

Company Number 07887259

GOLDSWORTH TRUST
(formerly Goldsworth Primary School)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 AUGUST 2014

THURSDAY



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REFERENCE AND ADMINISTRATIVE DETAILS

Name of Trust	Goldsworth Trust (formerly Goldsworth Primary School until 30 th December 2013)
Members	<p>Mrs J Deans (Chair)</p> <p>Mr H S Nicholls (Vice Chair) (resigned July 2014)</p> <p>Mr A R Hall</p> <p>Mr R Field (appointed January 2014)</p> <p>Mr V Shipp (appointed December 2014)</p>
Trustees/Directors	<p>Mr V Shipp (appointed November 2013)</p> <p>(appointed as Chair - December 2014)</p> <p>Mr R Field (appointed as Chair - January 2014)</p> <p>(resigned as Chair - December 2014)</p> <p>Mrs L Evans (appointed Nov 2013)</p> <p>(resigned May 2014)</p> <p>Mr A Hall</p> <p>Mrs J Deans (resigned as Chair – January 2014)</p> <p>Mrs P Alexander (Headteacher and Accounting Officer)</p> <p>Mrs G Osborne (resigned September 2014)</p> <p>Miss S May (appointed November 2013)</p> <p>Miss A Simpson (resigned Sept 2013)</p> <p>Mr H Nicholls (resigned July 2014)</p> <p>Mr R Homewood (resigned November 2013)</p> <p>Mr N Hornzee (resigned November 2013)</p> <p>Mrs S Howard (resigned November 2013)</p> <p>Dr K Taylor (resigned November 2013)</p> <p>Mr K Thomas (resigned November 2013)</p> <p>Mr R Yassini (resigned November 2013)</p> <p>Mr S Barron (resigned November 2013)</p> <p>Mrs G Kozłowski (appointed September 2013)</p> <p>(resigned November 2013)</p> <p>Mrs S Finlay (appointed December 2014)</p>
Company Secretary	Mrs L Webb
Executive Head	Mrs P Alexander
Goldsworth Primary School Senior Management Team	
- Headteacher	Mrs P Alexander
- Assistant Headteacher	Miss A Simpson
- Assistant Headteacher	Mrs G Kozłowski
- Assistant Headteacher	Mrs E Rinttila
- Business Manager	Mrs L Mills
St John's Primary School Senior Management Team	
- Executive Head	Mrs P Alexander
- Head of School	Miss S May
- Deputy Headteacher	Mrs J Harrup
- Business Manager	Mrs L Webb

Principal and Registered Office	Goldsworth Primary School Bridge Barn Lane Woking Surrey GU21 6NL
Company Registration Number	07887259
Independent Auditor	Baker Tilly UK Audit LLP 3 rd Floor, One London Square Cross Lanes Guildford Surrey GU1 1UN
Banker	Lloyds Bank plc 32 Commercial Way Woking Surrey GU21 6ER
Solicitor	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

TRUSTEES' ANNUAL REPORT

The trustees present their annual report together with the financial statements and auditor's report of Goldsworth Trust (formerly known as Goldsworth Primary School and also to referred throughout this report as "Goldsworth", the "trust", the "school" and the "charitable company") for the year ended 31 August 2014

The Academy Trust formerly operated Goldsworth Primary School only, but on 1st December 2013 St John's Primary Knaphill joined the Academy Trust. In recognition of the joining of the two schools, the trust was renamed Goldsworth Trust

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

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

The trustees for the charitable activities of Goldsworth Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Goldsworth Trust.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

Each School has a local governing body.

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.

Method of recruitment and appointment or election of trustees

When a vacancy on the governing body becomes available, the trustees consider the mix of skills that should be available to the board. New trustees, where possible, will then be sought with new skills that may be required.

Parent trustees are, in the first instance, sought from the parents/guardians of pupils at the relevant school and are nominated and elected by the parents.

Staff trustees are elected from the employees of the relevant school.

Other trustees are drawn from members of the local community who have expressed an interest in the future well-being of the school and its pupils. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communications to those within the Woking area of Surrey.

New trustees are appointed to the board by the existing trustees for a period of 4 years. Retiring trustees are eligible for re-election.

Policies and procedures adopted for the induction and training of trustees

Individual trustees attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date.

New trustees receive information packs and have an induction meeting with the Chair and Headteacher. They are invited to attend all committee meetings (as an observer if not a member of the committee) to aid understanding. Trustees with educational subject responsibility are encouraged to meet with the school's counter-part subject co-ordinator to gain further understanding in the subject and report back to the other trustees.

All trustees are encouraged to be involved in the school life and both schools are fortunate to have a number of active governors

Finally, the trustees are given the opportunity to observe lessons, meet with teachers and receive training on specific matters on a regular basis

Organisational Structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Charitable Company and approving decisions reserved to trustees

The Trust Board meets once a term. The Board has agreed by way of a Scheme of Delegation (reviewed and approved annually) that certain of their duties (without compromising their legal duty) may be delegated to the relevant local governing body. Each local governing body, in turn, has further delegated some of these duties to local committees.

Each local governing body meets once a term. The terms of reference for committees with delegated powers are reviewed and approved annually by the full local governing body.

The main committees at both Schools are

Resources Committee (which has delegated responsibility for finance, personnel, health and safety, premises and public relations) - The St John's committee meets once a term and the Goldsworth committee meets twice a term and both are comprised of 50% of the full local board. The relevant Business Manager attends the meeting to present the financial report to the governors.

Children & Learning Committee (which has delegated responsibility for all elements of the education of pupils) - The St John's committee meets twice a term and the Goldsworth committee meets once a term and both are comprised of 50% of the full local board.

The Chair and Vice-Chair of trustees and local governors hold their posts for 12 months and election is by way of self-nomination. The Executive Head (Mrs P Alexander) is the Accounting Officer and works closely with the Trust Board, both local governing bodies and the staff at both schools.

Decisions made by the board, whether acting as a full board or through a committee, are taken in full consideration of recommendations, investigations and experience of the trustees, the Headteacher and key staff. Where it is relevant, independent professional advice is also sought.

Additionally, ad hoc working parties of trustees and/or local governors are established to consider specific issues and make recommendations to the board.

Mrs P Alexander, as Executive Head, has ultimate management responsibility of both schools, however the day-to-day management of St John's rests with Miss S May. The Executive Head is responsible for establishing each school's Senior Leadership Team.

Connected organisations, including related party relationships

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

The Trust also remains an active member of the Woking Schools Learning Partnership.

Mrs P Alexander supports local educational bodies through being a member of the Woking Schools Learning Partnership steering committee, a member of the Primary Academy Group and as Chair of the Woking Area Sport in Primary Schools (WASPS) committee.

St John's Primary School

St John's School was placed into special measures in May 2012 and its headteacher left her position shortly after. On 1 September 2012, Mrs P Alexander was appointed as the executive head of St John's School and Miss S May as Head of School. The partnership has gone from strength to strength and during the course of 2012-13, St

John's Primary School made significant progress. However, Her Majesty's Inspectorate stipulated that in order for it to be taken out of special measures, it had to obtain academy status with formal sponsorship from an approved third party. In July 2013, both governing bodies agreed to the formal sponsorship of St John's by Goldsworth Trust. With effect from 1 December 2013, St John's Primary School joined the trust.

St John's is awaiting an Ofsted inspection when it hopes to be taken out of special measures.

Risk management

The Trust has a robust attitude towards risk. All Trustees and governors are offered safeguarding training. In addition -

- The current Chairs of both local governing bodies undertake safer recruitment training
- Both schools often have local governors sitting in on job interviews
- Both schools have a local Governor for Child Protection and Looked-After Children
- Both schools have a nominated health & safety governor who undertakes a termly school walkabout to identify and monitor premises issues with the emphasis being on health and safety. The schools have a fully implemented health and safety policy.

With regards to internal financial risk management, the school follows robust procedures to ensure a level of separation of responsibilities and levels of authorisation. These are all documented in the finance manual. In addition, the Responsible Officer for each school undertakes termly reviews.

OBJECTIVES AND ACTIVITIES

Charitable objectives

The Company's objects are set down in its governing document as follows:

- a) 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 schools offering a broad and balanced curriculum, and
- b) to 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 or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

Charitable activities

The principal activity of Goldsworth Trust is currently to provide primary school education for boys and girls in the Woking area of Surrey.

Public benefit

The governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this trustees' annual report.

Benefits & Beneficiaries

In accordance with its charitable objectives, the charitable company strives to advance the education of the pupils attending the schools for which the trust is responsible. The charitable company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the schools.

Trustees' Assessment of Public Benefit

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the Trustees gather evidence of the success of Goldsworth Trust's activities using the measures set out above.

STRATEGIC REPORT**Achievements and Performance****Goldsworth Primary School****Sporting Achievements****Winners of Woking Schools**

- Year 4 St Andrew's football tournament
- Year 3/4 gymnastics competition
- Year 3/4 Bishop David Brown cricket tournament
- Year 5/6 Bishop David Brown cricket tournament

Runners-up

- Girl's Woking Football Club tournament
- Year 4 Woking Football Club tournament
- Cross Country
- Cup competition for Year 5-6 tag rugby tournament
- Football Tournament and Football league
- Tri-golf
- Swimming Gala

Represented Woking in County championships at netball, football and swimming

Intrahouse tournaments were developed further this year, with 6 different competitions being staged. Having managed to have 70% of KS2 participate in them last year, it was great to see these numbers increase to 100% with many children taking part in two or more events. This means that our goals from last year were reached.

Swimming had another very successful year, with Goldsworth coming second in the WASPs swimming gala, losing out only in the last relay.

The Girls' Year 5-6 team made it to the finals of the Woking Football Club tournament held at Kingsholm but lost out agonisingly in the final. Our football teams performed well at a local level. Year 6 boys came second in the district in the Danone tournament and won all but one of their games played in the WASPs league. The Year 5 boys remained unbeaten for the season and Mr Lyon is very optimistic about their chances in the districts next year. The Year 4 boys won the majority of their matches and managed to win the inaugural St Andrew's tournament as well as runners up in the Woking Football Club tournament. The Year 3 boys had their first taste of a competitive game winning their one fixture.

Chobham Rugby held their very successful Tag Rugby competition again and our Year 5-6 mixed team were runners up in the Cup final.

Our Netball team enjoyed some positive performances in the WASPS league.

We once again signed up to participate in the Chance to Shine Program at Goldsworth, enabling all children in Year 5 to give cricket a go. They ended up participating in the Old Woking C.C. competition and loved the day. Several children took part in the Bedser program and one child was awarded a scholarship.

The Sports Premium funding allowed us to employ a Gymnastics teacher who worked alongside Year 2 – 6 teachers to enthuse children and increase teacher's confidence. It led us to enter a Gymnastics competition at BDB, where our Year 5 – 6 team came second and our Year 3 – 4 team won.

We have also been awarded the Silver Sainsbury's Games Kitemark as well as the Bronze award by the Youth Sports Trust.

Professional development

Weekly staff meetings and inset days are used to train our staff (often including both teachers and teaching assistants) in good practice. The teaching staff spread this good practice to other schools in the district by leading training and modelling good teaching. We encourage all our staff to undertake personal development to further their career and during the course of 2013-14 this has notably included -

Teaching staff

An assistant headteacher has gained SENCO accreditation from Canterbury University. She is part of a local group of SENCOs looking at staff development.

An assistant headteacher has, for the second year, led the Middle Leadership development programme for teachers in the local area. The programmes have resulted in several delegates being promoted to leadership teams and senior roles, including one at Goldsworth.

Teaching Assistants

One TA has completed training to become an Emotional Literacy Support Assistant.

One TA has completed the Forest Schools training and we now have two qualified Forest School Practitioners in School.

Two TAs have begun their Foundation Degree in early Years in September (2 year course).

Environmental

Forest School - All pupils are given the opportunity to participate in this outdoor learning experience which takes place in the school's environmental area.

In addition to energy saving initiatives, we encourage the children to recycle by providing facilities to recycle numerous types of items including bottle tops, toothpaste tubes, old pens and yoghurt pots. In light of our recycling efforts, Goldsworth won the Green School of the Year recycling award from Woking Borough Council in July 2014.

Citizenship

The pupils are introduced to citizenship by taking part in the Young Entrepreneur project and singing to the elderly in the local community. In addition, our School Council selects charities to benefit from pupil fund raising.

Music

Continuing participation in the Tune-Up programme has once again given all children in Year 4 instrumental tuition in either the clarinet or trumpet and Year 2 in the recorder. Many of those children have been inspired to continue their lessons privately.

In addition, the school supports Surrey Arts in relation to piano and guitar lessons, and a local music teacher provides private violin lessons.

The school choir took part in various events and undertook visits into the local community.

Curriculum

The school prides itself on the wide range of extra-curricular activities and school trips (both day and residential) from which the children gain a wealth of experience.

Impact of Activities & Events and Assessment of Public Benefit

Goldsworth has had a very successful year with excellent academic achievements both in attainment and progress made. It is very popular in the local community and as such is oversubscribed every year with over 2 applicants per school place. Our school population is ethnically diverse which gives richness to the school and provides our pupils with a unique opportunity to learn and understand about other cultures.

We pride ourselves on the wealth of educational experiences we give the pupils throughout their time at Goldsworth Primary School. The benefits of these lead, every year, to very confident and independent pupils leaving in Year 6. We are always very proud of them.

St John's Primary School**Sporting Achievements**

St John's achieved the Bronze level of the Sainsbury's School Games Kitemark in recognition of our commitment to, and development of, PE, school sports clubs and competitions

Through our link with Winston Churchill Secondary School, children in Years 1 – 6 were involved in sports festivals across the year

We were involved in the Chance to Shine Cricket program and consequently were one of four schools selected in Surrey to take part in a Kwik cricket competition at the home of Surrey C C C - The Kia Oval. At the WASPS Kwik cricket tournaments at Old Woking C C we played in all three competitions, Year 6 (Open), Year 5/6 (Girls) and Year 5 (Open)

As well as cricket, our football and netball teams also took part in local tournaments

We started to develop our links with Woking Hockey club, with children involved in a hockey festival. This will be further developed in 2014-15, when children in Y3 – Y6 will receive hockey lessons from a coach from the club

All children in Y3-6 received gymnastics lessons from a qualified gymnastics coach. This will be further developed in 2014-2015, with the purchase of gym equipment and involvement in a gymnastics competition

Professional development

Weekly staff meetings and inset days are used to train our staff in good practice. We encourage all our staff to undertake personal development to further their career. One member of staff achieved their MaST qualification (Mathematics Specialist Teacher qualification) last year. A teaching assistant completed Success@ Arithmetic training, and our Numbers Count and Reading Recovery teachers undertook CPD in order to maintain their accreditation

Environmental

Parents and staff worked together to prepare an environmental area. This is then used as a learning area and also as an extra area for playtimes and lunchtimes during the spring and summer

Citizenship

A focus on values supports the idea of good citizenship. We value the cultural diversity of the school and the community in which we live. Last year we took part in the Diwali parade in Woking town centre, and this year are singing carols outside the WWF Centre. The school gets involved in national charity events such as Comic Relief and Sport Relief. In addition, our school supports a number of charities across the year

Music

Continuing participation in the Tune-Up programme has given all children in Year 4 instrumental tuition in the violin

The school choir took part in a concert at the HG Wells Centre, and sang to the elderly at Nightingale Court

Curriculum

The school prides itself on the wide range of extra-curricular activities and school trips (both day and residential) from which the children gain a wealth of experience

Impact of Activities & Events and Assessment of Public Benefit

St John's has had a successful year with improving academic results. The school population is ethnically diverse which gives richness to the school and provides our pupils with a unique opportunity to learn and understand about other cultures. We pride ourselves on the wealth of educational experiences we give the pupils throughout their time at St John's School

FINANCIAL REVIEW

Most of the Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurring grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2014, the total expenditure of £3,445,015 (2013 £2,239,181) was less than the total of incoming resources of £10,030,327 (2013 £2,198,984) including the significant fixed assets acquired as referred to below allowing the Academy Trust to carry forward significant fund balances for utilisation in future years. The total incoming resources for the year ended 31st August 2014 include £4,053,137 arising from assets received on conversion of St John's and £2,635,615 of capital grant income.

At 31 August 2014, due to the growth of the multi-academy structure the net book value of tangible fixed assets had grown to £12,319,423 (2013 £5,893,346) and movements in tangible fixed assets are shown in more detail in the notes to the financial statements. These assets were exclusively those used for providing education and the associated support services to the students of the schools within the Academy Trust.

From the actuarial valuations for the year ended 31 August 2014, the FRS 17 pension deficit on the Academy Trust's proportion of the Surrey Local Government Pension Scheme had also significantly increased and at 31 August 2014 stood at £900,000 (2013 £253,000).

The Trust has received funding from Surrey County Council during the year to fund expansion works at Goldsworth Primary School.

St John's received a grant from Surrey County Council to set up a nursery for two year olds, which in particular benefits FEET funded children. Following the refurbishment, Little Bears Nursery opened in September 2014.

Financial Outcome of Activities & Events

Goldsworth Primary School's after school club (Wise Owl Club) continues to attract a high number of users and, as in previous years, has made a surplus.

The swimming pool was enclosed in summer 2011 and has had various issues since being built. The financial implication of these issues is a matter for Woking Borough Council and the contractor. Over the summer of 2014, the pool was relined following failure of the original lining.

During the academic year 2013-14, the school was able to offer an increased number of curriculum swimming lessons to its pupils. Goldsworth Primary School's after school swimming programme is full with a waiting list and outside of school hours the pool is in almost continuous use. In 2013-14 the swimming pool made a surplus.

During the course of 2013 the school refurbished the vacant caretaker bungalow and on 1 September 2013 a nursery was opened. Golden Owls Day Nursery takes children aged 2-4 from the local area, many of which will transfer to the main school. Its first year has been very successful and has exceeded its first year target both in income and number of children on roll. St John's Primary has also extended its nursery provision and now also takes children aged 2-4 years.

Reserves Policy

The trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the schools within the trust, to fund future trust projects whilst also providing for more certain cashflow and funds for emergency situations. The trustees intend to review the reserves policy annually to ensure that these aims remain achievable.

As of 31 August 2014, free reserves amounted to £165,581 (2013 £36,638).

The trustees intend to continue utilising reserves to improve the infrastructure of the school premises that were inherited from the local authority.

Investments Policy

The Trust's investment powers are set down in the Charitable Company's Memorandum and Articles of Association, which permit the investment of monies of the Charitable Company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law

The Charitable Company's current policy is to invest surplus funds in short-term cash deposits

Key performance indicators

The governors use the following key measures to assess the success of the activities of the charitable company

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

2014 KS1 & KS2 SATs Results – Goldsworth Primary School

We continue to compare favourably with high performing schools in Surrey, which is a high performing authority in itself

2014 Key Stage 1 SATs Results

() represents Surrey Averages

% Level 2+	2009	2010	2011	2012	2013	2014
Reading	88(89)	95(88)	93(89)	92(90)	97(91)	98(92)
Writing	91(86)	90(85)	89(86)	92(87)	88(88)	92(89)
Mathematics	98(93)	94(93)	98(93)	96(94)	98(94)	98(95)

% Level 3	2009	2010	2011	2012	2013	2014
Reading	50(38)	52(38)	48(39)	48(39)	41(41)	52(42)
Writing	32(18)	28(17)	27(18)	17(18)	18(19)	25(19)
Mathematics	50(32)	50(32)	45(32)	43(33)	43(33)	50(34)

2014 Key Stage 2 SATs Results

% Level 4+	2009	2010	2011	2012	2013	2014
Reading	97(90)	97(87)	87(87)	97(89)	96(89)	95(91)
Writing	79(73)	88(74)	75(78)	93(83)	91(85)	93(87)
English	88(85)	95(85)	82(85)	95(88)	91(88)	95(90)
Mathematics	95(81)	97(81)	82(83)	95(86)	93(85)	92(88)
SPAG					89(77)	90(80)

% Level 5+	2009	2010	2011	2012	2013	2014
Reading	48(56)	72(57)	57(56)	70(56)	66(53)	63(57)
Writing	31(23)	52(24)	15(22)	27(30)	34(33)	44(37)
English	40(36)	64(52)	38(34)	53(44)	50(43)	49(46)
Mathematics	71(40)	60(39)	48(40)	72(45)	63(46)	63(47)
SPAG					71(53)	68(57)

% Level 6					2013	2014
Reading						0(0)
Writing						7(2)
Mathematics					18(9)	27(12)
SPAG					4	12(5)

Expected Progress (2 levels)

94% of pupils made expected progress in Reading

94% of pupils made expected progress in Writing

93% of pupils made expected progress in Mathematics

2014 KS1 & KS2 SATs Results- St John's Primary School

() represents Surrey Averages

% Level 2+	2009	2010	2011	2012	2013	2014
Reading	75(89)	73(88)	85(89)	64(90)	81(91)	83 (92)
Writing	60(86)	77(85)	83(86)	57(87)	78(88)	62 (90)
Mathematics	75(93)	69(93)	86(93)	68(94)	93(94)	86 (95)

% Level 3	2009	2010	2011	2012	2013	2014
Reading	20(38)	23(38)	17(39)	14(39)	19(41)	21 (42)
Writing	10(18)	8(17)	14(18)	4(18)	7(19)	3 (19)
Mathematics	25(32)	8(32)	14(32)	7(33)	15(33)	31 (34)

2014 Key Stage 2 SATs Results

% Level 4+	2009	2010	2011	2012	2013	2014
Reading	76(90)	59(87)	70(87)	65(89)	65(89)	73 (91)
Writing	48(73)	48(74)	57(78)	58(83)	65(85)	73 (87)
Mathematics	71(81)	70(81)	60(83)	79(86)	55(85)	81 (88)
SPAG					48(77)	50 (80)

% Level 5+	2009	2010	2011	2012	2013	2014
Reading	29(56)	22(57)	(56)	34(56)	10(53)	19 (57)
Writing	5(23)	15(24)	(22)	10(30)	5(33)	15 (37)
Mathematics	14(40)	22(39)	13(40)	28(45)	15(46)	23 (47)
SPAG					24(53)	19 (57)

Progress

In 2013-2014, 78% of pupils made expected progress in reading, 87% of pupils made expected progress in writing and 88% of pupils made expected progress in Mathematics

PLANS FOR FUTURE PERIODSPupils

Goldsworth Trust will continue to work to maintain the performance of its pupils at all levels

Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extra-curricular activities and in essential life skills, so as to increase the number of opportunities open to its students throughout their life from their continuing education to, ultimately, employment

Goldsworth Trust will continue to strive for the best education of not only its current and future pupils, but for all primary aged children in the wider community. It recognises its moral purpose and will support, where possible, other schools

Buildings and Premises – Goldsworth Primary School

In view of the increase in pupil numbers (480 during the academic year 2013-14), Surrey County Council provided full funding for a large building project to provide seven additional classrooms, communal areas and alterations to the existing school buildings. Works on the main extension commenced in July 2013 and reached practical completion on 1st September 2014

Staffing

Goldsworth Trust prides itself on the high calibre staff (both teaching and non-teaching) that the schools within the trust currently attract and it is committed in ensuring that this continues

In addition, due to the increase in pupil numbers, the number of middle and senior management positions within the schools are likely to increase. This will enable the school to retain good staff by being able to offer more promotional opportunities and attract outside staff who want to enhance their career

Principal risks and uncertainties

As with all academies, the major risks to which the Academy Trust is exposed are shortfalls in funding which have not been anticipated and changes in funding formulas

Goldsworth Trust prides itself on its staff development and encouragement of individuals to achieve their full potential. This encourages excellence in staff but also means they seek promotion elsewhere. This has an impact on succession planning (both advantages and disadvantages) and therefore it always remains an area of review.

This potential risk has increased at Goldsworth Primary School since it became a multi Academy Trust particularly with regard to Mrs Alexander and Mrs Deans who play key roles at both School level and Trust level. The Trust Board has recognised that succession planning must become an even higher priority bearing in mind the age of Mrs Alexander and the length of service of Mrs Deans as Chair and the impact of either one standing down from their post.

GOING CONCERN

The trustees and staff of Goldsworth Trust have invested a considerable amount of time, effort and money in expanding the scope of the work of the Charitable Company and in further significant capital investment in the premises of Goldsworth Primary School. As a consequence and due to the timing of capital funding receipts in particular, the Charitable Company is showing net income for the year of £6,585,312 (2013 outflow (£40,197)) and at the balance sheet date, had net current assets of £489,733 (2013 liabilities (£53,502)). The net income for the year includes assets inherited on conversion of £4,053,137 and capital grant income of £2,635,615.

The Charitable Company is fundamentally dependent upon the continuing financial support of its key funders to remain a going concern. The trustees have formulated financial plans for the future and on the basis of estimated future cash flows, they are satisfied that the Charitable Company will be able to continue its activities and meet all of its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements. Therefore, the financial statements have been prepared on the going concern basis.

FUNDS HELD AS CUSTODIAN

Although the Charitable Company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors and other funders, Goldsworth Trust does not hold, and the trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.


AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

Statement as to Disclosure of Information to the Auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by order of the board of Trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 11 December 2014 and signed on its behalf by


Mr V Shipp Chair

16/12/2014

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 Mrs P Alexander 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. She is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Academy Trust reviewed its governance structure when St John's Primary joined the Trust on 1 December 2013. The previous structure had been that all Governors were also trustees but the new structure has separated these roles so that there is one overarching Trust Board and a local governing body for each school.

The **Board of Trustees** has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of possible
Mrs P Alexander	5	5
Mrs J Deans	5	5
Mr A Hall	5	5
Mr H Nicholls	3	5
Mr R Field	3	5
Mrs G Osborne	5	5
Miss S May	2	3
Mr V Shipp	2	3
Mrs L Evans	2	2
Mr S Barron	1	2
Mr R Homewood	2	2
Mr N Hornzee	0	2
Mrs S Howard	1	2
Dr K Taylor	0	2
Mr K Thomas	0	2
Mr R Yassini	0	2
Mrs G Kozlowski	2	2
Miss A Simpson	0	0
Mrs S Finlay	0	0

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Goldsworth Trust's 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 the Trust for the year ended 31 August 2014 and up to the date of approval of the Trustees' annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which Goldsworth Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing Goldsworth Trust's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the trustees' annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

Goldsworth 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 Resources 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, and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function. Mr R J Field and Mr V Shipp act as the trustees Responsible Officers ("RO") for Goldsworth Primary School and St John's Primary School respectively.

The RO's role includes giving advice on financial matters and performing a range of checks on both school's financial systems. On a quarterly basis, the RO will report to the local board of governors on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

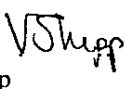
Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2014, this review has been informed by:

- the work of the external auditor,
- the financial management and governance self-assessment process, and
- the work of the executive managers within Goldsworth 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 11th December 2014 and signed on its behalf by


Mr V Shipp

Chair


Mrs P Alexander Accounting Officer

16/12/2014

16.12 2014

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Goldsworth Trust, I have considered my responsibility to notify the charitable company's governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 the EFA.

 Accounting Officer
Mrs P Alexander

16.12 2014

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees who are also the directors of the Charitable Company for the purposes of company law, are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

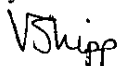
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2014 and signed on its behalf by


Mr V Shipp **Chair**

16/12/2014

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDSWORTH TRUST
for the year ended 31 August 2014**

We have audited the financial statements of Goldsworth Trust ("the financial statements") for the year ended 31 August 2014 on pages 21 to 44. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2014 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,
- have been prepared in accordance with the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDSWORTH TRUST
for the year ended 31 August 2014**

Matters on which we are required to report by exception

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

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

Baker Tilly UK Audit LLP

Perry Linton FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants,

3rd Floor, One London Square

Cross Lanes,

Guildford, Surrey GU1 1UN

17.12.

2014

STATEMENT OF FINANCIAL ACTIVITIES

(including Income & Expenditure Account and Statement of Total Recognised Gains & Losses)
for the year ended 31 August 2014

	Notes	Unrestricted Funds £	Restricted Funds General Fixed Assets £	£	Total 2014 £	Total 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income – arising upon conversion	2	49,537	(371,297)	4,374,897	4,053,137	-
Voluntary income – other	2	18,307	2,587,966	47,649	2,653,922	230,293
Activities for generating funds	3	101,780	-	-	101,780	67,269
Investment income	4	358	-	-	358	248
Incoming resources from charitable activities						
Trust's educational operations	5	400,039	2,821,091	-	3,221,130	1,901,174
TOTAL INCOMING RESOURCES		570,021	5,037,760	4,422,546	10,030,327	2,198,984
RESOURCES EXPENDED						
Charitable activities						
Trust's educational operations	6	341,515	2,863,357	221,288	3,426,160	2,212,651
Governance costs	6		18,855		18,855	26,530
TOTAL RESOURCES EXPENDED		341,515	2,882,212	221,288	3,445,015	2,239,181
NET INCOMING/ (OUTGOING) RESOURCES BEFORE TRANSFERS		228,506	2,155,548	4,201,258	6,585,312	(40,197)
TRANSFERS						
Gross transfers between funds	14	(101,563)	(2,469,101)	2,570,664	-	-
NET INCOME/ (EXPENDITURE) FOR THE YEAR		126,943	(313,553)	6,771,922	6,585,312	(40,197)

STATEMENT OF FINANCIAL ACTIVITIES

(including Income & Expenditure Account and Statement of Total Recognised Gains & Losses)
for the year ended 31 August 2014

	Notes	Unrestricted Funds £	Restricted Funds General Fixed Assets £	£	Total 2014 £	Total 2013 £
NET INCOME/ (EXPENDITURE) FOR THE YEAR		126,943	(313,553)	6,771,922	6,585,312	(40,197)
OTHER RECOGNISED (LOSSES)/ GAINS						
Actuarial (loss)/gain on defined benefit pension schemes	20	-	(263,000)	-	(263,000)	2,000
NET MOVEMENT IN FUNDS		126,943	(576,553)	6,771,922	6,322,312	(38,197)
RECONCILIATION OF FUNDS						
Total funds brought forward at 1 September 2013		38,638	(249,898)	5,798,104	5,586,844	5,625,041
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2014	14	165,581	(826,451)	12,570,026	11,909,156	5,586,844

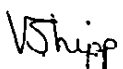
The net movement in funds for the year arises from the Trust's continuing and acquired (see Note 22) operations

BALANCE SHEET
as at 31 August 2014

Company number 07887259

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	11	12,319,423	5,893,346
CURRENT ASSETS			
Debtors	12	762,381	118,773
Cash at bank and in hand		345,357	106,004
		<u>1,107,738</u>	<u>224,777</u>
CREDITORS Amounts falling due within one year	13	(618,005)	(278,279)
NET CURRENT ASSETS/(LIABILITIES)		<u>489,733</u>	<u>(53,502)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS EXCLUDING PENSION LIABILITY		<u>12,809,156</u>	<u>5,839,844</u>
Pension scheme liability	20	(900,000)	(253,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u><u>11,909,156</u></u>	<u><u>5,586,844</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted fixed assets funds	14	12,570,026	5,798,104
Restricted general funds – LGPS deficit fund	14	(900,000)	(253,000)
Restricted general funds	14	73,549	3,102
TOTAL RESTRICTED FUNDS		<u>11,743,575</u>	<u>5,548,206</u>
TOTAL UNRESTRICTED INCOME FUNDS	14	165,581	38,638
TOTAL FUNDS	14	<u><u>11,909,156</u></u>	<u><u>5,586,844</u></u>

The financial statements on pages 21 to 44 were approved by the trustees and authorised for issue on 11th December 2014, and are signed on their behalf by

 **Chair**
Mr V Shipp

16/12/2014

CASH FLOW STATEMENT
for the year ended 31 August 2014

	Notes	2014 £	2013 £
NET CASH FLOW FROM OPERATING ACTIVITIES			
Net income/(expenditure) for the year		6,585,312	(40,197)
Depreciation		221,288	135,690
Capital grant income		(2,635,615)	(207,668)
Investment income receivable		(358)	(248)
Non-cash movement – Inherited fixed assets		(4,374,897)	-
Non-cash movement – Inherited pension deficit		383,000	-
Cash inherited on conversion		(61,240)	-
FRS17 pension cost less contributions payable		(16,000)	(15,000)
FRS17 pension finance costs		17,000	9,000
(Increase)/decrease in debtors		(643,608)	68,220
Increase in creditors		339,726	109,296
		<u>(185,392)</u>	<u>59,093</u>
RETURNS ON INVESTMENT			
Investment income received		358	248
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(2,272,468)	(383,595)
Capital grant income		2,635,615	207,668
		<u>363,147</u>	<u>(175,927)</u>
CASH INHERITED ON CONVERSION		61,240	-
INCREASE/(DECREASE) IN CASH	18	<u>239,353</u>	<u>(116,586)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER		106,004	222,590
NET FUNDS AT 31 AUGUST		<u><u>345,357</u></u>	<u><u>106,004</u></u>

Some of the cash flows of the Trust in the current year were derived from its acquired operations – see Note 22 (2012/13 all from continuing operations)
 In particular, cash balances of £61,240 were acquired during the current year

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

GOING CONCERN

The trustees and staff of Goldsworth Trust have invested a considerable amount of time, effort and money in expanding the scope of the work of the charitable company and in further significant capital investment in the premises of Goldsworth Primary School. As a consequence and due to the timing of capital funding receipts in particular, the charitable company is showing net income for the year of £6,585,312 (2013 outflow of (£40,197)) and at the balance sheet date, had net current assets of £489,733 (2013 liabilities of (£53,502)). The net income for the year includes assets inherited on conversion of £4,053,137 and capital grant income of £2,635,615.

The charitable company is fundamentally dependent upon the continuing financial support of its key funders to remain a going concern. The trustees have formulated financial plans for the future and on the basis of estimated future cash flows, they are satisfied that the charitable company will be able to continue its activities and meet all of its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements. Therefore, the financial statements have been prepared on the going concern basis.

INCOMING RESOURCES

The General Annual Grant and other similar types of funding from government agencies and similar bodies received for tuition and other wider educational activities are accounted for on an accruals basis. Income is recognised as receivable when earned by the charitable company.

Capital grants, other operating income, rental income and investment income are also accounted for on an accruals basis, and recognised as income when earned by the charitable company.

General donations and other similar types of voluntary income are brought into account when received, except that donated income is included gross of any attributable tax recoverable, where relevant. Donated assets, donated services and gifts in kind are recognised in the statement of financial activities at their fair value to the charitable company in the period in which they are receivable, and where the benefit to the charitable company is both quantifiable and material.

All sources of income and funding given for specific purposes are treated as restricted income.

RESOURCES EXPENDED

Expenditure is recognised in the period in which the rights and obligations that relate to goods received by or services performed for the charitable company are materially fulfilled, with the relevant liability to pay the suppliers concerned being recognised as a liability. Resources expended are therefore generally recognised in the period in which they are incurred and include any elements of irrecoverable Value Added Tax.

Resources expended are allocated to the charitable company's principal activity, to the costs of generating funds or to governance costs, where the costs involved can be identified as being directly related to those categories. All other costs are categorised as support costs and are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

ACCOUNTING POLICIES (Continued)

Governance costs are the costs associated with running the charitable company as a charitable company, and in particular include audit fees and a proportion of other professional fees

FUND ACCOUNTING

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and other funders, where the asset acquired or created is held for a specific purpose on a continuing basis

TANGIBLE FIXED ASSETS

All tangible assets purchased that have a cost that exceeds £5,000 and an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Tangible fixed assets are stated at historical cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than assets in the course of construction, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows

Long leasehold land	over 125 years
Long leasehold buildings	over 20 to 50 years
Plant and machinery	over 4 to 10 years

TAXATION

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

LEASED ASSETS AND OBLIGATIONS

All of the charitable company's leases are "operating leases" and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term

PENSION BENEFITS

Retirement benefits to employees of the charitable company are provided by the Teachers' Pension Scheme England and Wales ("TPS") and the Surrey Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, which are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy Trust

ACCOUNTING POLICIES (Continued)

PENSION BENEFITS (Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charitable company 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 quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the charitable company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the charitable company 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

As described in Note 20, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred upon conversion from the maintained school, St John's Primary School, to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Goldsworth Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the statement of financial activities and analysed under unrestricted, restricted general and restricted fixed asset funds.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

1 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State, the charitable company was not subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next

	Unrestricted Funds £	Restricted Funds General Fixed Assets £	Total 2014 £	Total 2013 £
2 VOLUNTARY INCOME				
Assets and liabilities inherited upon conversion				
Agreed cash settlements	49,537	11,703	61,240	-
Fixed assets inherited	-	-	4,374,897	-
Local government pension scheme deficit	-	(383,000)	(383,000)	-
	49,537	(371,297)	4,053,137	-
Other donation income	18,307	-	18,307	22,625
Capital grant income	-	2,587,966	2,635,615	207,668
	18,307	2,587,966	2,653,922	230,293
	67,844	2,216,669	6,707,059	230,293
3 ACTIVITIES FOR GENERATING FUNDS				
Sundry lettings and hire of facilities	101,780	-	101,780	67,269
4 INVESTMENT INCOME				
Bank interest receivable on short term cash deposits	358	-	358	248

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

	Unrestricted Funds £	Restricted Funds General Fixed Assets £	Total 2014 £	Total 2013 £
5 SCHOOL OPERATING INCOME				
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,159,088	-	2,159,088
Rates and insurance income	-	33,585	-	33,585
Start-up grant	-	25,000	-	25,000
Support Grant	-	58,000	-	58,000
Other government grants				
Special Educational Needs income	-	149,968	-	149,968
Teacher training income	-	14,367	-	14,367
Feet Resources Grant	-	57,261	-	57,261
Feet/Early Years/Children's Centre	-	226,158	-	226,158
Growing schools income	-	83,584	-	83,584
Income workforce Development Loan	-	2,490	-	2,490
Nursery start up fund	-	11,590	-	11,590
Other school income				
Other educational income	400,039	-	-	400,039
	<u>400,039</u>	<u>2,821,091</u>	<u>-</u>	<u>3,221,130</u>
				<u>1,901,174</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

	School operating costs £	Governance costs £	Total 2014 £	Total 2013 £
6 CHARITABLE ACTIVITIES				
Direct costs				
Teaching and educational support staff costs	2,225,147	-	2,225,147	1,327,190
Staff recruitment, training and development	19,266	-	19,266	16,119
Technology costs	40,816	-	40,816	50,122
Educational supplies	143,342	-	143,342	216,713
Other direct costs	158,441	-	158,441	123,508
	<u>2,587,012</u>	<u>-</u>	<u>2,587,012</u>	<u>1,732,143</u>
Support costs				
Staff costs	273,535	-	273,535	125,382
Maintenance of premises and equipment	133,024	-	133,024	121,999
Rates, insurance and utilities	126,845	-	126,845	77,621
Depreciation				
Leased assets	213,452	-	213,452	132,038
Owned assets	7,836	-	7,836	3,652
Auditor's remuneration				
Audit fees	-	18,855	18,855	16,825
Accountancy and advisory services	18,642	-	18,642	4,514
Legal and professional fees	386	-	386	7,448
Net finance expense on pension scheme assets and liabilities – see note 13	17,000	-	17,000	9,000
Other costs	23,428	-	23,428	7,050
Conversion costs	25,000	-	25,000	-
	<u>839,148</u>	<u>18,855</u>	<u>858,003</u>	<u>507,038</u>
	<u>3,426,160</u>	<u>18,855</u>	<u>3,445,015</u>	<u>2,239,181</u>

The charitable company strives to analyse expenditure as direct costs when transactions are being processed, but thereafter, allocates support costs on the basis of estimated staff time involved and/or the nature of the cost

Included within the above costs for the current year are payments under plant and machinery operating leases amounting to £Nil (2013 £6,540) Included within auditor's remuneration are amounts payable to Baker Tilly UK Audit LLP in respect of audit services of £18,855 (2013 £16,825) and amounts payable to Baker Tilly Tax and Accounting Limited in respect of accountancy and advisory services of £18,642 (2013 £4,514)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

	2014	2013
7 STAFF COSTS	No	No
The average monthly number of persons employed by the charitable company (excluding governors) during the period, was as follows		
Teaching	112	50
Premises	3	2
Support	17	10
	<u>132</u>	<u>62</u>
	£	£
Staff costs for the above persons		
Wages and salaries	2,059,824	1,195,711
Social security costs	127,902	79,950
Pension costs - defined benefit schemes		
Teachers' Pension Scheme	165,754	110,154
Local Government Pension Scheme	145,202	66,757
	<u>2,498,682</u>	<u>1,452,572</u>

The only member of staff who received emoluments in excess of £60,000 was Mrs Alexander, as disclosed below (2013 1 member of staff)

Forty of the above employees participated in the Teachers' Pension Scheme. The remainder of the employees participated in the Local Government Pension Scheme. Both pension schemes are defined benefit schemes.

8 CENTRAL SERVICES

No central services were provided by the trust to its academies during the period and no central charges arose.

9 TRUSTEES' REMUNERATION AND EXPENSES

In addition to being the accounting officer (and also a trustee), Mrs Alexander was the headteacher. In respect of her role as headteacher, Mrs Alexander received emoluments for qualifying services amounting to £106,020 (2013 £110,596), and the charitable company incurred pension costs of £14,544 (2013 £12,158) in respect of the pension benefits accruing to her.

In addition to being trustees, Ms May (appointed 5 11 13), Ms Osborne (resigned 1 9 14), Ms Simpson (resigned 28 9 13) and Mrs Kozlowski (appointed 28 9 13, resigned 5 1 14) were also members of staff. In respect of their role as members of staff, these trustees received aggregate emoluments for qualifying services amounting to £52,052 (2013 £60,202), and the charitable company incurred aggregate pension costs of £7,806 (2013 £8,883) in respect of the pension benefits accruing to them.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

Other than as disclosed above, none of the governors received any remuneration for services as a trustee of the charity or as a director of the company during the current or previous period. None of the governors received reimbursement for any type of expenses incurred in relation to the charitable company during the current or previous period.

10 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance arranged through Marsh provides cover of up to £2,000,000 on any one claim for Goldsworth Primary School and cover of up to £50,000 on any claim for St John's Primary School. The cost for the period from 1 February 2014 to 31 January 2015 was £2,300 (1 February 2013 to 31 January 2014 was £1,150).

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

11 TANGIBLE ASSETS

	Long leasehold land and buildings £	Assets in the course of construction £	Plant and machinery £	TOTAL £
Cost				
1 September 2013	5,801,112	288,353	15,111	6,104,576
Inherited upon conversion	4,354,129	-	20,768	4,374,897
Additions	2,228,661	-	43,807	2,272,468
Transfer	288,353	(288,353)	-	-
31 August 2014	12,672,255	-	79,686	12,751,941
Depreciation				
1 September 2013	205,448	-	5,782	211,230
Charge in the year	213,452	-	7,836	221,288
31 August 2014	418,900	-	13,618	432,518
Net book value				
31 August 2014	12,253,355	-	66,068	12,319,423
31 August 2013	5,595,664	288,353	9,329	5,893,346

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

The long leasehold land and buildings inherited by the charitable company upon conversion were valued at £9,755,114 (2013 £5,400,985) on an existing use value basis and a depreciated replacement cost basis by DVS Property Specialists

The cost of the above tangible assets was funded by £

Fixed assets inherited upon conversion	
Capital grants	9,775,882
Funded from unrestricted resources	2,878,162
	97,897
	<u>12,751,941</u>

	2014	2013
	£	£

12 DEBTORS

Amounts falling due within one year		
Trade debtors	479,391	40,515
Other debtors	227,545	44,347
Prepayments and accrued income	55,445	33,911
	<u>762,381</u>	<u>118,773</u>

13 CREDITORS

Amounts falling due within one year		
Trade creditors	253,569	51,974
Other creditors	8,857	-
Other tax and social security costs	42,476	24,605
Pension contributions creditor	42,487	24,858
Accruals	139,804	141,411
Deferred income	130,812	35,431
	<u>618,005</u>	<u>278,279</u>

Deferred income – school activity income		
Deferred income brought forward	35,431	24,154
Amounts released from previous years	(35,431)	(24,154)
Resources deferred in the year	130,812	35,431
Deferred income carried forward	<u>130,812</u>	<u>35,431</u>

The deferred income relates to school activities scheduled to be undertaken in the following financial period. This figure has risen significantly due to monies received for Universal Free School Meals for children up to 7 years old in 2014/15

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

14 THE FUNDS OF THE ACADEMY

	At 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	At 31 August 2014 £
Restricted general funds					
General Annual Grant fund	-	2,159,088	(2,195,533)	36,445	-
LGPS deficit fund	(253,000)	(383,000)	(17,000)	(247,000)	(900,000)
Capital grants fund	3,102	2,587,966	-	(2,564,908)	26,160
Rates and insurance fund	-	33,585	(38,755)	5,170	-
Special Educational Needs fund	-	149,968	(180,000)	30,032	-
Teacher training fund	-	14,367	(13,781)	-	586
EFA Support/Set up Grant	-	83,000	(83,000)	-	-
Feet Resources Grant	-	57,261	(10,458)	-	46,803
Other Government Grants	-	335,525	(343,685)	8,160	-
	<u>(249,898)</u>	<u>5,037,760</u>	<u>(2,882,212)</u>	<u>(2,732,101)</u>	<u>(826,451)</u>
Restricted fixed assets funds					
Inherited fixed assets fund	5,201,729	4,374,897	(201,729)	6,192	9,381,089
Capital grants fixed assets fund	596,375	47,649	(19,559)	2,564,472	3,188,937
	<u>5,798,104</u>	<u>4,422,546</u>	<u>(221,288)</u>	<u>2,570,664</u>	<u>12,570,026</u>
Total restricted funds	<u>5,548,206</u>	<u>9,460,306</u>	<u>(3,103,500)</u>	<u>(161,437)</u>	<u>11,743,575</u>
Unrestricted income funds:					
General fund	38,638	570,021	(341,515)	(101,563)	165,581
Total unrestricted funds	<u>38,638</u>	<u>570,021</u>	<u>(341,515)</u>	<u>(101,563)</u>	<u>165,581</u>
Total funds	<u>5,586,844</u>	<u>10,030,327</u>	<u>(3,445,015)</u>	<u>(263,000)</u>	<u>11,909,156</u>

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. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. 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 (formerly the Young People's Learning 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. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

14 THE FUNDS OF THE ACADEMY (Continued)

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 Capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the school. Transfers are made to the Capital grants fixed asset fund for expenditure incurred that is in respect of tangible fixed assets

The Rates and insurance fund has been created to recognise the restricted funding received from the Department for Education to cover the cost to the academy of rates and insurance

The Special Educational Needs fund has been created to recognise all restricted income from various sources that is intended to be used to partially fund the additional costs incurred by the school in meeting the additional educational needs of some of its pupils. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund

The Teacher training fund has been created to recognise funding received to support the costs incurred in relation to Graduate Teacher Programme individuals employed by the charitable company. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund

The Academy support/set up grant has been created to recognise the restricted grant funding received from the Department for Education. An Academy support grant was received to assist with the costs incurred supporting improvement of St John's Primary School through staff restructuring, learning intervention and leadership support. In addition an Academy set up grant was received to assist with the costs incurred by the Trust during the process of conversion of St John's Primary School to Academy status

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

The Other Government grants fund has been created to recognise all restricted income received from Government in relation to Early Years, Feet Funding, Growing Schools and Children's Centre. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the unrestricted General Fund

Analysis of academies by fund balance	Total £
Closing fund balances as at 31 st August 2014 were distributed as follows	
Goldsworth Primary School	118,296
St John's Primary School	120,834
Total fund balances before fixed assets and pension reserve	239,130
Restricted fixed asset funds	12,570,026
Pension Reserve	(900,000)
Total fund balances	11,909,156

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

Analysis of academies by cost

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (Excl depn)	Total
	£	£	£	£	£
Goldsworth Primary	1,621,035	152,569	97,502	430,244	2,301,350
St John's Primary	604,112	120,965	45,840	151,460	922,377
	<u>2,225,147</u>	<u>273,534</u>	<u>143,342</u>	<u>581,704</u>	<u>3,223,727</u>

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Assets £	Net Current Assets £	Pension Scheme Liability £	Total £
Restricted fixed asset funds:				
Inherited fixed assets fund	9,381,089	-	-	9,381,089
Capital grants fixed assets fund	2,938,334	250,603	-	3,188,937
	<u>12,319,423</u>	<u>250,603</u>	<u>-</u>	<u>12,570,026</u>
Restricted general funds				
LGPS deficit fund	-	-	(900,000)	(900,000)
Capital grants fund	-	26,160	-	26,160
Feet Resources fund	-	46,803	-	46,803
Teacher training fund	-	586	-	586
Unrestricted income funds:				
General fund	-	165,581	-	165,581
	<u>-</u>	<u>165,581</u>	<u>-</u>	<u>165,581</u>
NET ASSETS	<u>-</u>	<u>239,130</u>	<u>(900,000)</u>	<u>(660,870)</u>
TOTAL NET ASSETS AT 31 AUGUST 2014	<u>12,319,423</u>	<u>489,733</u>	<u>(900,000)</u>	<u>11,909,156</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

16 CAPITAL COMMITMENTS

	2014 £	2013 £
Contracted for, but not provided in the financial statements	17,620	2,065,653

At the balance sheet date, the Trust had committed to spending £17,620 for playground equipment

17 COMMITMENTS UNDER OPERATING LEASES

	2014 £	2013 £
At 31 August 2014, the charitable company was committed to make the following payments during the next year under non-cancellable operating leases as follows		
In respect of plant and machinery leases – expiring within one year	-	5,995

18 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2013 £	Cash flows £	Other non-cash changes £	At 31 August 2014 £
Cash in hand, at bank	106,004	239,353	-	345,357
NET FUNDS	<u>106,004</u>	<u>239,353</u>	<u>-</u>	<u>345,357</u>

19 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

20 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013

At the end of the financial year, there were no prepaid contributions (31st August 2013 £Nil) but the charitable company had contributions amounting to £42,487 (2013 £24,858) which were payable to the scheme at 31 August 2014 and are included within creditors

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

20 PENSION AND SIMILAR OBLIGATIONS (Continued)**Teachers' Pension Scheme**

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014****20 PENSION AND SIMILAR OBLIGATIONS (Continued)**Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £165,754 (2013: £110,154).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £199,702 (2013: £84,757), of which employer's contributions totalled £161,202 (2013: £66,757) and employees' contribution totalled £38,000 (2013: £18,000).

The charitable company is, however, able to identify its share of the underlying assets and liabilities of the Surrey Local Government Pension Scheme, and therefore, the accounting principles relevant to defined benefit pension schemes are applicable. The amount charged to the statement of financial activities in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the accounting period, adjusted to reflect variations from that cost. The interest cost and expected return on the underlying assets and liabilities of the pension scheme are treated as a net finance income or expense for the period.

Full actuarial valuations, carried out by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The underlying assets of the pension scheme are measured at fair value, and the underlying liabilities are measured using the projected unit method and discounted at the current rate of return on high quality corporate bond of equivalent term and currency.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

20 PENSION AND SIMILAR OBLIGATIONS (Continued)

A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by a reduction in future contributions or to the extent that the trustees of the pension scheme have agreed a refund from the pension scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the charitable company has a legal or constructive obligation to settle that liability. The effect of actuarial gains and losses on the charitable company's pension scheme asset or liability is therefore reflected annually in the balance sheet and through the statement of financial activities.

The latest actuarial valuation dated 31 March 2010 has been updated to take account of the requirements of Financial Reporting Standard 17 Retirement Benefits in order to assess the liabilities of the scheme as at 31 August 2014. Scheme assets are stated at their fair value.

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

The employer contribution rate has been set at 29.9% for the period 1 April 2014 to 31 March 2015 and 30.4% for the period 1 April 2015 to 31 March 2016 with an equivalent employee contribution rate which is variable by salary and by employee. On that basis, the anticipated employer payments required to be made to the scheme in the coming year amount to £172,000 (2013/2014: £93,000).

The major assumptions used by the actuary were

	2014	2013
Rate of increase in salaries	4.0%	5.1%
Rate of increase in pensions in payment	2.7%	2.8%
Discount rate	3.7%	4.6%
Inflation assumption - cpi	2.6%	2.9%
- rpi	3.4%	2.1%
	=====	=====

In the June 2010 Emergency Budget, the government announced that public sector pension increases would in the future be linked to the consumer prices index (cpi) rather than the retail prices index (rpi). The government has since formally implemented this proposal and a legal challenge was rejected. The assumption regarding future pension increases is therefore linked to cpi. It is currently estimated that cpi will on average be approximately 0.8% below rpi, but recent developments suggest this gap may close over time due to planned changes in the way in which cpi and rpi are calculated.

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

	2014	2013
Retiring today –		
Males	22.5 years	21.9 years
Females	24.6 years	24.0 years
Retiring in 20 years –		
Males	24.5 years	23.9 years
Females	26.9 years	25.9 years
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

20 PENSION AND SIMILAR OBLIGATIONS (Continued)

The assets in the scheme and the expected rate of return were

	Expected return on total assets at 31 August 2014	Value at 31 August 2014 £'000	%	Expected return on total assets at 31 August 2013	Value at 31 August 2013 £'000	%
Equities	6.3%	567	(77%)	6.6%	185	(76%)
Bonds	3.2%	125	(17%)	3.9%	41	(17%)
Property	4.5%	37	(5%)	4.7%	12	(5%)
Cash	3.3%	7	(1%)	3.6%	5	(2%)
Total market value of assets		736			243	
Present value of scheme liabilities		(1,636)			(496)	
Deficit in the scheme		(900)			(253)	

The actual return on scheme assets was £54,000 (2013 £ 24,000)

	2014 £'000	2013 £'000
Amounts recognised in the statement of financial activities		
Current service cost (net of employee contributions)	145	66
Past service cost	-	-
Total operating charge	145	66
Analysis of pension finance income		
Expected return on pension scheme assets	(31)	(8)
Interest on pension liabilities	48	17
Pension finance income	17	9

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £250,000 loss (2013 £13,000 gain)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

20 PENSION AND SIMILAR OBLIGATIONS (Continued)

	2014 £'000	2013 £'000
Movements in the present value of defined benefit obligations were as follows		
At 1 September	496	381
Upon conversion to academy status	627	-
Employee contributions	38	18
Current service cost	145	66
Past service cost	-	-
Interest on liabilities	48	17
Actuarial experience losses	286	14
Benefits paid	(4)	-
At 31 August	<u>1,636</u>	<u>496</u>
Movements in the fair value of Academy Trust's share of scheme assets		
At 1 September	243	120
Upon conversion to academy status	244	-
Employer contributions	161	81
Employee contributions	38	18
Expected return on assets	31	8
Actuarial experience gains	23	16
Benefits paid	(4)	-
At 31 August	<u>736</u>	<u>243</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £161,000

	2014 £'000	2013 £'000
Experience adjustments are as follows		
Amounts for the period		
Plan assets at fair value	736	243
Defined benefit obligation	(1,636)	(496)
Deficit	<u>(900)</u>	<u>(253)</u>
Experience adjustments on plan assets	<u>23</u>	<u>16</u>
Experience adjustments on plan liabilities	<u>(286)</u>	<u>(14)</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014
20 PENSION AND SIMILAR OBLIGATIONS (Continued)

	2014	2013
	£'000	£'000
Reconciliation of the movement in scheme deficit over the period		
Deficit in scheme at the beginning of the period	(253)	(261)
Upon conversion to academy status	(383)	-
Movement in year		
Current service cost	(145)	(66)
Past service cost	-	-
Employer contributions	161	81
Net finance expense	(17)	(9)
Actuarial (losses)/gains	(263)	2
Deficit in scheme at the end of the period	<u>(900)</u>	<u>(253)</u>

The five-year history of experience adjustments is as follows

	2014	2013	2012
	£'000	£'000	£'000
Present value of defined benefit obligations	(1,636)	(496)	(381)
Fair value of share of scheme assets	736	243	120
	<u>(900)</u>	<u>(253)</u>	<u>(261)</u>

21 RELATED PARTY TRANSACTIONS

Owing to the nature of the charitable company'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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the year.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

22 CONVERSION TO ACADEMY TRUST

On 1 December 2013, St John's Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the charitable company from Surrey County Council for £Nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities

	Unrestricted Funds £	Restricted Funds General Fixed Assets £	£	Total 2013 £
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income				
Tangible fixed assets				
Leasehold land and buildings	-	-	4,354,129	4,354,129
Other fixed assets			20,768	20,768
Cash at bank and in hand	49,537	11,703	-	61,240
LGPS pension deficit	-	(383,000)	-	(383,000)
NET ASSETS	49,537	(371,297)	4,374,897	4,053,137