

Registered number: 07887259

**GOLDSWORTH TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>Trustees</b>	Mr V Shipp ^, Chair Mrs P Alexander, Head Teacher and Accounting Officer Mrs J Deans ^ Mrs S Finlay Mr A Hall ^ Miss S May Mrs G Kozlowski Mr D Lander (appointed 22 March 2017) Mrs J Parkinson (appointed 22 March 2017, resigned 13 October 2017) Mrs E Rinttila (appointed 21 September 2017)
<b>^ Members</b>	
<b>Company registered number</b>	07887259
<b>Company name</b>	Goldsworth Trust
<b>Principal and registered office</b>	Goldsworth Primary School Bridge Barn Lane Woking Surrey GU21 6NL
<b>Senior management team</b>	Mrs P Alexander, Executive Headteacher Mrs G Kozlowski, Goldsworth Head of School Miss S May, St John's Primary Head of School Mrs L Webb, Trust Accountant
<b>Independent auditor</b>	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS
<b>Bankers</b>	Lloyds Bank Plc 32 Commercial Way Woking Surrey GU21 6ER
<b>Solicitors</b>	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

**GOLDSWORTH TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the audited financial statements of Goldsworth Trust ('the Trust' or 'the charitable company') for the period 31 August 2017.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust, which was incorporated on 20th December 2011 and opened as a Trust on 1st February 2012, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trust (formerly known as Goldsworth Primary School) operated Goldsworth Primary School until 1st December 2013 when St John's Primary, Knaphill joined the Trust. The Trust was renamed Goldsworth Trust.

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

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

The Trust operates two primary schools (both nursery provision for 2 to 4 year olds) within the local Woking area. The pupil capacity as at the May 2017 census was as follows:-

- Goldsworth Primary School – capacity of 570 children with 566 on roll
- Golden Owls Day Nursery – capacity of 32 children per session with 65 on roll
- St John's Primary School – capacity of 210 children with 188 on roll
- St John's Nursery and Little Bears – capacity of 80 children with 55 on roll

**Members' Liability**

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

**Trustees' Indemnities**

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

**Principal Activities**

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

**Method of Recruitment and Appointment or Election of Governors**

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

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

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

There are no Local Authority appointed Trustees.

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

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

**Policies and Procedures Adopted for the Induction and Training of Trustees**

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

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

**Organisational Structure**

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

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

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

The following decisions are reserved to the Trust Board:

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

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Trust by the use of budgets and other data, and making

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

the major decisions about the direction of the Trust, capital expenditure and significant staff appointments.

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

**Risk Management**

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

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

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

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

**Connected Organisations, including Related Party Relationships**

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

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

Each School has a Parent Teachers Association.

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

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal objects of the Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Woking and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Trust during the period ended 31 August 2017 are summarised below:

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

- to procure services for the financial benefit of both schools

**Objectives, Strategies and Activities**

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

The main activities of the Trust for the period ended 31 August 2017 were as follows:

Leadership and Management

There are no changes to leadership and management.

Student Achievement

Both schools have had a focus on improving writing.

Teaching and Learning

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

Behaviour and Safety

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

**Public Benefit**

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

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

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

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance**

The Academy is in its sixth period of operation since conversion on 1st February 2012.

The total number of pupils in the period ended 31 August 2017 was 754 (excluding Nursery Provision), but this has increased to 793 at the October 2017 census date due to the continued demand for places at the Trust.

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

The particular achievements and performance of the Academy during the period ended 31 August 2017 were as follows:

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**St Johns Primary School**

- Reading - 73% reached end of year expectation – 18% greater depth
- Writing - 82% reached end of year expectation – 14% greater depth
- Maths - 77% reached end of year expectation – 23% greater depth
- GPS - 77% reached end of year expectation – 27% greater depth
- RWM - 64% reached end of year expectation – 0% greater depth

**Goldsworth Primary School**

- Reading - 81% reached end of year expectation – 50% greater depth
- Writing - 74% reached end of year expectation – 22% greater depth
- Maths - 72% reached end of year expectation – 33% greater depth
- SPAG - 81% reached end of year expectation – 45% greater depth
- RWM - 64% reached end of year expectation – 19% greater depth

**Going Concern**

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

**Strategic report**

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

- SAT Results 2017 – St John's and Goldsworth both achieved 'above floor standard'

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

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

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

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

**Key Performance Indicators**

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

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

Attainment at expected level for Key Stage 2 SATs for St John's are above the national average for all subjects. Attainment at Goldsworth for expected and greater depth is above the national average except for writing and maths.

~~Although the Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG~~



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2017, the balance of the GAG Restricted Fund was £Nil.

As the majority of the Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 752 which is an increase of 5.5% percent from the previous census.

As a result, the ratio of GAG funding per pupil was £3,467 for the period.

Staffing costs are another key performance indicator for the Trust and the percentage of staff costs to total costs was 70%.

### **FINANCIAL REVIEW**

The majority of the Trust's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2017 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

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

During the period ended 31 August 2017, the total expenditure of £4,662,734 was covered by the recurrent grant funding from the DfE, together with other incoming resources (excluding the net assets transferred on conversion from the Local Authority). The excess of total expenditure over incoming resources for the period was £507,606.

The net book value of fixed assets at 31 August 2017 were £11,913,420, which includes the value of land and buildings transferred on conversion of £8,781,772 and depreciation charges for the period of £358,421.

The deficit in the Local Government Pension Scheme (LGPS) of £1,359,000 is recognised in the balance sheet as per the requirements of FRS 102. The pension deficit is not expected to have any material impact on the financial viability of the Trust.

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

The balance of total funds held at 31 August 2017 were £11,189,844 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£6,804
Restricted Pension Liability Fund	(£1,359,000)
Restricted Fixed Asset Fund	£12,002,320
Unrestricted Funds	£539,720

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

### **Financial and Risk Management Objectives and Policies**

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

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Governors have ensured the Academy has adequate insurance cover.

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

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

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

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

**Principal Risks and Uncertainties**

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

Financial

The Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 85% of the Trust's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

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

Reputational

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

Safeguarding and child protection

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

Staffing

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

Fraud and mismanagement of funds

The Trust has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

training to keep them up to date with financial practice requirements and to develop their skills in this area.

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

**Reserves Policy**

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

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

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

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

The Trust's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £546,524 of which £539,720 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

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

**PLANS FOR FUTURE PERIODS**

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

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

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

**AUDITOR**

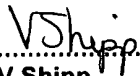
In so far as the Trustees are aware:

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees report, incorporating a strategic report has been approved by order of the Board of Trustees on  
11/12/2017 and signed on its behalf by:

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

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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Goldsworth Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 4 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr V Shipp ^, Chair	4	4
Mrs P Alexander, Head Teacher and Accounting Officer	4	4
Mrs J Deans ^	3	4
Mrs S Finlay	3	4
Mr A Hall ^	3	4
Mrs G Kozlowski	4	4
Mr D Lander	2	4
Miss S May	4	4
Mrs J Parkinson	2	4

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

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

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

**REVIEW OF VALUE FOR MONEY**

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

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

**Improving Educational Results**

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

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

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**GOVERNANCE STATEMENT (continued)**

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

**Staff development**

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

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

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

As a Trust we like to home-grow our new teachers. We continue to support the SCITT programme and employ graduate Teaching Assistants as a pre-requisite. This ensures we have a pool of new teachers to employ from when needed.

**Financial Governance and Oversight**

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

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

**Reviewing controls and managing risks**

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

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Goldsworth Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks; that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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**GOVERNANCE STATEMENT (continued)**

**THE RISK AND CONTROL FRAMEWORK**

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

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

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

The auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In July 2017, the auditor reported to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors', including all Committees', financial responsibilities.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 11/12/2017 and signed on their behalf, by:

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

.....  
P.R. Alexander  
Mrs P Alexander  
Accounting Officer

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Goldsworth Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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

*P.R. Alexander*  
.....  
**Mrs P Alexander**  
**Accounting Officer**  
Date: *11.12.17*



**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

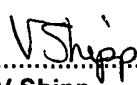
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 11/12/2017 and signed on its behalf by:

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

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

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

**OPINION**

We have audited the financial statements of Goldsworth Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

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

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

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

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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



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

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

Date: 18 December 2017

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 11 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Goldsworth Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Goldsworth Trust's funding agreement with the Secretary of State for Education dated 1 February 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

Specific work undertaken to draw to our conclusion includes:

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

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

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

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

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*James Cowper Kreston*

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

Date: *18 December 2017*

**GOLDSWORTH TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

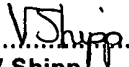
	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	3,271	-	31,244	34,515	132,448
Charitable activities	5	500,004	3,488,530	-	3,988,534	3,860,723
Other trading activities	3	101,723	-	-	101,723	94,411
Investments	4	557	-	-	557	994
<b>TOTAL INCOME</b>		<b>605,555</b>	<b>3,488,530</b>	<b>31,244</b>	<b>4,125,329</b>	<b>4,088,576</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		582,960	3,683,625	396,149	4,662,734	4,251,113
<b>TOTAL EXPENDITURE</b>	7	<b>582,960</b>	<b>3,683,625</b>	<b>396,149</b>	<b>4,662,734</b>	<b>4,251,113</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		22,595	(195,095)	(364,905)	(537,405)	(162,537)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	119,000	-	119,000	(306,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>22,595</b>	<b>(76,095)</b>	<b>(364,905)</b>	<b>(418,405)</b>	<b>(468,537)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		517,125	(1,276,101)	12,367,225	11,608,249	12,076,786
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>539,720</b>	<b>(1,352,196)</b>	<b>12,002,320</b>	<b>11,189,844</b>	<b>11,608,249</b>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		11,913,420		12,230,631
<b>CURRENT ASSETS</b>					
Debtors	14	325,302		208,305	
Cash at bank and in hand		768,294		856,603	
		<u>1,093,596</u>		<u>1,064,908</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(458,172)</u>		<u>(371,290)</u>	
<b>NET CURRENT ASSETS</b>			<u>635,424</u>		<u>693,618</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,548,844</u>		<u>12,924,249</u>
Defined benefit pension scheme liability	21		<u>(1,359,000)</u>		<u>(1,316,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>11,189,844</u></u>		<u><u>11,608,249</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	6,804		39,899	
Restricted fixed asset funds	16	12,002,320		12,367,225	
Restricted income funds excluding pension liability		<u>12,009,124</u>		<u>12,407,124</u>	
Pension reserve		<u>(1,359,000)</u>		<u>(1,316,000)</u>	
Total restricted income funds			<u>10,650,124</u>		<u>11,091,124</u>
Unrestricted income funds	16		<u>539,720</u>		<u>517,125</u>
<b>TOTAL FUNDS</b>			<u><u>11,189,844</u></u>		<u><u>11,608,249</u></u>

The financial statements on pages 21 to 41 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

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



**GOLDSWORTH TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	<u>(47,656)</u>	<u>74,176</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		557	994
Purchase of tangible fixed assets		<u>(41,210)</u>	<u>(227,751)</u>
<b>Net cash used in investing activities</b>		<u>(40,653)</u>	<u>(226,757)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(88,309)</b>	<b>(152,581)</b>
Cash and cash equivalents brought forward		<u>856,603</u>	<u>1,009,184</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>768,294</u></u>	<u><u>856,603</u></u>

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Company status**

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

**1.3 Fund accounting**

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

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

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

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.6 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

**1.7 Tangible fixed assets and depreciation**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

**1.8 Taxation**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 Debtors**

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

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.10 Cash at Bank and in hand**

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

**1.11 Liabilities and provisions**

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

**1.12 Financial instruments**

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

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

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

**1.13 Pensions**

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

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

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**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

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

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

**1.14 Critical accounting estimates and areas of judgment**

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

**Critical accounting estimates and assumptions:**

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

**Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Depreciation**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	3,271	-	15,000	18,271	25,361
Capital grants	-	-	16,244	16,244	107,087
	<u>3,271</u>	<u>-</u>	<u>31,244</u>	<u>34,515</u>	<u>132,448</u>
<i>Total 2016</i>	<u>25,361</u>	<u>-</u>	<u>107,087</u>	<u>132,448</u>	

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	101,723	-	101,723	94,411
	<u>101,723</u>	<u>-</u>	<u>101,723</u>	<u>94,411</u>
<i>Total 2016</i>	<u>94,411</u>	<u>-</u>	<u>94,411</u>	

**4. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	557	-	557	994
	<u>557</u>	<u>-</u>	<u>557</u>	<u>994</u>
<i>Total 2016</i>	<u>994</u>	<u>-</u>	<u>994</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Educational operations (see below)	-	2,885,234	2,885,234	2,829,204
Local Authority	-	603,296	603,296	567,924
Other income from educational activities	500,004	-	500,004	463,595
	<u>500,004</u>	<u>3,488,530</u>	<u>3,988,534</u>	<u>3,860,723</u>
<i>Total 2016</i>	<u>463,595</u>	<u>3,397,128</u>	<u>3,860,723</u>	

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,607,499	2,607,499	2,573,704
Other DfE/ESFA grants	-	277,735	277,735	255,500
	<u>-</u>	<u>2,885,234</u>	<u>2,885,234</u>	<u>2,829,204</u>
<i>Total 2016</i>	<u>-</u>	<u>2,829,204</u>	<u>2,829,204</u>	



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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. CHARITABLE ACTIVITIES**

	<b>Total funds 2017 £</b>	<i>Total funds 2016 £</i>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Teaching and educational support staff costs	2,129,099	2,106,913
National insurance	176,814	153,278
Pension cost	515,200	421,370
Educational supplies	386,489	212,744
Technology	31,297	33,628
Other direct costs	264,218	254,353
Staff development	28,366	28,834
	<u>3,531,483</u>	<u>3,211,120</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Support staff costs	280,087	272,698
National insurance	18,229	14,596
Pension cost	100,668	76,456
Maintenance of premises and equipment	233,305	204,689
Rates, insurance and utilities	113,944	122,487
Other support costs	16,017	14,900
Depreciation	358,421	323,567
Governance costs	10,580	10,600
	<u>1,131,251</u>	<u>1,039,993</u>
	<u><u>4,662,734</u></u>	<u><u>4,251,113</u></u>

**7. EXPENDITURE**

	<b>Staff costs 2017 £</b>	<b>Premises 2017 £</b>	<b>Other costs 2017 £</b>	<b>Total 2017 £</b>	<i>Total 2016 £</i>
Activities:					
Direct costs	2,821,113	-	710,370	3,531,483	3,211,120
Support costs	398,984	233,305	498,962	1,131,251	1,039,993
	<u>3,220,097</u>	<u>233,305</u>	<u>1,209,332</u>	<u>4,662,734</u>	<u>4,251,113</u>
<i>Total 2016</i>	<u><u>3,045,311</u></u>	<u><u>204,689</u></u>	<u><u>1,001,113</u></u>	<u><u>4,251,113</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	358,421	323,567
Auditor's remuneration - audit	7,400	7,200
Auditor's remuneration - other services	3,330	2,550
	<u>369,151</u>	<u>333,317</u>

**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,409,186	2,379,611
Social security costs	195,043	167,874
Pension costs	615,868	497,826
	<u>3,220,097</u>	<u>3,045,311</u>

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

	2017 No.	2016 No.
Teaching	93	90
Administration and support	27	25
Management	8	7
	<u>128</u>	<u>122</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	0	1

The above employees all participated in the Teachers' Pension Scheme. During the period ended 31 August 2017 contributions for these staff members amounted to £22,067 (2016: £33,068).

The key management personnel of the academy trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £256,290 (2016: £268,270).

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**10. TRUSTEES' REMUNERATION AND EXPENSES**

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

		2017 £	2016 £
Mrs P Alexander (Executive Principal and Trustee)	Remuneration	55,000-60,000	75,000-80,000
	Pension contributions paid	5,000-10,000	10,000-15,000
Ms S May (Headteacher and Trustee)	Remuneration	65,000-70,000	60,000-65,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mrs G Kozlowski (Headteacher and Trustee)	Remuneration	65,000-70,000	60,000-65,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2017, expenses totalling £296 (2015: £192) were reimbursed to 1 Trustee (2016 - 2).

**11. CENTRAL SERVICES**

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

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

The academy charges for these services on the following basis:

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

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Central staff	88,726	109,967
Central supplies and services	36,375	24,812
	<u>125,101</u>	<u>134,779</u>

**12. TRUSTEES' AND OFFICERS' INSURANCE**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Plant and machinery etc. £	Total £
<b>Cost</b>			
At 1 September 2016	13,149,070	140,989	13,290,059
Additions	7,885	33,325	41,210
At 31 August 2017	<u>13,156,955</u>	<u>174,314</u>	<u>13,331,269</u>
<b>Depreciation</b>			
At 1 September 2016	997,222	62,206	1,059,428
Charge for the year	328,388	30,033	358,421
At 31 August 2017	<u>1,325,610</u>	<u>92,239</u>	<u>1,417,849</u>
<b>Net book value</b>			
At 31 August 2017	<u>11,831,345</u>	<u>82,075</u>	<u>11,913,420</u>
At 31 August 2016	<u>12,151,848</u>	<u>78,783</u>	<u>12,230,631</u>

**14. DEBTORS**

	2017 £	2016 £
Trade debtors	9,600	24,972
VAT recoverable	288,413	179,857
Other debtors	8,359	2,540
Prepayments and accrued income	18,930	936
	<u>325,302</u>	<u>208,305</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	154,360	83,508
Other taxation and social security	51,341	51,982
Other creditors	86,850	76,368
Accruals and deferred income	165,621	159,432
	<u>458,172</u>	<u>371,290</u>
	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	115,213	137,357
Resources deferred during the year	112,329	115,213
Amounts released from previous years	(115,213)	(137,357)
Deferred income at 31 August 2017	<u>112,329</u>	<u>115,213</u>

The deferred income relates to school activities scheduled to be undertaken in the following financial period. £68,191 (2016: £70,995) was deferred in respect of the Universal Infant Free School Meals grant.

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

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

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

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

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

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

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

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

The Other Government grants fund has been created to recognise all restricted income received from

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**16. STATEMENT OF FUNDS (continued)**

Government in relation to Early Years, Feet Funding, Growing Schools and Children's centre. The relevant restricted expenditure is then also recorded through this fund.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Goldsworth Primary School	409,819	410,385
St John's Primary School	130,929	143,946
Goldsworth Trust	5,776	2,693
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	546,524	557,024
Restricted fixed asset fund	12,002,320	12,367,225
Pension reserve	(1,359,000)	(1,316,000)
	<hr/>	<hr/>
Total	11,189,844	11,608,249
	<hr/>	<hr/>

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Goldsworth Primary	1,938,789	185,339	284,315	419,944	2,828,387	2,563,556
St John's Primary	811,291	195,952	102,174	241,408	1,350,825	1,229,211
Central costs	73,078	15,648	-	36,375	125,101	134,779
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,823,158	396,939	386,489	697,727	4,304,313	3,927,546
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(537,405)	(162,537)
<b>Adjustment for:</b>		
Investment income	(557)	(994)
Depreciation charges	358,421	323,567
Increase in debtors	(114,803)	(44,387)
Increase/(decrease) in creditors	84,688	(107,473)
Defined benefit pension scheme cost less contributions payable	162,000	66,000
<b>Net cash (used in)/provided by operating activities</b>	<b>(47,656)</b>	<b>74,176</b>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	768,294	856,603
<b>Total</b>	<b>768,294</b>	<b>856,603</b>

**20. CAPITAL COMMITMENTS**

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	-	8,400



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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 of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £222,891 (2016 - £231,606).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has

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**21. PENSION COMMITMENTS (continued)**

accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £281,000 (2016 - £250,000), of which employer's contributions totalled £227,000 (2016 - £202,000) and employees' contributions totalled £54,000 (2016 - £48,000). The agreed contribution rates for future years are 24.9% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	2.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.1	24.5
Females	26.4	26.9

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,363,000	1,049,000
Bonds	276,000	213,000
Property	129,000	99,000
Cash	74,000	57,000
<b>Total market value of assets</b>	<b>1,842,000</b>	<b>1,418,000</b>

The actual return on scheme assets was £-124,000 (2016 - £141,000).

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

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

	2017 £	2016 £
Current service cost	<u>(360,000)</u>	<u>(231,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	2,734,000	1,931,000
Current service cost	360,000	231,000
Interest cost	62,000	79,000
Employee contributions	54,000	48,000
Actuarial losses	6,000	447,000
Benefits paid	(15,000)	-
Unfunded pension payments	-	(2,000)
	<u>3,201,000</u>	<u>2,734,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,418,000	987,000
Expected return on assets	33,000	42,000
Actuarial losses	125,000	141,000
Employer contributions	227,000	202,000
Employee contributions	54,000	48,000
Benefits paid	(15,000)	-
Assets acquired in a business combination	-	(2,000)
	<u>1,842,000</u>	<u>1,418,000</u>

**22. RELATED PARTY TRANSACTIONS**

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

During the year the husband of Mrs Kozlowski (Headteacher) invoiced the academy for services provided totalling £810. In the prior year he was an employee of the academy and received a salary of £15,000 - £20,000.

**23. CONTROLLING PARTY**

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

**GOLDSWORTH TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**24. MEMBERS' LIABILITY**

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