124</u>
Total of funds	<u>11,608,249</u>	<u>4,125,329</u>	<u>(4,662,734)</u>	<u>-</u>	<u>119,000</u>	<u>11,189,844</u>

GOLDSWORTH TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	517,125	1,240,731	(1,022,440)	(13,500)	-	721,916
Restricted funds						
General Annual Grant (GAG)	-	5,345,732	(5,322,260)	-	-	23,472
Other ESFA grants	-	617,087	(599,508)	-	-	17,579
Feet resources set up grant	21,804	-	(21,804)	-	-	-
Other government grants	18,095	1,321,997	(1,300,176)	-	-	39,916
Pension reserve	(1,316,000)	-	(439,000)	-	555,000	(1,200,000)
	<u>(1,276,101)</u>	<u>7,284,816</u>	<u>(7,682,748)</u>	<u>-</u>	<u>555,000</u>	<u>(1,119,033)</u>
Restricted fixed asset funds						
Other capital grants	3,382,998	51,065	(312,441)	13,500	-	3,135,122
Assets on conversion	8,984,227	-	(456,123)	-	-	8,528,104
	<u>12,367,225</u>	<u>51,065</u>	<u>(768,564)</u>	<u>13,500</u>	<u>-</u>	<u>11,663,226</u>
	<u>11,091,124</u>	<u>7,335,881</u>	<u>(8,451,312)</u>	<u>13,500</u>	<u>555,000</u>	<u>10,544,193</u>
Total of funds	<u>11,608,249</u>	<u>8,576,612</u>	<u>(9,473,752)</u>	<u>-</u>	<u>555,000</u>	<u>11,266,109</u>

GOLDSWORTH TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	11,572,978	11,572,978
Current assets	721,916	472,750	90,248	1,284,914
Creditors due within one year	-	(391,783)	-	(391,783)
Pension liability	-	(1,200,000)	-	(1,200,000)
	<u>721,916</u>	<u>(1,119,033)</u>	<u>11,663,226</u>	<u>11,266,109</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	11,913,420	11,913,420
Current assets	539,720	424,765	129,110	1,093,595
Creditors due within one year	-	(417,961)	(40,210)	(458,171)
Provisions for liabilities and charges	-	(1,359,000)	-	(1,359,000)
	<u>539,720</u>	<u>(1,352,196)</u>	<u>12,002,320</u>	<u>11,189,844</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(359,735)	(537,405)
Adjustment for:		
Investment income	(485)	(557)
Depreciation charges	363,059	358,421
Decrease/(increase) in debtors	12,603	(114,803)
(Decrease)/increase in creditors	(66,389)	84,688
Defined benefit pension scheme cost less contributions payable	277,000	162,000
Net cash provided by/(used in) operating activities	<u>226,053</u>	<u>(47,656)</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	972,215	768,294
Total	<u>972,215</u>	<u>768,294</u>

GOLDSWORTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

20. CAPITAL COMMITMENTS

At 31 August 2018 the academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	16,672	-

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 2016.

Contributions amounting to £50,661 were payable to the schemes at 31 August 2018 (2017 - NIL) 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

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

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

GOLDSWORTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £242,807 (2017 - £222,891).

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).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2018 was £230,000 (2017 - £281,000), of which employer's contributions totalled £173,000 (2017 - £227,000) and employees' contributions totalled £57,000 (2017 - £54,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.5	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

GOLDSWORTH TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	1,558,000	1,363,000
Bonds	368,000	276,000
Property	151,000	129,000
Cash	87,000	74,000
Total market value of assets	2,164,000	1,842,000

The actual return on scheme assets was £-104,000 (2017 - £-124,000).

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

	2018 £	<i>2017 £</i>
Current service cost	(413,000)	(360,000)
Interest income	(85,000)	(62,000)
Interest cost	48,000	33,000
Total	(450,000)	(389,000)

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	3,201,000	2,734,000
Current service cost	413,000	360,000
Interest cost	85,000	62,000
Employee contributions	57,000	54,000
Actuarial (gains)/losses	(380,000)	6,000
Benefits paid	(12,000)	(15,000)
Closing defined benefit obligation	3,364,000	3,201,000

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

	2018 £	<i>2017 £</i>
Opening fair value of scheme assets	1,842,000	1,418,000
Expected return on assets	48,000	33,000
Actuarial losses	56,000	125,000
Employer contributions	173,000	227,000
Employee contributions	57,000	54,000
Benefits paid	(12,000)	(15,000)
Closing fair value of scheme assets	2,164,000	1,842,000

GOLDSWORTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

During the year the husband of Mrs Kozlowski (Headteacher) invoiced the academy for services provided totalling £7,200 (2017:£810).

23. CONTROLLING PARTY

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

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 £10 for the debts and liabilities contracted before he/she ceases to be a member.