

Registration number: 07679051

Swanland Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016



Forrester Boyd
26 South St Mary's Gate
Grimsby
DN31 1LW

Swanland Education Trust

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Swanland Education Trust

Reference and Administrative Details

Members	S Bursell H Gilmour E Ideson J Jewitt
Trustees (Directors)	R Firth, Finance Committee (resigned 30 September 2015) C Huscroft, Executive Head Teacher, Finance Committee E Ideson, Chair K Markham C Neadley, Finance Committee J Russell, Finance Committee K Rowe C Taylor, Finance Committee N Greenfield (appointed 14 March 2016) M Whitaker (appointed 14 March 2016) H Stephenson
Company Secretary	D Carvalho
Senior Management Team	C Huscroft, Executive Head Teacher H Stephenson, Head of School - Swanland K Markham, Head of School - Dunswell
Principal and Registered Office	c/o Swanland Primary School Tranby Lane Swanland East Yorkshire HU14 3NE
Company Registration Number	07679051
Auditors	Forrester Boyd 26 South St Mary's Gate Grimsby DN31 1LW
Bankers	Lloyds Banking Group 1-7 George Street Hull HU1 3BB
Solicitors	Gosschalks Solicitors Queens Gardens Hull HU1 3DZ

Swanland Education Trust

Trustees Annual Report for the Year Ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, incorporating a strategic report, and a directors' report under company law.

The Trust operates two academies for pupils aged 4 to 11 serving catchment areas in the East Riding of Yorkshire. The Lead School, Swanland Primary School Academy Trust, has a pupil capacity of 419 and had a roll of 434 in the school census on 29th May 2016. Dunswell Academy has a pupil capacity of 84 and had a roll of 95 in the school census on 19th May 2015.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07679051.

The governors act as the trustees for the charitable activities of Swanland Education Trust and are also the directors of the charitable company for the purposes of company law.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' indemnities

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

The number of Trustees (Directors) shall be not less than three but shall not be subject to any maximum.

Trustees (Directors) are recruited as follows: there may be up to five Trustees (Directors) who are Member-appointed; the Chief Executive Officer (i.e. Executive Head Teacher); a minimum of two parent governor Trustees (Directors) (unless there are Local Governing Bodies which include at least two parent members); and any number of co-opted Trustees (Directors) appointed by the current Trustees (Directors), who have not themselves been so appointed.

The total number of Trustees (Directors) who are employees of the company, including the Chief Executive Officer, shall not exceed one third of the total number of Trustees (Directors).

Full details relating to the appointment and removal of Trustees are contained in the Articles of Association.

The Secretary of State may also appoint additional Trustees if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy. The Secretary of State has not appointed any additional Trustees.

During the year under review the Board of Trustees held 4 formal meetings.

Swanland Education Trust

Trustees Annual Report for the Year Ended 31 August 2016 (continued)

Policies and procedures adopted for the induction and training of Trustees

All new Trustees are inducted into their role by the Chairman of the Trust and the Chief Executive Officer, along with the support of the Clerk to the Governing Body, to ensure that they understand their Trustee responsibilities and duties as a Director.

Trustee training is provided as required either on request by the Trustees or on the recommendation of the Chief Executive Officer.

Organisational structure

The Board of Trustees (Directors) has strategic oversight of the operation of the Academy Trust and has established ten committees to carry out its work effectively, five for each academy, as follows: each individual academy's Local Governing Body, Personnel Committee, Curriculum Committee, Premises and Health and Safety Committee, and Finance Committee. In addition, a number of ad-hoc Committees and Panels meet to deliver specific tasks as set out in the Academy Trust's Scheme of Delegation. The three key Committees (Local Governing Body, Finance and Curriculum) met at least three times during the year.

The Chief Executive Officer (Executive Head Teacher) is the Trust's Accounting Officer and in this role, under the guidance of the Trustees (Directors), ensures appropriate oversight of financial transactions with the support of the Principal Financial Officer (School Business Manager).

Arrangements for setting pay and remuneration of key management personnel

- The CEO has their pay set without reference to the group size of any school they are linked with. Their pay scale is set on the SET leadership scale to reflect the size and challenge of their trust role. The Chair of Trustees advises on the range for the CEO with external advice and following consideration by the Trustees of a business case, to support the rationale that underpins the decision.

- The Head Teacher/Head of School is appointed on a range set by the Trustees. The range reflects the context, complexity and challenge of the role and is not necessarily linked to the group size of the school/academy.

Connected organisations, including related party relationships

The Academy Trust currently has the following connected organisations or related party relationships:

Wolds Teaching School Alliance.

Objectives and activities

Objects and aims

The Academy Trust's objectives are set to reflect the educational aims and ethos of the schools. In setting the objectives and planning the activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The main objects of the Academy Trust are:

Advancing 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.

Swanland Education Trust

Trustees Annual Report for the Year Ended 31 August 2016 (continued)

Objectives, strategies and activities

The main objectives between 1 September 2015 and 31 August 2016 were:

- To further enhance the collaboration between Swanland Primary School and Dunswell Academy, providing greater opportunities for staff to work together for the benefit of the children educated within the Trust.
- To raise awareness of and increase the profile of Swanland Education Trust within the East Riding of Yorkshire and beyond.
- To share resources and projects which will benefit the children's ability to engage in a wider range of activities.

Public benefit

The Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Swanland Education Trust

Trustees Annual Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Achievements and performance

Key non-financial performance indicators

Using an analysis of all school assessment data for the period ending August 2016, the Academy Trust compares its performance in the four main areas that are subject to National Testing and benchmarking; Early Year Foundation Stage, Year One Phonics, Key Stage One and Key Stage two SATs.

Early Years Foundation Stage – Swanland

Of the 60 children in the year group 90% of children were working at the expected or exceeding level for the Prime Areas of Learning. 90% were working at this level in all learning goals.

Early Years Foundation Stage - Dunswell

Of the 12 children in the year group, 75% of children were working at the expected or exceeding level for the Prime Areas of Learning. 100% were working at this level in all learning goals.

Year One Phonics - Swanland

Of the 60 children in year one, 86.6% (52 children) met the national expectation in the phonics screening test. This is comparative to 81% of children nationally who met the same expectation.

Year One Phonics - Dunswell

Of the 14 children in year one, 71.4% (10 children) met the national expectation in the phonics screening test. This is comparative to 81% of children nationally who met the same expectation.

Key Stage One

Of the 61 children on roll in Year 2 at Swanland and of the 12 children on roll in Year 2 at Dunswell, the following results were obtained by these children.

		Swanland		Dunswell	
		Expected	Greater depth	Expected	Greater depth
Spelling, Punctuation and Grammar	School	66	21	66	
	National	N/A	N/A	N/A	N/A
Reading	School	69	21	91	
	National	74	24	74	24
Writing	School	46	12	83	
	National	65	13	65	13
Maths	School	59	16	75	
	National	73	18	73	18

Key Stage Two

Of the 72 children on roll in Year 6 at Swanland and of the 14 children on roll in Year 6 at Dunswell, the following results were obtained by these children.

Swanland Education Trust

Trustees Annual Report for the Year Ended 31 August 2016 (continued)

Strategic Report

		Swanland		Dunswell	
		Expected	Greater depth	Expected	Greater depth
SPaG*	School	89	43	86	36
	National	72	23	72	23
Reading	School	81	36	93	23
	National	66	19	66	19
Writing	School	75	31	71	7
	National	74	17	74	17
Maths	School	89	32	86	14
	National	70	15	70	15

* Spelling, Punctuation and Grammar

Key financial performance indicators

The Academy understands that its biggest expense is staff costs and that this must be carefully monitored. The Academy expects that staff costs should be less than 80% of income in order to remain efficient. In the year to 31 August 2016 staff costs were 74% (2015: 75%) of incoming resources, excluding capital.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Swanland Education Trust

Trustees Annual Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Financial review

The financial results for the year were as expected.

The Academy's main source of income, the General Annual Grant (GAG), consists mainly of the funding for individual pupils aged between 4 and 11 (based on the 'replication model' of the Local Authority's funding formula) and the ESG (Education Services Grant), which is a grant to cover responsibilities transferred from the Local Authority to the Academy Trust (this replaces the previous LACSEG (Local Authority Central Spend Equivalent Grant)).

Careful financial management had enabled Swanland Education Trust to operate with a surplus balance. At 31 August 2016 balances on the restricted and unrestricted funds of £186,571 surplus and £75,010 surplus, respectively, were carried forward.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). For Swanland Primary School, the balance at 31 August 2016 was a net liability of £555,000; this had increased from the balance at 31 August 2015 which was £406,000. For Dunswell Academy, the balance at 31 August 2016 was a net liability of £174,000; again this had increased from the balance at 31 August 2015 which was £124,000. The balance for the Academy Trust as a whole at 31 August 2016 was a net liability of £729,000. The pension scheme as a whole has performed as expected and current market conditions have led to an actuarial loss in the current financial year. We are currently reviewing our long term LGPS position and what safeguards, if any, we would be able to adopt to reduce the current market volatility and the effect it is having on the financial results. The employer's contribution rates are currently (wef 1 April 2014) (Swanland) 23.6%, which is an increase on the rate to 31 March 2014, which was 22.3% and (Dunswell) 27.3%, which is a decrease on the rate to 31 March 2014, which was 29%.

Financial and risk management objectives and policies

The Trustees are continuing to review a number of systems to assess risks that the school faces and they have introduced systems 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 following statement.

The Trustees have reviewed current examples of best practice and have:

- set policies on internal controls which cover the following:
 - o the type of risks the Academy faces;
 - o the level of risks which they regard as acceptable;
 - o the likelihood of the risks materialising;
 - o the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
 - o the costs of operating particular controls relative to the benefits obtained.
- clarified the responsibility of the Senior Leadership Team to implement the Trustees'/Governors' policies and to identify and evaluate risks for the Trustees'/Governors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the Trustees together with details of corrective action being undertaken.

Swanland Education Trust

Trustees Annual Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the Academy Trust has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The Trustees need to ensure that the Academy Trust has sufficient working capital to cover delays between receipt of grants and spending, and are able to deal with unexpected emergencies that may arise such as emergency maintenance.

The Academy Trust held balances as at 31 August 2016, excluding the LGPS pensions deficit of £3,852,127 (2015: £3,834,437), comprising £86,708 surplus of GAG funds (2015: £712), £3,590,546 surplus of Restricted Fixed Asset Funds (2015: £3,671,238) and £174,873 surplus of other reserves (2015: £162,487).

Taking into account the nature of the Academy Trust's income streams, the Trustees are of the view that reserves at this level are sufficient to cover its working capital needs.

Investment policy

The Trustees acknowledge the requirement for an investment policy and will address this issue should this situation ever arise. The Academy Trust has no investments during this period, other than interest generated on the school's current account.

Principal risks and uncertainties

The Academy has identified principal risks and uncertainties including:

- Income reduction as a result of changes to the national funding formula for pupils in the school;
- On-going national curriculum changes and educational reforms;
- Significant growth in pupil numbers on roll owing to the Fair Access Policy increasing class sizes beyond the efficiency and capacity of school infrastructure.

Swanland Education Trust

Trustees Annual Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Plans for future periods

In order to continue to develop with consistency and coherence, we have agreed the following three key themes for schools development planning over the next year:

- Assessment - will have a greater focus on all groups of children
- To develop the use of the mastery approach in maths across both key stages
- Restorative Practice is embedded in everyday practice across the schools

Key activities include:

- Having a closer focus on the different groups of children within our schools to ensure that they are making at least expected progress from their respective starting points.
- Having undertaken external training, work collaboratively across the schools to develop the teaching of mastery in maths across the schools.
- Conduct Trust training on the use of Restorative Practice to enable individuals within the schools to be able to implement and embed the approach in to every day practice.

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Trustees Annual Report for the Year Ended 31 August 2016 (continued)

Employment of disabled persons

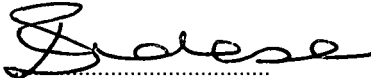
The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy supports this by adapting the physical environment wherever possible, by making support resources available and through training and career development. Improvements to existing buildings all recognise the need to be fully DDA compliant.

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.

Trustees Annual Report, incorporating a Strategic Report, approved by order of the Board of Trustees, as the company directors, on 5 December 2016 and signed on its behalf by:



E Ideson
Trustee

Swanland Education Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Swanland Education 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 C Huscroft, 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 Swanland Education 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 Annual Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Greenfield	1	1
C Huscroft	4	4
E Ideson	1	4
K Markham	3	4
C Neadley	2	4
K Rowe	4	4
J Russell	3	4
H Stephenson	3	4
C Taylor	3	4
M Whitaker	0	1

Governance reviews

Although no formal review or audit of skills for governors took place during the year, careful consideration was given when replacing those governors who resigned or came to the end of their tenure. As a result we have ensured that we continue to have a governor with an accounting background, a governor with legal experience and governors who have a business background. Therefore our governors and trustees are very well placed to provide experience, knowledge and challenge in the running of the Academy Trust.

Swanland Education Trust

Governance Statement (continued)

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure the stringent financial measures are in place for both academies and that these are followed carefully by all who have delegated responsibility. During the year C Taylor, who is a qualified accountant, was a member of the Finance Committee. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
C Huscroft	2	2
C Neadley	1	2
J Russell	2	2
C Taylor	1	2

Review of value for money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

• Solar Panels

Installing solar panels at Swanland Primary School has significantly reduced the energy costs for the school. Long-term this will ensure that the running costs of the school remain low. Additionally, the school will benefit from government tariff incentives, further enhancing the monetary resources available to the school.

• Joint Training Projects

Where the schools within the Trust have identified common needs for training, the schools have split the cost and joined together to undertake the training. This has enabled the schools to access training that would normally have been cost prohibitive. Additionally, where expertise within the schools has been identified, this has been utilised to provide the training at a very low cost.

• Led training for trust schools and external schools which has benefitted from cost savings

Where training has been identified as a need in the wider context of schools that we work with, we have engaged trainers, facilitated the training and, as a result of being able to charge for this training, ensured the training for our schools were either cost neutral or made a small profit.

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Swanland Education Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Swanland Education Trust

Governance Statement (continued)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Forrester Boyd, the external auditor, to perform additional checks.

The reviewer has delivered the planned reviews in the following areas:

- High Level Systems
- Fixed Assets
- VAT
- Academy Documentation

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a periodic basis, covering at least four areas each year, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

There were no material control or other issues reported by the Internal Reviewer to date.

Review of effectiveness

As Accounting Officer, C Huscroft has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

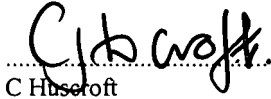
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

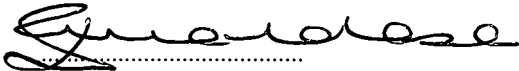
Swanland Education Trust

Governance Statement (continued)

Approved by order of the members of the Board of Trustees on 5 December 2016 and signed on its behalf by:



C Husecroft
Accounting officer
Trustee



E Ideson
Trustee


Swanland Education Trust

Statement on Regularity, Propriety and Compliance

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

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

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


C Huscroft
Accounting officer

5 December 2016

Swanland Education Trust

Statement of Trustees' Responsibilities

The Trustees (who act as governors of Swanland Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

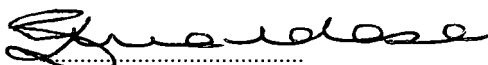
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have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

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

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

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

Approved by order of the members of the Board on 5 December 2016 and signed on its behalf by:



E Ideson
Trustee

Swanland Education Trust

Independent Auditor's Report on the Financial Statements to the Members of Swanland Education Trust

We have audited the financial statements of Swanland Education Trust for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 16), the trustees (who act as governors and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

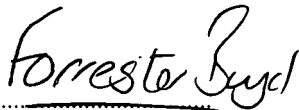
Matters on which we are required to report by exception

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

Swanland Education Trust

Independent Auditor's Report on the Financial Statements to the Members of Swanland Education Trust (continued)

- 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.



Kevin Hopper ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

26 South St Mary's Gate
Grimsby
DN31 1LW

5 December 2016

Swanland Education Trust

Independent Reporting Accountants' Assurance Report on Regularity to Swanland Education Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 16 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Swanland Education Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Swanland Education Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Swanland Education Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Swanland Education Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Swanland Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Swanland Education Trust's funding agreement with the Secretary of State for Education dated 30 August 2013 and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:


- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Ensuring that all the activities of the Academy Trust are in keeping with the academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management Personnel.

Swanland Education Trust

Independent Reporting Accountants' Assurance Report on Regularity to Swanland Education Trust and the Education Funding Agency (continued)

Conclusion

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



.....
Kevin Hopper ACA (Reporting Accountant)
For and on behalf of Forrester Boyd, Chartered Accountants

26 South St Mary's Gate
Grimsby
DN31 1LW

5 December 2016

Swanland Education Trust

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Donations including capital grants	2	63,041	-	13,941	76,982	77,791
Other trading activities	4	42,196	-	-	42,196	47,128
Investments	5	412	-	-	412	369
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy trust's educational operations	3	<u>73,124</u>	<u>2,073,673</u>	<u>-</u>	<u>2,146,797</u>	<u>2,172,236</u>
Total incoming resources		<u>178,773</u>	<u>2,073,673</u>	<u>13,941</u>	<u>2,266,387</u>	<u>2,297,524</u>
Resources expended						
<i>Cost of generating funds:</i>						
Expenditure on raising funds		76,074	-	-	76,074	85,848
<i>Charitable activities:</i>						
Academy trust educational operations		<u>137,487</u>	<u>1,976,502</u>	<u>94,634</u>	<u>2,208,623</u>	<u>2,232,027</u>
Total resources expended	6	<u>213,561</u>	<u>1,976,502</u>	<u>94,634</u>	<u>2,284,697</u>	<u>2,317,875</u>
Net (outgoing)/incoming resources before transfers		<u>(34,788)</u>	<u>97,171</u>	<u>(80,693)</u>	<u>(18,310)</u>	<u>(20,351)</u>
Net (expenditure)/income for the year		(34,788)	97,171	(80,693)	(18,310)	(20,351)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	24	<u>-</u>	<u>(163,000)</u>	<u>-</u>	<u>(163,000)</u>	<u>1,000</u>
Net movement in deficit		(34,788)	(65,829)	(80,693)	(181,310)	(19,351)
Reconciliation of funds						
Funds/(deficit) brought forward at 1 September 2015		<u>109,798</u>	<u>(476,599)</u>	<u>3,671,238</u>	<u>3,304,437</u>	<u>3,323,788</u>
Funds/(deficit) carried forward at 31 August 2016		<u>75,010</u>	<u>(542,428)</u>	<u>3,590,545</u>	<u>3,123,127</u>	<u>3,304,437</u>

Swanland Education Trust

**Statement of Financial Activities for the Year Ended 31 August 2016
(including Income and Expenditure Account) (continued)**

All of the Academy's activities derive from continuing operations during the above two periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Swanland Education Trust

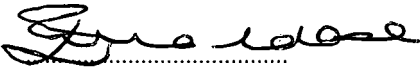
Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	63,749	-	14,042	77,791
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	75,021	2,097,215	-	2,172,236
Other trading activities	4	47,128	-	-	47,128
Investments	5	369	-	-	369
Total		<u>186,267</u>	<u>2,097,215</u>	<u>14,042</u>	<u>2,297,524</u>
Expenditure on:					
Raising funds	6	85,848	-	-	85,848
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>54,692</u>	<u>2,088,531</u>	<u>88,804</u>	<u>2,232,027</u>
Total		<u>140,540</u>	<u>2,088,531</u>	<u>88,804</u>	<u>2,317,875</u>
Net income/(expenditure)		45,727	8,684	(74,762)	(20,351)
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net movement in funds/(deficit)		45,727	9,684	(74,762)	(19,351)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2014		<u>64,071</u>	<u>(486,283)</u>	<u>3,746,000</u>	<u>3,323,788</u>
Total funds/(deficit) carried forward at 31 August 2015		<u>109,798</u>	<u>(476,599)</u>	<u>3,671,238</u>	<u>3,304,437</u>

Swanland Education Trust
(Registration number: 07679051)
Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	3,588,594	3,669,286
Current assets			
Stocks	13	200	200
Debtors	14	35,314	40,466
Cash at bank and in hand		<u>407,183</u>	<u>319,547</u>
		442,697	360,213
Creditors: Amounts falling due within one year	15	<u>(127,686)</u>	<u>(122,994)</u>
Net current assets		<u>315,011</u>	<u>237,219</u>
Total assets less current liabilities		3,903,605	3,906,505
Creditors: Amounts falling due after more than one year	16	<u>(51,478)</u>	<u>(72,068)</u>
Net assets excluding pension liability		3,852,127	3,834,437
Pension scheme liability	24	<u>(729,000)</u>	<u>(530,000)</u>
Net assets including pension liability		<u><u>3,123,127</u></u>	<u><u>3,304,437</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		186,571	53,401
Restricted fixed asset fund		3,590,546	3,671,238
Restricted pension fund		<u>(729,000)</u>	<u>(530,000)</u>
		3,048,117	3,194,639
Unrestricted funds			
Unrestricted general fund		<u>75,010</u>	<u>109,798</u>
Total funds		<u><u>3,123,127</u></u>	<u><u>3,304,437</u></u>

The financial statements on pages 21 to 51 were approved by the Trustees, and authorised for issue on 5 December 2016 and signed on their behalf by:


 E Ideson
 Trustee

Swanland Education Trust

Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Net cash inflow from operating activities	20	79,053	44,713
Returns on investments and servicing of finance		412	369
Capital expenditure and financial investment	21	<u>8,171</u>	<u>1,950</u>
Increase in cash in the year	22	<u><u>87,636</u></u>	<u><u>47,032</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies

General information

The academy trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

Swanland Education Trust
Tranby Lane
Swanland
East Riding of Yorkshire
HU14 3NE

Statement of accounting policies

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

Basis of preparation

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 (FRS102), 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 (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Swanland Education Trust meets the definition of a public benefit entity under FRS102.

The financial statements of Swanland Education Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

Going concern

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

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class

Leasehold buildings

Leasehold land

Fixtures, fittings and equipment

ICT equipment

Depreciation method and rate

50 years straight line

125 years straight line

4 years straight line

4 years straight line

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Long term leasehold properties:

The land and buildings are held on a 125 year lease with East Riding of Yorkshire Council. They were recognised as an asset on conversion and are being depreciated accordingly.

Stock

Unsold uniforms stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, 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 and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

Critical accounting estimates and areas of judgement

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

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

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.

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Educational trips and visits	59,384	-	59,384	60,439
Capital grants	-	13,941	13,941	14,042
Other donations	3,657	-	3,657	3,310
	<u>63,041</u>	<u>13,941</u>	<u>76,982</u>	<u>77,791</u>

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

3 Funding for Academy's educational operations

School		Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants					
General Annual Grant	Swanland	-	1,435,109	1,435,109	1,422,795
Pupil Premium Funding	Swanland	-	38,978	38,978	27,928
General Annual Grant	Dunswell	-	420,936	420,936	422,330
Pupil Premium Funding	Dunswell	-	14,471	14,471	19,736
Free School Meals	Swanland	-	60,856	60,856	108,978
Free School Meals	Dunswell	-	14,894	14,894	24,936
		-	1,985,244	1,985,244	2,026,703
Other government grants					
Local Authority Funding	Swanland	-	12,492	12,492	23,445
Other Government Grants	Swanland	-	3,652	3,652	-
Local Authority Funding	Dunswell	-	42,895	42,895	31,418
Other Government Grants	Dunswell	-	9,456	9,456	11,968
		-	68,495	68,495	66,831
Non-government grants and other income					
Other income	Swanland	-	16,412	16,412	3,681
Catering income	Swanland	70,259	-	70,259	70,141
Catering income	Dunswell	2,865	-	2,865	4,880
Other income	Dunswell	-	3,522	3,522	-
		73,124	19,934	93,058	78,702
Total grants		73,124	2,073,673	2,146,797	2,172,236
Universal Infant Free School Meals					

Income was deferred in 2014, but not in 2015, which means the 2015 levels are not an accurate reflection of the true income for the period. The deferred amount recognised in 2015 was £55,834.

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

4 Other trading activities

	Unrestricted funds £	Total 2016 £	Total 2015 £
Catering income	1,421	1,421	1,189
School shop sales	1,710	1,710	1,263
Other income	39,065	39,065	44,676
	<u>42,196</u>	<u>42,196</u>	<u>47,128</u>

5 Investment income

	Unrestricted funds £	Total 2016 £	Total 2015 £
Short term deposits	<u>412</u>	<u>412</u>	<u>369</u>

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds	-	-	76,074	76,074	85,848
Academy's educational operations					
Direct costs	1,432,251	-	83,224	1,515,475	1,607,014
Allocated support costs	<u>234,928</u>	<u>266,852</u>	<u>191,368</u>	<u>693,148</u>	<u>625,013</u>
	<u>1,667,179</u>	<u>266,852</u>	<u>350,666</u>	<u>2,284,697</u>	<u>2,317,875</u>

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

6 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2016 £	2015 £
Fees payable to auditor - audit	5,600	5,500
Fees payable to auditor - other services	1,775	2,500
Profit/(loss) on disposal of tangible fixed assets	200	-
Depreciation	86,662	88,805
Operating leases	10,354	10,121

7 Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	1,515,475	1,607,014
Support costs - educational operations	693,148	625,013
	2,208,623	2,232,027

	Educational operations £	Total 2016 £	Total 2015 £
Analysis of support costs			
Support staff costs	234,928	234,928	229,178
Depreciation	86,662	86,662	20,982
Technology costs	30,703	30,703	41,777
Premises costs	180,190	180,190	181,873
Other support costs	146,566	146,566	134,743
Governance costs	14,099	14,099	16,460
Total support costs	693,148	693,148	625,013

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff

Staff costs

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	1,326,492	1,382,151
Social security costs	81,455	78,294
Pension costs	259,232	253,340
	<u>1,667,179</u>	<u>1,713,785</u>
Supply teacher costs	-	576
	<u>1,667,179</u>	<u>1,714,361</u>

Staff numbers

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

	2016 No	2015 No
Charitable Activities		
Teachers	28	24
Administration and support	63	64
Management	3	3
	<u>94</u>	<u>91</u>

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff (continued)

Higher paid staff

The number of employees whose emoluments (excluding employer pension contributions) exceeded £60,000 was:

	2016 No	2015 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £236,290 (2015: £176,171).

9 Central services

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

- Finance and Human Resources activities

The trust charges for these services on the following basis:

- Time spent working for the academy equated to a percentage of salaries.

The actual amounts charged during the year were as follows:

	2016 £
Dunswell	<u>16,864</u>

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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:

C Huscroft (Principal):

Remuneration: £60,000 - £65,000 (2015 - £60,000 - £65,000)

Employer's pension contributions: £10,000 - £15,000 (2015 - £5,000 - £10,000)

K Markham (Dunswell Head of School):

Remuneration: £45,000 - £50,000 (2015 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2015 - £5,000 - £10,000)

H Stephenson (Swanland Head of School):

Remuneration: £40,000 - £45,000 (2015 -)

Employer's pension contributions: £5,000 - £10,000 (2015 -)

During the year ended 31 August 2016, travel and subsistence expenses totalling £101 (2015 - £512) were reimbursed or paid directly to 1 trustee (2015 - 3).

Other related party transactions involving the trustees are set out in note 25.

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £627 (2015 - £627).

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

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2015	3,867,851	15,707	71,408	3,954,966
Additions	-	1,185	4,785	5,970
Disposals	-	-	(1,325)	(1,325)
At 31 August 2016	<u>3,867,851</u>	<u>16,892</u>	<u>74,868</u>	<u>3,959,611</u>
Depreciation				
At 1 September 2015	232,530	8,192	44,958	285,680
Charge for the year	67,822	3,975	14,865	86,662
Eliminated on disposals	-	-	(1,325)	(1,325)
At 31 August 2016	<u>300,352</u>	<u>12,167</u>	<u>58,498</u>	<u>371,017</u>
Net book value				
At 31 August 2016	<u>3,567,499</u>	<u>4,725</u>	<u>16,370</u>	<u>3,588,594</u>
At 31 August 2015	<u>3,635,321</u>	<u>7,515</u>	<u>26,450</u>	<u>3,669,286</u>

Included within leasehold land and buildings is £3,567,499 (2015: £3,635,321) relating to long leasehold land and buildings.

13 Stock

	2016 £	2015 £
Clothing	<u>200</u>	<u>200</u>

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

14 Debtors

	2016 £	2015 £
Trade debtors	200	-
Prepayments	15,806	20,054
Accrued grant and other income	8,738	9,550
VAT recoverable	10,368	10,862
Other debtors	202	-
	<u>35,314</u>	<u>40,466</u>

15 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	37,203	37,004
Other taxation and social security	24,744	22,876
Loan	20,590	20,591
Pension scheme creditor	28,419	29,104
Accruals	11,630	9,994
Deferred income	5,100	3,425
	<u>127,686</u>	<u>122,994</u>
		2016 £

Deferred income

Deferred income at 1 September 2015	3,425
Resources deferred in the period	(3,425)
Amounts released from previous periods	<u>5,100</u>
Deferred income at 31 August 2016	<u>5,100</u>

At the balance sheet date the Academy Trust was holding funds received in advance on school meals and trips of £5,100 (2015: £3,425).

Included within other creditors is a loan of £20,590 from Salix which is provided on the following terms: The interest free loan is repayable over 5 years.

16 Creditors: amounts falling due after one year

	2016 £	2015 £
Loans	<u>51,478</u>	<u>72,068</u>

Included within other creditors is a loan of £51,478 from Salix which is provided on the following terms: The interest free loan is repayable over 5 years.

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

17 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	712	1,869,153	(1,783,157)	-	86,708
Pupil Premium	9,550	53,449	(27,101)	-	35,898
Free School Meals	43,139	75,750	(71,219)	-	47,670
Local Authority Funding	-	55,387	(39,092)	-	16,295
Other income	-	19,934	(19,934)	-	-
	<u>53,401</u>	<u>2,073,673</u>	<u>(1,940,503)</u>	<u>-</u>	<u>186,571</u>
Restricted fixed asset funds					
DfE/EFA Capital Grants	30,687	13,941	(7,972)	-	36,656
Transfer on Conversion	3,548,115	-	(86,661)	-	3,461,454
Transfer from Other Funds	<u>92,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,436</u>
	3,671,238	13,941	(94,633)	-	3,590,546
Restricted pension funds					
Pension Reserve	<u>(530,000)</u>	<u>-</u>	<u>(36,000)</u>	<u>(163,000)</u>	<u>(729,000)</u>
Total restricted funds	3,194,639	2,087,614	(2,071,136)	(163,000)	3,048,117
Unrestricted funds					
Unrestricted general funds	<u>109,798</u>	<u>178,773</u>	<u>(213,561)</u>	<u>-</u>	<u>75,010</u>
Total funds	<u>3,304,437</u>	<u>2,266,387</u>	<u>(2,284,697)</u>	<u>(163,000)</u>	<u>3,123,127</u>

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

17 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the academy.

Pupil Premium Funding must be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be fully spent by the academy in the financial year.

Universal Infants Free School Meal funding is primarily to be used to provide children with a free school meal. However, any amounts not spent on this purpose can be used for any other purpose applicable to the objectives of the academy.

Devolved capital is allocated directly by the DfE and must be spent on capital purposes.

Capital expenditure from other funds is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

The donated assets income is the value of the land and buildings transferred from the Local Authority on conversion.

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total £
Swanland	149,155
Dunswell	112,426
Total before fixed assets and pension reserve	261,581
Restricted Fixed Asset Fund	3,590,546
Pension Reserve	(729,000)
Total	<u>3,123,127</u>

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 Depreciation) £	Total 2016 £
Swanland	1,077,216	195,940	17,496	385,943	1,676,595
Dunswell	355,035	38,988	12,426	114,992	521,441
Academy Trust	<u>1,432,251</u>	<u>234,928</u>	<u>29,922</u>	<u>500,935</u>	<u>2,198,036</u>

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,588,594	3,588,594
Current assets	75,010	293,667	74,020	442,697
Current liabilities	(5,100)	(101,996)	(20,590)	(127,686)
Creditors over 1 year	-	-	(51,478)	(51,478)
Pension scheme liability	-	(729,000)	-	(729,000)
Total net assets	<u>69,910</u>	<u>(537,329)</u>	<u>3,590,546</u>	<u>3,123,127</u>

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

19 Financial commitments

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	8,846	7,227
Amounts due between one and five years	20,407	3,333
Amounts due after five years	2,962	-
	<u>32,215</u>	<u>10,560</u>

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

20 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2016 £	2015 £
Net expenditure	(18,310)	(20,351)
Depreciation	86,662	88,805
Profit on disposal of tangible fixed assets	(200)	-
Capital grants received	(13,941)	(14,042)
Interest receivable	(412)	(369)
FRS 17 interest on defined benefit pension scheme	20,000	19,000
FRS17 service cost adjustment	16,000	20,000
Decrease in debtors	5,152	105,853
Decrease in creditors	(15,898)	(154,183)
Net cash inflow from operating activities	<u>79,053</u>	<u>44,713</u>

21 Cash flows from investing activities

	2016 £	2015 £
Purchase of tangible fixed assets	(5,970)	(12,092)
Proceeds from sale of tangible fixed assets	200	-
Capital funding received from sponsors and others	<u>13,941</u>	<u>14,042</u>
Net cash provided by investing activities	<u>8,171</u>	<u>1,950</u>

22 Analysis of cash and cash equivalents

	At 31 August 2016 £	At 31 August 2015 £
Cash at bank and in hand	<u>407,183</u>	<u>319,547</u>
Total cash and cash equivalents	<u>407,183</u>	<u>319,547</u>

23 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.

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

24 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Riding Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £28,419 (2015 - £29,104) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £125,254 (2015: £117,462).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

24 Pension and similar obligations (continued)

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

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

24 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £143,000 (2015 - £138,000), of which employer's contributions totalled £116,000 (2015 - £112,000) and employees' contributions totalled £27,000 (2015 - £26,000). The agreed contribution rates for future years are 23.6 and 27.3 per cent for Swanland and Dunswell, respectively, for employers and 5 - 7 per cent 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

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	2.30	4.10
Rate of increase for pensions in payment/inflation	2.10	2.70
Discount rate for scheme liabilities	<u>2.10</u>	<u>3.80</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.5% £	0.0% £	- 0.5% £
Adjustment to discount rate			
Present value of total obligation	-	-	254,000
	<u>+ 0.5%</u>	<u>0.0%</u>	<u>- 0.5%</u>
	£	£	£
Adjustment to rate of inflation			
Present value of total obligation	158,000	-	-
	<u>+ 0.5%</u>	<u>0.0%</u>	<u>- 0.5%</u>
	£	£	£
Adjustment to rate of salary growth			
Present value of total obligation	89,000	-	-
	<u>+ 1 Year</u>	<u>None</u>	<u>- 1 Year</u>
	£	£	£
Adjustment to mortality age rating assumption			
Present value of total obligation	52,000	-	-

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males retiring today	21.90	21.90
Females retiring today	24.10	24.10
Retiring in 20 years		
Males retiring in 20 years	24.20	24.20
Females retiring in 20 years	<u>26.70</u>	<u>26.70</u>

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

24 Pension and similar obligations (continued)

The academy's share of the assets and liabilities in the scheme were:

	At 31 August 2016 £	At 31 August 2015 £
Equities	750,000	543,000
Other bonds	110,000	72,000
Property	110,000	80,000
Cash	<u>30,000</u>	<u>29,000</u>
Total market value of assets	1,000,000	724,000
Present value of scheme liabilities - funded	<u>(1,729,000)</u>	<u>(1,254,000)</u>
Deficit in the scheme	<u>(729,000)</u>	<u>(530,000)</u>

The actual return on scheme assets was £144,000 (2015 - £4,000).

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost	132,000	132,000
Interest on defined benefit pension scheme	20,000	19,000
Total operating charge	<u>152,000</u>	<u>151,000</u>

Changes in the present value of defined benefit obligations were as follows:

	2016 £	2015 £
At 1 September	1,254,000	1,084,000
Current service cost	132,000	132,000
Interest cost	50,000	43,000
Employee contributions	27,000	26,000
Actuarial losses/(gains)	277,000	(21,000)
Benefits paid	<u>(11,000)</u>	<u>(10,000)</u>
At 31 August	<u>1,729,000</u>	<u>1,254,000</u>

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

	2016 £	2015 £
At 1 September	724,000	592,000
Interest income	30,000	24,000
Actuarial gains/(losses)	114,000	(20,000)
Employer contributions	116,000	112,000
Employee contributions	27,000	26,000
Benefits paid	<u>(11,000)</u>	<u>(10,000)</u>
At 31 August	<u>1,000,000</u>	<u>724,000</u>

25 Related party transactions

During the year the academy made the following related party transactions:

M H Whitaker (Trustee)

M H Whitaker received £1,150 for consultancy work. In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2015. At the balance sheet date the amount due to M H Whitaker was £Nil (2015 - £Nil).

Swanland Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

26 Transition to FRS 102

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 01 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliation of net income/(expenditure)

	Note	Amount £
Net income/(expenditure) previously reported under UK GAAP		(6,351)
Change in recognition of LGPS interest cost		<u>(14,000)</u>
Net movement in funds reported under FRS 102		<u><u>(20,351)</u></u>

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £14,000 and decrease the debit in other recognised gains and losses in the SOFA by an equivalent amount.