

REGISTERED COMPANY NUMBER 07834300 (England and Wales)  
EXEMPT CHARITY

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST AUGUST 2016**

**KINGSLEY SPECIAL ACADEMY TRUST**

**(A Company Limited by Guarantee)**

THURSDAY



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22/12/2016

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COMPANIES HOUSE

Smith Hodge & Baxter  
Chartered Accountants  
& Statutory Auditors  
Thorpe House  
93 Headlands  
KETTERING  
Northamptonshire  
NN15 6BL

**KINGSLEY SPECIAL ACADEMY TRUST**

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**FOR THE YEAR ENDED 31ST AUGUST 2016**

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**KINGSLEY SPECIAL ACADEMY TRUST (REGISTERED NUMBER: 07834300)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31ST AUGUST 2016**

<b>Members</b>	Mr T Duibhir Mrs M Turnbull Mrs J Larkin Mr M Bates	(resigned 1 September 2015)
<b>Trustees</b>	Mrs J Larkin Mrs C Wyke Mr T Duibhir Mr M Bates Mrs V K MacDonald Mr B Collins  Mrs M Turnbull Mrs C Rawlins Mr E Finan Mrs A Bewley	Vice Chair Staff Trustee Principal and Accounting Officer Co-Chair (resigned 11 February 2016) Staff trustee (resigned 11 February 2016) (resigned 1 September 2015) (resigned 23 May 2016) Co-Chair Community Governor (appointed 11 February 2016)
<b>Company Registration Number</b>	07834300 (England and Wales)	
<b>Principal and Registered office</b>	Kingsley Special Academy Trust Churchill Way Kettering Northamptonshire NN15 5DP	
<b>Company Secretary</b>	Mrs A C Robinson	
<b>Senior Management Team</b>	Mr Tomas Duibhir Mrs Rebecca Tungate Mrs Sara Cullingford-Agnew Mrs Amanda Harrison Mrs Donna Luck Mrs Andree Carol Robinson Mrs Alison Everitt	Headteacher Deputy Head Assistant Head Assistant Head Assistant Head School Business Manager Parent Support Advisor
<b>Independent Auditor</b>	Smith Hodge & Baxter Chartered Accountants & Statutory Auditors Thorpe House 93 Headlands Kettering Northamptonshire NN15 6BL	
<b>Bankers</b>	Lloyds Bank plc 3-4 Market Street Kettering Northamptonshire NN16 0AH	
<b>Solicitors</b>	Antony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES	

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31ST AUGUST 2016**

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

The trust operates an academy for 108 pupils with special educational needs, aged between 4 and 11, and also operate a mainstream Neighbourhood Nursery for 66 three and four year old children. It had a combined roll of 171 in the school census on 21 January 2016.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Kingsley Special Academy Trust are also the directors and governors of the charitable company for the purposes of company law. The charitable company is known as Kingsley Special Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

**Members' liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are 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**

Trustees benefit from indemnity insurance to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust. The cost of this insurance in the year can be found in note 10 to the accounts.

**Method of recruitment and appointment or election of new Trustees.**

The members are responsible for appointing trustees except for parent trustees and staff trustees. The board of trustees shall make all necessary arrangements for the election of parent trustees who are elected by parents of registered pupils at the academy trust.

The term of office for all trustees will be four years. All trustees are entitled to stand for re-election or re-appointment if they wish to do so.

**Policies and procedures adopted for the induction and training of Trustees**

All new trustees are expected to undertake formal induction training organised by the National Governor's Association or Local Authority. Trustees are also expected to undertake formal training in areas of responsibility such as Safeguarding, SEN, Health and Safety, Performance Management etc. The Clerk keeps a record of trustee training. There is a dedicated training budget for trustees.

New trustees are also provided with a Trustee Induction Pack which includes policies, procedures, minutes, accounts, budgets, plans and other relevant academy trust documents.

**Organisational structure**

The trustees may delegate to any trustee, committee, the Headteacher or any other holder of executive office, such of their powers or functions as they consider desirable to be exercised by them.

Where delegation has occurred, reporting back to the board of trustees must occur at the earliest opportunity.

The trustees shall appoint the Headteacher. The trustees may delegate such powers and functions as they consider are required by the Headteacher for the internal organisation, management and control of the Special academy trust (including the implementation of all policies approved by the trustees and for the direction of teaching and curriculum at the Special academy trust).

The Senior Management Team includes the Headteacher, Deputy Head (Autism Lead), School Business Manager, Assistant Head Teaching & Learning, Assistant Head Assessment, Assistant Head Curriculum, Assistant Head/Nursery Lead and Parent Support Advisor.

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Arrangements for setting pay and remuneration of key management personnel**

Staff on Teachers contracts will follow the Teachers Pay and Conditions pay scales and performance management policies. Staff on non-teaching contracts will be paid on the NJC pay scales and non-teaching performance management policies. All decisions about annual pay awards will be approved by Governors Pay Committee prior to being implemented.

**Related Parties and Other Connected Charities and Organisations**

Kingsley School is a strategic board member of the Maplefields Teaching School Alliance. The academy trust is a member of the Northamptonshire Association of Special School Heads, through which relations with the Local Authority are managed. We also work closely with NHFT who are responsible for delivering therapies and school nursing in the school.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

- 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 specially organised to make special educational provision for pupils with special educational needs ("the special academy")
- to promote for the benefit of individuals living in Kettering and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The main objectives of the academy trust during the period ended 31 August 2016 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the academy trust by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct the academy trust's business in accordance with the highest standards of integrity, probity and openness; and
- To facilitate families in the management of the additional demands associated with parenting a child with a disability to mitigate the emotional and capacity impact.

**Public Benefit**

The trustees of the academy trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the academy trust's purpose for the public benefit include the promotion of education for the benefit of children with special educational needs and their families in the local community of Kettering and offers recreational facilities to a variety of local community groups outside of school hours for the benefit of the general public. Community based projects are also undertaken throughout the year by staff and students which further enhances the public benefit.

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

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

The academy trust is now in its fifth year of operation. Total students in January 2016 number 171, including those children who attend the Neighbourhood Nursery. Currently the range of needs addressed in the school appears to be becoming more complex with very few children who might be identified as having moderate learning difficulties and a significant increase in those presenting with severe or profound and multiple learning difficulties. There is a greatly increased number of children in the Early Years who have a profound or complex presentation on the autistic spectrum and 10 children have been admitted to the Neighbourhood Nursery who are likely to require EHC plans.

Achievement data for 2015-16 identified a sustained increase of overall average and for the vulnerable groups. This represents an excellent outcome given the increasing complexity of the children admitted and significant recruitment of new staff in recent years. We feel that these outcomes signify a grading of outstanding and this was confirmed by Ofsted in July 2016 who again awarded us an Outstanding Grading. There is no discrepancy or cause for concern for the achievement of any of the vulnerable groups within the school.

**KEY FINANCIAL PERFORMANCE INDICATORS**

The academy trust uses a number of financial key performance indicators to monitor financial success of the academy trust and progress/improvement against the targets set.

The academy trust monitors the Cost Centres within the academy trust and reviews their balances termly to review their cash flow and maintain a positive cash balance.

Staffing costs are monitored as a percentage of restricted charitable income. For the year ended 31 August 2016 staffing costs amounted to 87 % of funding income (2015 - 83%).

The academy trust also monitors its operating surplus or deficit as a percentage of total income. For the year ended 31 August 2016 the operating deficit equated to 9% of total income (2015 - operating deficit 7%).

Most of the academy trust's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), 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 are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the EFA and other funding bodies. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016 total restricted general funds expenditure of £2,624,000 exceeded recurrent grant funding from the DfE together with other restricted income. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £26,000.

At 31 August 2016 the net book value of fixed assets was £3,558,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

**GOING CONCERN**

After making appropriate enquiries, the board of trustees 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.

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

**FINANCIAL REVIEW**

**Reserves policy**

At 31 August 2016 the total funds comprised:

Unrestricted:		155,000
Restricted:	Fixed asset funds	3,558,000
	GAG	99,000
	Pension reserve	(2,843,000)
	Other	899,000
		<hr/>
		1,868,000
		<hr/>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 23. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the academy trust, at the discretion of the trustees, and represent 3 weeks' worth of academy trust expenditure. The aim of the trustees is to maintain a balanced budget pending the introduction of a national funding formula.

**Investment policy**

The board of trustees has approved a treasury management statement as part of the Financial Procedures Manual, which documents the academy trust's investment policy.

The academy trust's investment policy is to invest surplus cash reserves with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are market tested periodically to ensure that returns are maximized whilst safeguarding the funds invested.

**Principal risks and uncertainties**

The principal risks facing the academy trust are:

- Reputational risk - mitigated by having policies and practices relating to safeguarding, use of social media and the engagement of Plumsun as a liaison with media and mentoring risk management;
- Performance risk - mitigated by school evaluating its performance throughout the year and the school improvement plan makes provision in respect of recruitment, CPD and reorganisation in order to manage any risk;
- Financial risk - the principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by monitoring and reporting to trustees on a termly basis, liaison with EFA and NCC and predictive measures in financial planning and careful management of the carry forward; and
- Risks associated with personnel - mitigated by absence insurance being in place, HR services to ensure legal compliance and the adoption of HR policies developed using the guidance of HR services.

The academy trust practices through its Board, namely the board to trustees and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The board of trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the board of trustees collectively, whilst more minor risks are dealt with by senior executive officers.

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

**FINANCIAL REVIEW (continued)**

**Plans for future periods**

The main development priorities identified in the school improvement plan are as follows:

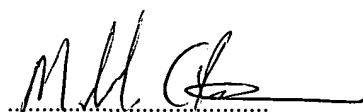
1. The governing body (Directors) is looking to change its organisational structures to create a more dynamic and impactful model that aligns to the systems of the school. This will involve changes to membership, committee structure and practices as well as individual roles and functions.
2. The expansion of the micro-university to enable us to train towards the award of Learning Support Assistant (SEN) Level 2 and 3. This will be a rich source of additional funding in-class support for children and a structure for CPD.
3. Staffing
  - Manage the professional development of all of the new staff through coaching, mentoring and individual training pathways;
  - Use of performance management to target individual achievement of children who are below trajectory expectations.
4. Premises projects:
  - Continue to seek funding for refurbishment of some of the older classrooms and ASD block;
  - Small scale projects to enhance identified areas within school.
5. In response to DFE initiative to withdraw the application of NC and P levels. The leadership of the school is working to review and update the core learning suite of curriculum, learning and teaching methodologies, assessment and reporting. This will enable the school to demonstrate outstanding practice and outcomes across the full breadth of learning and development.
6. Local Authority
  - We will continue to work closely with the LA to maintain appropriate levels of admission to the school, using the school's specification of provision to ensure that all children are correctly placed and that we are adequately resourced to meet their needs.
  - We will continue to support the LA to address the capacity concerns that are affecting special schools across the county through our leadership of the Corby Free Special School project (Red Kite Academy) and through applying to the EFA for a significant change to increase Kingsley's capacity to 134 children with SEN.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as the trustees are aware:

- there is no relevant information of which the charitable company's auditor is unaware, and
- the trustees have taken all the 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' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2016 and signed on the board's behalf by:



Mr M Bates

Chair of Trustees



**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31ST AUGUST 2016**

**Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Kingsley Special Academy 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 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 Kingsley Special Academy 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a Possible</b>
Mr M Bates	6	6
Mr B Collins, Staff trustee	0	2
Mr E Finan	5	6
Mrs J Larkin	6	6
Mrs V K MacDonald	1	3
Mr T Duibhir, Principal and Accounting Officer	6	6
Mrs C Rawlins	3	5
Mrs C Wyke, Staff Trustee	6	6
Mrs Anushka Bewely	4	4

Anushka Bewley joined 11/02/2016

Ben Collins resigned 01/02/2016

Vikki MacDonald resigned 18/02/2016

Collette Rawlins resigned 20/05/2016

**Governance reviews:**

- Annual review has been carried out using materials from NGA
- Results were collated and shared with Headteacher for further comment
- No external review at this time

**Outcomes from review:**

- Good attendance records at the majority of our meetings but this has been affected by recent resignations;
- Good understanding of governor role but could also look at individual training plan for each governor;
- We have attended data focused meetings for analysis and to assist more in-depth understanding;
- Financial management was rigorous ensuring best value for money at all times;
- Budget setting was well managed and any difficulties in ensuring regular funding streams were resolved;
- Not enough input is seen from governors on strategic planning.

**Action:**

Form a working group to frame input to long term strategy for school - vision and direction;

- We have endeavored to fill vacancies but without success, as yet

**Action:**

We are framing an interim strategy to cover areas of expertise which are not available through on present governing body e.g. seeking associate governors who could provide us with knowledge and expertise in particular areas.

**Aims going forward:**

- We intend to carry out annual self-evaluation;
- We intend to carry out a skills audit; and
- Immediate areas for further focus are succession planning, input to long term strategy for school (vision and direction).

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31ST AUGUST 2016**

**Governance (continued)**

The Finance, Personnel and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to monitor and approve all financial and personnel procedures, policies and budgetary matters. The School Business Manager (SBM) is required to attend all Finance, Personnel and Audit Committee meetings and is invited to attend Pay Committee meetings when required.:

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a Possible</b>
Mr M Bates (Chair)	6	6
Mrs J Larkin	6	6
Mr T Duibhir, (Accounting Officer and Headteacher)	4	6
Mrs A C Robinson (School Business Manager)	6	6

**REVIEW OF VALUE FOR MONEY**

As accounting officer, the Headteacher 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:

**Improving educational results:**

- Targeted improvement - the planned changes to the staffing structure from last year has now been expanded with the addition of a Deputy Head/ Autism team leader, so we now have 3 Assistant Heads to target Teaching and Learning, Curriculum and Assessment, Early Years and KMU to maximise expertise in each specific area. Using this model we aim to target all areas of individual pupil's development;
- Focus on individual pupils - every pupil in the school has an Individual Education Plan. To expand the delivery of these targets we have increased the amount of Occupational Therapist time the school buys to deliver 1:1 programmes for pupils. The Parent Support Advisor and Welfare team that work with pupils and families have expanded their programmes including Protective Behaviour, Theraplay, Sleep Clinics and Family Learning Week as well as individual family support to improve outcomes for pupils. We have continued to contract an Educational Psychologist to develop individual programmes for targeted pupils;
- Collaboration - the school works collaboratively with a variety of partner schools including procurement with Kettering Special School Bursars, maximising the capacity of our kitchens by catering for our neighbouring infant school in the delivery of Universal Free School Meals. Also making use of the Northamptonshire bursars' network and website when requiring references for contractors and advice on best practise. The Academy is also a member of the Maplefields Teaching School Alliance;
- New initiatives - the restructuring of the staffing structure by introducing a Deputy Head increases the amount of resilience in the structure and will give the opportunity to future proof the school's structure by giving us a strong and diverse management structure;
- Quantifying Improvements - we continue to roll out the use of Onwards and Upwards to give a more detailed picture of the pupils' progress while still using CASPA to moderate that data. We have also moved forward with the use of electronic Green Files;
- Financial Governance and Oversight - termly reporting to the Finance, Personnel and Audit Committee continues. The School Business Manager has increased the number of reports presented to trustees including a more detailed income and Expenditure Cost Centre Report and also a Cash Flow Statement to give them a more accurate picture of the financial status of the academy trust. The Responsible Officer continues to make regular visits to review the financial processes and report to trustees;

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31ST AUGUST 2016**

**Improving educational results (continued)**

- Better Purchasing
  - Fitness for purpose - the academy trust has continued its rolling programme of reviewing contracts;
  - Benchmarking - formal benchmarking is difficult because of the specialist nature of our delivery but now we have been an Academy since 2012 there is more information on the government's benchmarking website;
  - Options appraisal - the school has a policy of obtaining multiple quotes for purchases and wherever possible this is done. When major works are being completed tendering has been undertaken to obtain best value;
  - Economies of scale - we trust to optimise the size of our orders to obtain bulk discounts and achieve best value. We have also procured with other schools to obtain even greater discounts;
- Better income generation - lettings are back to their pre refurbishment levels;
- Reviewing controls and managing risks –we have a new Responsible Officer to introduce greater rigor in reviewing our procedures. We use Plumsun for our Risk Management and Health & Safety control and have worked with them to develop our web based Business Continuity Plan. Safesmart are also used for our web based records for fire safety and online training including fire awareness, food hygiene and school environmental awareness;
- Lessons learned –After the Head's illness last year we have now appointed a Deputy Head to increase resilience.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kingsley Special Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**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 Personnel and Audit 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 to appoint Smith Hodge & Baxter as internal auditor.

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31ST AUGUST 2016**

**THE RISK AND CONTROL FRAMEWORK (continued)**

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

- testing of payroll systems;
- testing of purchases ledger;
- testing of control bank reconciliations;
- testing of VAT returns;
- testing of income;
- testing of aged debtor;
- testing of nominal and reports.

On an annual basis (moving forward this will be bi annual) the internal auditor reports to the board of trustees, through the Finance, Personnel and Audit Committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The Trustees are responsible for the design and selection of the internal checks. During the year the checks conducted and report showed no significant issues.

**Review of Effectiveness**

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

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

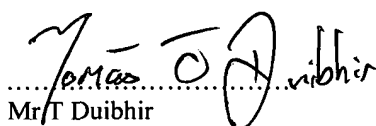
The accounting officer has been advised of the implications of the result of the review of the system of internal control by the Finance, Personnel and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 16 and signed on its behalf by:



Mr M Bates

Chair of Trustees



Mr T Duibhir

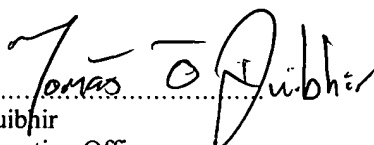
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31ST AUGUST 2016**

As accounting officer of Kingsley Special Academy 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. 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.

  
.....  
T Duibhir  
Accounting Officer

9th Dec 2016

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

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

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

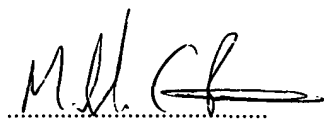
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 EFA/DfE have been applied for the purposes intended.

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

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



Mr M Bates

9th December 2016

Chair of Trustees

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF KINGSLEY SPECIAL ACADEMY TRUST  
FOR THE YEAR ENDED 31ST AUGUST 2016**

We have audited the financial statements of Kingsley Special Academy Trust for the year ended 31st August 2016 which comprise the Statement of Financial Activities, and the group academy trust Balance Sheets, the group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual 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 auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

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 governors; 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 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 31st August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' 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:

- 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.

Caroline Armstrong (Senior Statutory Auditor)  
for and on behalf of Smith Hodge & Baxter  
Chartered Accountants & Statutory Auditors  
Thorpe House  
93 Headlands  
KETTERING  
Northamptonshire  
NN15 6BL

9th December 2016

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO KINGSLEY SPECIAL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY  
FOR THE YEAR ENDED 31ST AUGUST 2016**

In accordance with the terms of our engagement letter dated 22 April 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 Kingsley Special Academy 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 Kingsley Special Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kingsley Special Academy 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 Kingsley Special Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Kingsley Special Academy Trust's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of Kingsley Special Academy Trust funding agreements with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes:

- Assessment of the internal audit work and reliance placed upon this work for the review of internal control procedures.
- Further testing of the internal control procedures has been carried out in the following areas:
  - Sample test of delegated authority procedures
  - Enquiry and review of transactions with connected persons
  - Review of governance procedures including inspection of Trustee and relevant Board Minutes
  - Sample test of procurement procedures.
- Communication with the accounting officer.



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO KINGSLEY SPECIAL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY  
FOR THE YEAR ENDED 31ST AUGUST 2016 (continued)**

**Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.

Reporting Accountant  
Smith Hodge & Baxter  
Chartered Accountants & Statutory Auditors  
Thorpe House  
93 Headlands  
KETTERING  
Northamptonshire  
NN15 6BL

9<sup>th</sup> December 2016

**KINGSLEY SPECIAL ACADEMY TRUST (REGISTERED NUMBER: 07834300)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST AUGUST 2016**

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

			Unrestricted	Restricted	Restricted	Restricted		
	Note	Funds	Pension	General	Fixed	Total	Total	
		£000s	Reserve	Funds	Asset	2016	2015	
			£000s	£000s	Funds	£000s	£000s	
<b>INCOME AND ENDOWMENTS FROM:</b>								
<b>Donations and capital grants</b>	2	2	-	36	9	47	29	
<b>Charitable activities:</b>								
Funding for the Academy Trust's educational operations	4	-	-	2,526	-	2,526	2,357	
<b>Other trading activities</b>	3	38	-	36	-	74	68	
<b>Investment income</b>	5	1	-	-	-	1	1	
<b>Total</b>		41	-	2,598	9	2,648	2,455	
<b>EXPENDITURE ON:</b>								
<b>Raising funds</b>		16	-	-	-	16	57	
<b>Charitable activities:</b>								
Academy Trust's educational operations	7	-	91	2,624	154	2,869	2,595	
<b>Total</b>	6	16	91	2,624	154	2,885	2,652	
<b>Net income / (expenditure)</b>		25	(91)	(26)	(145)	(237)	(197)	
<b>Transfers between funds</b>		-	-	(17)	17	-	-	
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		25	(91)	(43)	(128)	(237)	(197)	
<b>Other recognised gains / (losses)</b>								
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(952)	-	-	(952)	38	
<b>Net movement in funds</b>		25	(1,043)	(43)	(128)	(1,189)	(159)	
<b>RECONCILIATION OF FUNDS</b>								
<b>Total funds brought forward</b>	14	130	(1,800)	1,041	3,686	3,057	3,216	
<b>Total funds carried forward</b>	14	155	(2,843)	998	3,558	1,868	3,057	


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

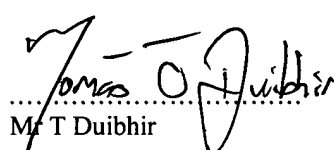
**KINGSLEY SPECIAL ACADEMY TRUST (REGISTERED NUMBER: 07834300)****BALANCE SHEET AS AT 31ST AUGUST 2016**

		2016 £000s	2015 £000s
	Notes		
<b>FIXED ASSETS</b>			
Tangible assets	11	3,558	3,686
<b>CURRENT ASSETS</b>			
Debtors	12	70	71
Cash at bank and in hand		1,139	1,177
		<u>1,209</u>	<u>1,248</u>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	13	(56)	(77)
		<u>1,153</u>	<u>1,171</u>
<b>NET CURRENT ASSETS</b>			
		<u>1,153</u>	<u>1,171</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES /NET ASSETS EXCLUDING PENSION LIABILITY</b>		4,711	4,857
Defined benefit pension scheme liability	23	(2,843)	(1,800)
		<u>1,868</u>	<u>3,057</u>
<b>TOTAL NET ASSETS</b>		<u>1,868</u>	<u>3,057</u>
<b>FUNDS OF THE ACADEMY TRUST</b>	14		
<b>Restricted funds:</b>			
Fixed asset fund		3,558	3,686
General fund		998	1,041
Pension reserve		(2,843)	(1,800)
		<u>1,713</u>	<u>2,927</u>
<b>Total restricted funds</b>		1,713	2,927
<b>Unrestricted funds:</b>			
General fund		155	130
		<u>155</u>	<u>130</u>
<b>Total unrestricted funds</b>		155	130
<b>TOTAL FUNDS</b>		<u>1,868</u>	<u>3,057</u>

The financial statements on pages 16 to 32 were approved by the Trustees and authorised for issue on 9<sup>th</sup> Dec 2016 and are signed on their behalf by:

  
Mr M Bates

Chair of Trustees

  
Mr T Duibhir

Accounting Officer

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR TO 31ST AUGUST 2016**

	Notes	2016 £000s	2015 £000s
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	17	(22)	87
<b>Cash flows from investing activities</b>	18	(16)	(106)
<b>Cash flows from financing activities</b>	19	-	(1)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		(38)	(20)
		<hr/>	<hr/>
<b>Cash and cash equivalents at 1 September 2015</b>		1,177	1,197
		<hr/>	<hr/>
<b>Cash and cash equivalents at 31 August 2016</b>	20	1,139	1,177
		<hr/>	<hr/>

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

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

The financial statements are presented in Sterling (£).

Kingsley Special Academy Trust meets the definition of a public benefit entity under FRS 102. The Academy Trust is a charitable company limited by guarantee, incorporated and domiciled in England. The address of the registered office is Kingsley Special Academy Trust, Churchill Way, Kettering, Northamptonshire, NN15 5DP.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Kingsley Special Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Kingsley Special Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') the 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.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year 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 (GAG) 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.

- **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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR TO 31ST AUGUST 2016**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

- **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 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.

Upon conversion the Academy Trust entered into a 125 year lease with Northamptonshire County Council for the academy's land and buildings. The rental charge under this lease is a peppercorn. Substantially all the risks and rewards incidental to ownership are assumed by the Academy Trust and therefore the lease is treated as a finance lease and the asset capitalised in accordance with the tangible fixed assets accounting policy below.

**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 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.

All resources expended are inclusive of irrecoverable VAT.

**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 asset 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 on a straight-line basis over its expected useful life, as follows:

Long leasehold buildings	2% straight line
Long leasehold land	0.8% straight line over the 125 year lease
Motor vehicles	25% straight line
Office equipment	15% straight line
Computer equipment	25% straight line

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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR TO 31ST AUGUST 2016**

**1. STATEMENT OF 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 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.

**Cash and Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value.

**Debtors**

Short-term debtors are measured at transaction price, less any impairment.

**Creditors**

Short-term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost, using the effective interest method.

**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 Part 11, Chapter 3 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.

**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 Note 23, 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.

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 gains and losses on 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 the 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 gains and losses.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR TO 31ST AUGUST 2016****1. STATEMENT OF ACCOUNTING POLICIES (continued)****Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the 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 Education Funding Agency/Department for Education.

Restricted pension reserve funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

**Critical accounting estimates and areas of judgement**

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

***Critical accounting estimates and assumptions***

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

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 assumption. 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 23, 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.

**Comparative information**

Due to the adoption of the Statement of Recommended Practice (SORP): 'Accounting and Reporting by Charities' (FRS 102) and the presentational changes required by the Academies Accounts Direction 2015 to 2016, some of the comparative information for the year ended 31 August 2015 has been amended accordingly; however, except as disclosed in note 26, the total income, expenditure and movement in funds for the year ended 31 August 2015 remain unchanged.

<b>2. DONATIONS AND CAPITAL GRANTS</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Capital grants	-	9	9	8
Other donations	2	36	38	21
	<u>2</u>	<u>45</u>	<u>47</u>	<u>29</u>

The income from donations and capital grants was £47,000 (2015: £29,000) of which £2,000 was unrestricted (2015: £3,000), £36,000 was restricted (2015: £18,000) and £9,000 was restricted fixed assets (2015: £8,000).

<b>3. OTHER TRADING ACTIVITIES</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Hire of facilities	38	-	38	34
Other income	-	36	36	34
	<u>38</u>	<u>36</u>	<u>74</u>	<u>68</u>

The income from other trading activities was £74,000 (2015: £68,000) of which £38,000 was unrestricted (2015: £34,000) and £36,000 was restricted (2015: £34,000).



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR TO 31ST AUGUST 2016**

**4. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2016 £000s	Total 2015 £000s
DfE/EFA grants				
General Annual Grant (GAG)	-	1,018	1,018	1,006
Other DfE/EFA grants	-	69	69	75
	-	1,087	1,087	1,081
Other Government grants				
Local authority grants	-	1,385	1,385	1,226
	-	1,385	1,385	1,226
Other income from the academy trust's educational operations	-	54	54	50
	-	2,526	2,526	2,357

The income from funding for the academy trust's educational operations was £2,526,000 (2015: £2,357,000) of which £Nil was unrestricted (2015: £Nil) and £2,526,000 was restricted (2015: £2,357,000).

**5. INVESTMENT INCOME**

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2016 £000s	Total 2015 £000s
Bank interest receivable	1	-	1	1

Investment income was £1,000 (2015: £1,000) of which £1,000 was unrestricted (2015: £1,000) and £nil was restricted (2015: £nil).

**6. EXPENDITURE**

	Staff Costs £000s	Non pay Premises £000s	Expenditure Other £000s	Total 2016 £000s	Total 2015 £000s
Expenditure on raising funds	13	-	3	16	57
Academy's educational operations:					
Direct costs	1,927	154	143	2,224	1,967
Allocated support costs	378	104	163	645	611
	2,318	258	309	2,885	2,635

Expenditure was £2,885,000 (2015: £2,635,000) of which £2,318,000 was staff costs (2015: £2,006,000), £258,000 was premises (2015: £236,000) and £309,000 was other costs (2015: £353,000). Of this, £16,000 was unrestricted (2015: £1,000), £91,000 was restricted pension reserve (2015: £96,000), £2,624,000 was restricted (2015: £2,394,000) and £154,000 was restricted fixed assets (2015: £144,000).

Net income/(expenditure) for the year includes:

	2016 £000s	2015 £000s
Fees payable to auditor - audit	7	6
- other services	1	3
- previous auditor	13	-
Depreciation - owned assets	154	144

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR TO 31ST AUGUST 2016****7. CHARITABLE ACTIVITIES**

	<b>Total 2016 £000s</b>	<b>Total 2015 £000s</b>
Direct Costs – educational operations	2,224	1,967
Support costs - educational operations	645	611
	<u>2,869</u>	<u>2,578</u>

The expenditure for the academy trust's educational operations was £2,869,000 (2015: £2,578,000) of which £91,000 was restricted pension reserve (2015: £96,000), £2,624,000 was restricted (2015: £2,338,000) and £154,000 was restricted fixed assets (2015: £144,000).

	<b>Educational Operations £000s</b>	<b>Total 2016 £000s</b>	<b>Total 2015 £000s</b>
<b>Analysis of support costs</b>			
Support staff costs	378	378	332
Technology costs	12	12	12
Premises costs	97	97	92
Insurance	60	60	54
Other support costs	59	59	95
Governance costs	39	39	26
	<u>645</u>	<u>645</u>	<u>611</u>

All of the academy trust's expenditure for both the current and previous accounting periods was for its educational operations.

**8. STAFF****a. Staff costs**

Staff costs during the year were:

	<b>Total 2016 £000s</b>	<b>Total 2015 £000s</b>
Wages and salaries	1,806	1,631
Social security costs	99	75
Operating costs of defined benefit pension schemes	413	303
	<u>2,318</u>	<u>2,009</u>
Supply staff costs	-	37
	<u>2,318</u>	<u>2,046</u>

**b. Staff numbers**

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

	<b>2016 No.</b>	<b>2015 No.</b>
Teachers	16	16
Administration and support	7	7
Management	85	81
	<u>108</u>	<u>104</u>

**c. Higher paid staff**

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

	<b>2016 No.</b>	<b>2015 No.</b>
£70,001 - £80,000	1	1

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR TO 31ST AUGUST 2016****8. STAFF (continued)****d. Key Management Personnel**

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 £441,000 (2015: £458,000).

**9. RELATED PARTY TRANSACTIONS – TRUSTEES’ REMUNERATION AND EXPENSES**

One or more trustees have been paid remuneration or have received other benefits from an employment with the Academy Trust. The Head Teacher and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment and not in respect of their role as trustees. Other trustees did not receive any payments from the academy in respect of their role as trustees. The value of trustees’ remuneration was as follows:

T Duibhir (Headteacher and trustee)					
Remuneration	£75,000 - £80,000			(2015: £75,000 - £80,000)	
Employers’ pension contributions	£10,000 - £15,000			(2015: £10,000 - £15,000)	
Mrs C Wyke (Staff Trustee)					
Remuneration	£35,000 - £40,000			(2015: £35,000 - £40,000)	
Employers’ pension contributions	£ 5,000 - £10,000			(2015: £ 5,000 - £10,000)	
B Collins (Staff Trustee)					
Remuneration	£ 5,000 - £10,000			(2015: £15,000 - £20,000)	
Employers’ pension contributions	£ - - £ 5,000			(2015: £ - - £5,000 )	

During the year ended 31 August 2016, travel expenses totalling £555 were reimbursed to 1 Trustee

During the year ended 31 August 2015 no expenses were reimbursed to Trustees.

Other related party transactions involving the trustees are set out in note 24.

**10. TRUSTEES’ AND OFFICERS’ INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect the trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2016 was included in the total insurance premium cost of £5,160 (2015: £4,569).

**11. TANGIBLE FIXED ASSETS**

	Leasehold land and buildings £000s	Motor Vehicles £000s	Office equipment £000s	Computer equipment £000s	Totals £000s
<b>COST</b>					
At 1 September 2015	3,728	66	166	121	4,081
Additions	17	-	5	4	26
At 31 August 2016	3,745	66	171	125	4,107
<b>DEPRECIATION</b>					
At 1 September 2015	271	22	42	60	395
Charged in year	83	16	25	30	154
At 31 August 2016	354	38	67	90	549
<b>NET BOOK VALUE</b>					
At 31 August 2016	3,391	28	104	35	3,558
At 31 August 2015	3,457	44	124	61	3,686

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR TO 31ST AUGUST 2016**

**12. DEBTORS**

	2016 £000s	2015 £000s
Trade debtors	3	3
VAT recoverable	8	12
Prepayments and accrued income	59	56
	<u>70</u>	<u>71</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £000s	2015 £000s
Taxation and social security	34	29
Accruals and deferred income	22	48
	<u>56</u>	<u>77</u>

**Deferred income**

	2016 £000s	2015 £000s
Deferred income at 1 September 2015	9	-
Resources deferred in the year	7	9
Amounts released from previous years	(9)	-
	<u>7</u>	<u>9</u>

At the balance sheet date the Academy Trust was holding funds received in advance for free school meals for the year ending 31 August 2016.

**14. FUNDS**

	Balance at 31 August 2015 £000s	Incoming resources £000s	Resources expended £000s	Gains, losses and Transfers £000s	Balance at 31 August 2016 £000s
<b>Restricted general funds</b>					
General Annual Grant (GAG)	142	1,018	(1,044)	(17)	99
Pupil premium	6	44	(44)	-	6
Local authority grants	481	1,385	(1,385)	-	481
Transfer on conversion	388	-	-	-	388
Other restricted general funds	24	151	(151)	-	24
Pension Reserve	(1,800)	-	(91)	(952)	(2,843)
	<u>(759)</u>	<u>2,598</u>	<u>(2,715)</u>	<u>(969)</u>	<u>(1,845)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,728	-	(117)	-	2,611
DfE/EFA capital grants	376	9	(16)	-	369
Capital expenditure from other restricted funds	(62)	-	-	-	(62)
Capital expenditure from GAG	397	-	(17)	17	397
Donated fixed assets	247	-	(4)	-	243
	<u>3,686</u>	<u>9</u>	<u>(154)</u>	<u>17</u>	<u>3,558</u>
<b>Total restricted funds</b>	<u>2,927</u>	<u>2,607</u>	<u>(2,869)</u>	<u>(952)</u>	<u>1,713</u>
<b>Unrestricted funds</b>					
Unrestricted funds	130	41	(16)	-	155
<b>Total unrestricted funds</b>	<u>130</u>	<u>41</u>	<u>(16)</u>	<u>-</u>	<u>155</u>
<b>TOTAL FUNDS</b>	<u>3,057</u>	<u>2,648</u>	<u>(2,885)</u>	<u>(952)</u>	<u>1,868</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR TO 31ST AUGUST 2016****14. FUNDS (continued)**

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy Trust together with other restricted general funds. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it should carry forward at 31 August 2016. Funds are being carried forward to finance a build project which has commenced after the year end. Capital commitments existing at the balance sheet date in relation to this project are shown in note 16.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000s	Restricted Pension Reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total Funds £000s
Tangible fixed assets	-	-	-	3,558	3,558
Current assets	155	-	1,054	-	1,209
Current liabilities	-	-	(56)	-	(56)
Pension scheme liability	-	(2,843)	-	-	(2,843)
<b>Total Net Assets</b>	<b>155</b>	<b>(2,843)</b>	<b>998</b>	<b>3,558</b>	<b>1,868</b>

**16. CAPITAL COMMITMENTS**

	2016 £000s	2015 £000s
Contracted for, but not provided in the financial statements	495	-

**17. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £000s	2015 £000s
Net income for the reporting period (as per the statement of financial activities)	(237)	(197)
Adjusted for:		
Depreciation	154	144
Capital grants from DfE and other capital income	(9)	(8)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	91	96
Defined benefit pension scheme finance costs	-	-
(Increase)/decrease in debtors	1	27
(Decrease)/increase in creditors	(21)	26
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(22)</b>	<b>87</b>

**18. CASH FLOWS FROM INVESTING ACTIVITIES**

	2016 £000s	2015 £000s
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(26)	(115)
Capital grants from DfE/EFA	9	8
<b>Net cash provided by / (used in) investing activities</b>	<b>(16)</b>	<b>(106)</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR TO 31ST AUGUST 2016**

**19. CASH FLOWS FROM FINANCING ACTIVITIES**

	<b>2016</b> <b>£000s</b>	<b>2015</b> <b>£000s</b>
Repayments of borrowings	-	(1)
Net cash used in financing activities	-	(1)

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>At 31</b> <b>August</b> <b>2016</b> <b>£000s</b>	<b>At 31</b> <b>August</b> <b>2015</b> <b>£000s</b>
Cash in hand and at bank	1,139	1,177
<b>Total cash and cash equivalents</b>	<b>1,139</b>	<b>1,177</b>

**21. CONTINGENT LIABILITIES**

During the year of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy site and premises and other assets held for the purpose of the Academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**22. 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 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 cease to be a member.

**23. PENSION AND SIMILAR OBLIGATIONS**

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**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 in 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR TO 31ST AUGUST 2016**

**23. PENSION AND SIMILAR OBLIGATIONS (continued)**

**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 H M 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 actual 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 2015. 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 (pension currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £131,000 (2015: £98,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £239,000 (2015: £221,000) of which employer's contributions totalled £190,000 (2015: £175,000) and employees' contributions totalled £49,000 (2015: £46,000). The agreed contribution rates for future years are 24.6% for employers and 5.5% to 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**

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
Rate of increase in salaries	4.1%	4.6%
Rate of increase for pensions in payment/inflation	2.1%	2.7%
Discount rate for scheme liabilities	2.1%	3.8%
Inflation assumption (CPI)	2.1%	2.6%
Commutation of pensions to lump sums		
- Pre April 2008 service	50%	50%
- Post April 2008 service	75%	75%

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR TO 31ST AUGUST 2016**

**23. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Sensitivity Analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in assumptions at year ended 31 August 2016:</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount £000s</b>
0.5% decrease in Real Discount Rate	14%	629
1 year increase in member life expectancy	3%	132
0.5% increase in the Salary Increase Rate	6%	272
0.5 % increase in the Pension Increase Rate	8%	332

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

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
<i>Retiring today</i>		
Males	22.3	22.3
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	24.0	24.0
Females	26.6	26.6

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

	<b>Fair value at 31 August 2016 £000s</b>	<b>Fair value at 31 August 2015 £000s</b>
Equity instruments	1,100	766
Debt instruments	295	208
Property	124	99
Cash	31	22
<b>Total market value of assets</b>	<b>1,550</b>	<b>1,095</b>

The actual return on scheme assets was £46,000 (2015: £35,000).

<b>Amounts recognised in the statement of financial activities</b>	<b>2016 £000s</b>	<b>2015 £000s</b>
Current service cost (net of employee contributions)	213	206
Net interest cost	68	65
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
<b>Total operating charge</b>	<b>281</b>	<b>271</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR TO 31ST AUGUST 2016****23. PENSION AND SIMILAR OBLIGATIONS (continued)**

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

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
At 1 September	2,895	2,595
Current service cost	213	206
Interest cost	114	100
Employee contributions	49	46
Actuarial (gain)/loss	1,148	(42)
Benefits paid	(26)	(10)
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>At 31 August</b>	<b>4,393</b>	<b>2,895</b>

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

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
At 1 September	1,095	853
Interest income	46	35
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	196	(4)
Employer contributions	190	175
Employee contributions	49	46
Benefits paid	(26)	(10)
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>At 31 August</b>	<b>1,550</b>	<b>1,095</b>

**24. 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 a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 9.

**25. ULTIMATE CONTROLLING PARTY**

The Academy Trust is under the control of the trustees.

**26. 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 1 September 2014. As a consequence of adopting FRS 12 and SORP 2015, a number of accounting policies have changed to comply with those standards.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR TO 31ST AUGUST 2016**

**26. EXPLANATION OF TRANSITION TO FRS 102 (continued)**

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

<b>Reconciliation of net income</b>	<b>Notes</b>	<b>1 September 2014 £000s</b>	<b>31 August 2015 £000s</b>
Total funds under previous UK GAAP		3,216	3,057
Total funds reported under FRS 102		3,216	3,057
<b>Reconciliation of net income/(expenditure)</b>	<b>Notes</b>		<b>31 August 2015 £000s</b>
Net income/(expenditure) previously reported under UK GAAP			(180)
Change in recognition of LGPS interest cost	A		(17)
Net movement in funds reported under FRS 102			(197)

**A - 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 £17,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.