

**RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
(A Company Limited by Guarantee)**

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Company Registration Number 08096798 (England and Wales)

COMPANIES HOUSE COPY



RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2016

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RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2016

Governors (Trustees)

Jenny Downs (Chair)
Karen Lynch
John Chambers
Iain Gunn
Andrew Scott-Evans (Headteacher)
Pauline Davidson
Christine Savage
Julian Clauson (resigned 5 July 2016)
Adam Pope
Bishop John Bradwell
Rev. Paul Hamilton

Company Secretary

Danny Lynch

Senior Management Team:

Headteacher
Assistant Headteacher
Assistant Headteacher
Assistant Headteacher
Assistant Headteacher

Andrew Scott-Evans
David Hughes
Emma-Jane Sharp
Sally Trebess
Gus Fenn

Principal and Registered Office

Manor House
The Crescent
Leatherhead
Surrey
KT22 8DY

Company Registration Number

08096798 (England and Wales)

Independent Auditor

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

Bankers

Lloyds
Chelmsford Legg St OSC
1 Legg St
Chelmsford
Essex
CM1 1JS

Solicitors

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2016

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016.

This report has been prepared in accordance with the Companies Act 2006 and also Part 8 of the Charities Act 2011 and serves the purpose of both a trustees' report under charity law and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and the requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (FRS102).

The Trust operates an academy for pupils aged 11 to 19 serving a catchment area in Brentwood and the surrounding area. It has a pupil capacity of 1,050 when all the year groups are filled and had a roll of 745 in the school census on 6 October 2016.

Principal Activities

The charitable company was incorporated on 7 June 2012 and commenced trading as an Academy on 1 September 2012. The principal activity since incorporation is that of running Becket Keys Church of England Free School.

The RET Becket Keys Church of England Free School Trust's principal activities are establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum with a designated Church of England religious character, and having regard to the advice of the Diocesan Board of Education.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee (registration number 08096798) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of RET Becket Keys Church of England Free School Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Becket Keys Church of England Free School Trust or RET Becket Keys Church of England School.

Details of the directors and trustees who served throughout the year are included in the Reference and Administrative Details section.

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 period 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.

Governors' Indemnities

The School is part of the Department for Education's Risk Protection Arrangement that protect governors and officers from the financial impact of claims arising from negligent acts, errors or omissions occurring whilst on School business. The arrangement provides cover up to £5 million.

Method of Recruitment and Appointment or Election of Trustees

The number of Governors shall be not less than nine.

Subject to Articles 45 to 64 of the Articles of Association, the School shall have the following Governors:

- (a) One Governor, appointed by the Diocesan Bishop of Chelmsford;
- (b) One Governor, appointed by the Diocesan Board of Education for Chelmsford;
- (c) One Governor, appointed by the Anglican Primary School Trust;
- (d) Up to seven Governors, appointed by Russell Education Trust;
- (e) Two Parent Governors; and
- (f) The Headteacher
- (g) Any Additional Governors, appointed by the Secretary of State, where it is deemed necessary as per conditions set out in the model funding agreement.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2016

All parent governors are elected. They are elected through nomination from similarly eligible members and the nominees must be proposed and seconded by similarly eligible members. If the number of nominations exceeds the number of vacancies a secret ballot must be held.

Russell Education Trust (RET), the Diocesan Board of Education, Anglican Primary School Trust, and the Bishop of Chelmsford governors are appointed by the appropriate group.

Policies and Procedures Adopted for the Induction and Training of Governors

During the year under review the governors held 5 Full Governing Body meetings, 3 Finance and Buildings Committee, 3 Staffing and Development Committee, 3 Community and Worship Committee meetings, and 3 Curriculum and Students Committee meetings.

All governors receive training in committees through a RET member governor, who is either an experienced Headteacher or Ofsted trained inspector, and through RET clerking on committees and the Governing Body.

RET have provided induction training for new governors. The Board have been trained to understand their strategic role in promoting high standards and pupil safety.

All existing governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

The following policies and procedures have been adopted by the Governors:

- | | |
|-------------------------------------|------------------------------------|
| • Admissions | • Exclusion |
| • Acceptable Use of ICT | • Expenses |
| • Accessibility Plan | • Extra-Curricular |
| • Anti-bullying | • First Aid |
| • Anti-Bribery | • First Aid inc. Medical Needs |
| • Assessment | • Fraud & Corruption |
| • Attendance | • Freedom of Information |
| • Behaviour | • Gifts and Hospitality |
| • Bereavement | • Governors' Allowances |
| • Best Value | • Health and Safety |
| • Capability | • Homework |
| • Charging and Remissions | • Home to School Agreement |
| • Charitable Donations | • Learning and Teaching |
| • Child Protection | • Leave of Absence |
| • Code of Conduct | • Lettings |
| • Collective Worship | • Off-site Educational Visits |
| • Complaints | • Reasonable Use of Force |
| • Cover | • Recruitment Selection |
| • Critical Incident | • Review of Staffing Structure |
| • Curriculum | • Risk Management |
| • Data Protection / Privacy Notices | • Sex and Relationships Education |
| • Dealing with Allegations of Abuse | • Security |
| • Disciplinary | • Sickness and Procedure |
| • Drugs Education | • Smoke Free |
| • Equal Opportunities | • Special Educational Needs |
| • Equalities Information and Advice | • Teacher Appraisal and Capability |
| • Exam Internal Appeals | • Uniform |
| • Exam Entries | • Whistleblowing |

Organisational Structure

The organisational structure is as follows:

- The Headteacher is the Accounting Officer.
- Overall responsibility for finances and for all other aspects of the school rests with the Governing Body.
- The Finance and Buildings Committee of the Governing Body undertakes detailed oversight of the school's finances in relation to its Financial Procedures.
- Financial management functions are provided by the Headteacher, and the Finance and Contracts Manager, and through RET, particularly through RET's Chief Executive Officer and Head of Finance and Operations.
- Relationships between all the above are described in a comprehensive set of Financial Regulations.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2016

Connected Organisations

The working relationship is set out in the Articles. RET Becket Keys Church of England Free School Trust entered into a Funding Agreement with the Secretary of State. At cost support from RET is continuing with RET providing Core and Additional Services to the school, in an arrangement agreed under a Tripartite Agreement with the Secretary of State. This is monitored by the Governing Body. RET continues to provide a high level of pro-bono services to the school.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom. The charitable company will establish, develop and manage a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England, particularly in relation to arranging for religious education and daily acts of worship, and in having regard to the advice of the Diocesan Board of Education.

Objectives, Strategies and Activities

The main objects of the School as contained within its articles of association sets out the following powers:

- to establish, maintain, carry on, manage and develop the school;
- to draw, make, accept, endorse, discount, and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts in the name of the Academy Trust;
- to raise funds and to invite and receive contributions provided that in raising funds the Academy Trust shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- to acquire, alter, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property;
- to employ such staff, as are necessary for the proper pursuit of the Object and to make all reasonable and necessary provision for the payments of pensions and superannuation to staff and their dependents;
- to establish or support, whether financially or otherwise, any charitable companies, trusts, associations or institutions formed for all or any of the Object;
- to provide educational facilities and services to students of all ages and the wider community for the public benefit;
- to offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils;
- to pay out of funds of the Academy Trust the costs, charges and expenses of and incidental to the formation and registration of the Academy Trust;
- to co-operate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the Object and to exchange information and advice with them;
- to carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the Academy and to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experience of industry, commerce, other schools and the voluntary sector to the education of pupils in academies;
- to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Object;
- to delegate the management of investments to a financial expert subject to controls to be set down by the Governors;
- to arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Governors or of a financial expert acting under their instructions, and to pay any reasonable fee required;
- to provide indemnity insurance to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust;
- to establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the Academy Trust; and
- to do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the Object.

Public Benefit

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objectives and aims and in planning future activities for the year. The directors consider that the charitable company's aims are demonstrably for the public benefit.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2016

Strategic Report

Achievements and Performance

Overview

Parents, Church of England primary school headteachers, and the Chelmsford Diocese recognised the need for a local Church of England secondary school, and approached the school standards specialists and academy sponsor, the Russell Education Trust (RET), to work with them to set up and run Becket Keys which opened in 2012.

The agreed school priorities were to:

- Recruit high quality, proven leaders and exceptional teaching staff, focussing on high standards and high expectations;
- Provide a mix of traditional and innovative curricula;
- Build a Christian school community where everyone is valued; and
- Retain a 'personal size' of around 150 in each year group and 300 in the sixth form.

Becket Keys provides a high quality education in a caring Christian environment where every student is known, and achieves their potential at GCSE and A-Level. The school's first Ofsted inspection in May 2014 judged the school as "Outstanding" in all areas, recognising the exceptional performance of the school's students, and the quality of its staff. The school has five year groups with students sitting their first on GCSE examinations in summer 2017 and progressing to the school's new 6th Form.

High demand for places, and an outstanding inspection report suggest that parents, as well as Ofsted, believe the school is delivering on this vision.

Leadership and Teaching

Becket Keys only employs exceptional teachers, all of whom must convince the school they are committed to its values, and demonstrate their classroom skills to RET inspectors, and the Diocese. RET provide the school's staff with regular, ongoing high-quality in-service training, to ensure they continually upgrade their expertise, in line with school and national expectations.

The school's subject leaders are responsible for ensuring that the school's schemes of work and teaching are of the standard required, with the school's senior team regularly and systematically checking that the school's classroom practice delivers the quality of education that its students require.

Curriculum

Becket Keys delivers a personalised curriculum that draws on best practice from independent and state schools nationally. The school prepares students for life beyond school by focussing on the core curriculum and subjects that reflect the needs of the future workplace. Parents and students get impartial advice on GCSE courses appropriate for each individual, with inputs from Universities, higher education and employers.

Enrichment

Curriculum enrichment in and beyond the classroom is central to the Becket Keys experience. Each subject provides activities to extend learning. This includes visiting authors and artists running workshops, and peripatetic teachers providing tuition for a range of musical instruments. Offsite learning is also important, with field trips, visits to sites of historical interest, concerts, and theatre trips. Y7 students attend a 'Bushcraft' residential, and Y8 students visit Madrid to practice the Spanish they learn in school.

Learning at Becket Keys is not just a classroom activity. All staff run very popular clubs and activities related to their subjects, and their personal interests. The school expects every student to take up some of the offers. Some activities are led by students with particular expertise and interests, supervised by staff.

Sport and Music

The school has excellent sporting facilities, and a strong relationship with the local Sports Trust. The school plays an active part in local competitive sport and uses specialist instructors alongside its PE staff to promote skill and success at the highest levels. Music is a growing strength at the school. The school aims to build on the Church of England's musical traditions, and have talented musicians on the staff and amongst its students. Singing and playing is part of the school's collective worship and it encourages students and staff to join its choirs, music groups and orchestra.

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GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2016

Partnerships and Service

The school aims to work in close partnership with the family of schools in Brentwood and the Diocese of Chelmsford, for the benefit of local children and young people. At a school level, the most important partnerships are with parents. The school works together with parents and carers to promote student's happiness, academic success and personal growth.

Becket Keys embeds community service as part of the curriculum, so that the school develops well organised and fruitful relationships with its neighbours and the locality. Whilst students' use of facilities (and that of neighbouring schools' students) is the school's priority, extensive community use of our site takes place out of hours. The school expects these arrangements with local clubs and other organisations to flourish.

Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation that RET Becket Keys Church of England Free School Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern can be found in the Statement of Accounting Policies.

Key Performance Indicators

RET Becket Keys School has increased from its original intake of 116 students in September 2012 to 750 students across four year groups in September 2016. The school is oversubscribed, and therefore has a waiting list, and is expecting to continue to be oversubscribed in 2017-18. The school has high attendance rates amongst those pupils that are on roll. In 2015-16 the average attendance rate was 95.2% and in the first term of 2016-17 it was 96.8%

RET Becket Keys had its first Ofsted inspection in May 2014 and the school was judged "Outstanding" in all areas, recognising the exceptional performance of our students, and the quality of our staff. The Ofsted inspection report drew attention to the high quality of the teaching.

"The quality of teaching is consistently good, with much that is outstanding. The impact of this high quality teaching is clearly evident in the quality of students' work in their books, and in their positive attitudes towards learning. They arrive promptly for lessons, are orderly and respectful and share excellent relations with staff."

The report noted that the impact of this outstanding teaching was the students' exceptional progress.

"More-able students make exceptional progress due to the high quality of teaching they receive. Inspectors found the quality of written work of the higher ability students in Year 8 English lessons was similar to the standards expected at GCSE level."

The school had a Statutory Inspection of Anglican and Methodist Schools (SIAMS) in January 2016. The report described the distinctiveness and effectiveness of Becket Keys as a Church of England school as outstanding in all areas. The report noted the following strengths of Becket Keys:

- The school's explicit Christian ethos effectively drives forward its growth and development as a church school;
- The high quality of relationships and exemplary behaviour of students expresses the school's 'character education' approach based on its Christian values of respect, responsibility and forgiveness;
- The school's daily worship programme is central to school life and supports the religious, spiritual and moral development of students very well; and
- The commitment and effectiveness of the school's leadership team and governing body promotes well its high standards of attainment and progress based on its Christian ethos.

Financial Review

Overview

RET Becket Keys Church of England School's key source of funding is General Annual Grant and Start-Up Grant provided by the Education Funding Agency (EFA). All of the grant monies received from the EFA during the year to 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA). The funds have been applied to the School's Educational Operations.

The School has also received specific grants from the Education Funding Agency for building works; fixtures, fittings and equipment; and IT equipment. In accordance with the Charities' Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), these grant monies are shown in the SOFA as restricted income in the fixed asset fund. The restricted asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2016

During the year ended 31 August 2016, total expenditure of £3,871k was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and any pension adjustments or transfers) was £97k.

At 31 August 2016 the net book value of fixed assets was £11,468k and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were exclusively used for providing education and the associated support services to the students of the School.

Reserves Policy

The School broadly aims to carry forward a prudent level of resources to cover the medium and long term needs for renewal and placement, unforeseen contingencies and to contribute to major capital developments. The amount to be carried forward from the General Annual Grant is subject to the current restrictions operated by the Department for Education. At the end of the year under review the reserves balances were as follows:

- Restricted General Funds – £(834)k
- Restricted Fixed Assets Funds – £11,028k
- General Unrestricted Fund – £583k

The balance on the Restricted General Funds includes £510k that relates to the Pension Reserve and £324k that relates to General Annual Grant. The General Unrestricted Fund reserve more than offsets the balance on General Annual Grant, and the Governing Body will therefore keep the situation under review and transfer funds if it deems this necessary.

Investment Policy

In the short term cash balances are strong and it looks like these balances will continue to grow. An investment policy will be drafted in the future and will reflect the school's financial position at that time.

Principal Risks and Uncertainties

Financial and Risk Management Objectives and Policies

The School does not consider that it has any material financial risk that cannot be met from current reserves. Where significant financial risk remains governors have ensured they have adequate financial protection through the Department for Education's Risk Protection Arrangement.

The School has an effective system of internal control that is detailed in the Risk Management section of this report. The final procedures are developed through the Finance and Buildings Committee.

Risk Management

The Governors are responsible for the management of risks to which the Academy Trust is exposed. The Governors have undertaken reviews of risks associated with its activities, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances.

The key controls used by the Academy Trust include but are not limited to:

- Detailed terms of reference for all committees;
- Adoption of a clear Development Plan identifying key strategic planning objectives and the resources required to achieve them;
- Comprehensive budget planning, monitoring and review;
- Clear financial delegation levels;
- Formal written policies;
- Risk register;
- Clear safeguarding and vetting procedures as required by law to protect children and young people;
- Rigorous review of educational achievement to ensure continuing high standards; and
- Comprehensive planning and review of admissions procedures;

The Governors are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The school has a detailed set of Financial Regulations in place which, together with the associated systems and procedures, are subject to on-going review.

The school's funding is dependent upon the number of pupils on roll. As a result of the school's initial successes and the

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2016

robustness of its plans to continue this success, the strength of the applications for 2017/18 and over subscription in 2016/17 provide significant comfort to the school's governing body.

There remains a risk that building, ICT or other contractors may go into administration or liquidation due to the adverse financial climate. The school will continue to manage this risk through its approach to tendering.

Plans for Future Periods

Curriculum

The school has a robust School Development plan that it has formulated in conjunction with Russell Education Trust drawing upon the strength of their school improvement experience. The key objectives for the next academic year are as follows:

- Consolidate and extend curriculum planning, and planning and delivering outstanding teaching and learning for all students;
- Deliver Key Stage 4 curriculum for founding year and beyond;
- Success for all of its students in the school's first public examinations in summer 2017;
- Complete preparations for the successful launch of the school's 6th form in September 2017;
- Expand the school's service to the Brentwood community; and
- Complete modernisation of the school's site and buildings to accommodate all of the school's students when it is in a steady state.

Infrastructure

A significant refurbishment of the school's buildings was completed in autumn 2013 followed by the completion of the second phase of works to replace the school's windows which was completed during the 2013/14 academic year. The school received approval from the Education Funding Agency for additional funding to meet the additional costs of refurbishing the classroom block that is needed to accommodate all teaching groups. Works commenced in summer 2016. The school's submission to the Education Funding Agency for Condition Improvement Funding to reinstate the dilapidated sports hall was also successful. Discussions are already commencing with architects and technical advisers to draw up a specification for the design of the sports hall.

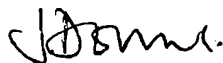
Auditor

In so far as all the trustees are aware:

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

The auditors are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 14 December 2016 and signed on the board's behalf by



Mrs Jenny Downs
Chair

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that RET Becket Keys Church of England School 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 governing body has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between RET Becket Keys Church of England School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustees' responsibilities. The full governing body has formally met 5 times during the year covered by these accounts. Attendance at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Jenny Downs (Chair)	5	5
Iain Gunn	5	5
Karen Lynch	3	5
Pauline Davidson	4	5
Andrew Scott-Evans (Headteacher and Accounting Officer)	5	5
Adam Pope	5	5
Christine Savage	4	5
John Chambers	4	5
Julian Clauson (resigned 5 July 2016)	2	4
Bishop John Bradwell	3	5
Rev. Paul Hamilton	2	5

Finance and Buildings Committee

The Finance and Buildings Committee is a sub-committee of the main governing body. Its purpose is to consider and advise the governing body on matters related to finance, building and premises. Within this remit its purpose is to:

- Consider the school's indicative funding, notified annually by the Education Funding Agency (EFA), and to assess its implications for the school, in consultation with the headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the governing body.
- Consider and recommend acceptance/non-acceptance of the school's budget, at the start of each financial year.
- Liaise with and receive reports from the Curriculum and Students and the Staffing and Development committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them. In particular, to contribute to the formulation of the school's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher and the first review by the Staffing and Development Committee.
- Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the priorities set out in the development plan.
- Monitor, review and challenge expenditure on a regular basis and ensure compliance with the overall financial plan and financial procedures of the school, (and with the financial regulations of the EFA), drawing any matters of concern to the attention of the governing body. To review virements or proposed virements in accordance with the school's financial procedures.
- Monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate, to make recommendations for improvement.
- Receive, consider and approve the end of year accounts prior to sending on to the full Governing Body for their consideration.
- Act as the Audit Committee of the Governing Body – i.e. to receive and consider the auditor's report; to recommend acceptance to the full governing body, including any recommendations for action arising from them.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNANCE STATEMENT

- Recommend to the full governing body the appointment or reappointment of the auditors.
- Review the Responsible Officer's reports.
- Carry out annual benchmarking against similar schools.
- Review health and safety within the school.
- Oversee development work to the school's site as it grows in numbers and requires further buildings to come into use.

Attendance at Finance and Buildings Committee meetings of the current governing body members in the year were as follows:

Governor	Meetings attended	Out of a possible
Iain Gunn (Chair)	3	3
Bishop John Bradwell	3	3
Jenny Downs	3	3
Karen Lynch	2	3
Andrew Scott-Evans	3	3
Pauline Davidson	3	3

Review of Value for Money

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

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

1. Review of Printing Costs

The School regularly reviews high cost areas to identify opportunities for cost savings. As part of this review in 2015-16 new printers were installed under a service agreement with a supplier who provides unlimited printing at a significantly lower overall cost than was the case with the school's existing printing arrangements. In 2015-16 the school made savings of £8.5k on its printing costs as a result of this exercise.

2. Renegotiation of Contracts

The School is continuing to grow and expand with a new year group added each year. Therefore, the school recruits a significant number of teaching and non-teaching staff each academic year. Recruitment costs are a significant burden upon the school and the school reviewed its arrangements for recruitment advertising in 2015-16 to identify potential savings. The number of agencies used by the school was reduced as a result of this exercise which saved the school £2.5k in 2015-16. Following this review a blanket advertising deal was struck with a key player in the industry saving a further £11k per annum. This arrangement allows unlimited adverts, a focused advertising specialist and a premium service giving more prominence to the school's recruitment adverts.

3. Review of Support Staff and Associated Operations

As the School has grown and developed from a single year group in 2012-13 the support staff team has expanded. The School undertook a review of its support staff function in 2015-16 that will significantly improve the efficiency and effectiveness of the School's operations. The School also commenced implementation of a new suite of budget support software in summer 2016. This software significantly reduces the burden of preparing and monitoring the school's budget, and improves the quality of the management information produced.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in RET Becket Keys Church of England Free School Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNANCE STATEMENT

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and Buildings 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 governing body considered the need for a specific internal audit function and took the decision to provide an internal audit function using a peer review model under which qualified accountants from across Russell Education Trust are reviewing compliance with each school's internal controls. The scope of work was set by the Becket Keys Finance and Buildings Committee. The results of the internal audit checks were reported to the Finance and Buildings Committee and no material issues were identified.

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

- Single central record; and
- Risk registers and management.

On a termly basis, the internal audit function reports to the board of governors, through the Finance and Buildings Committee on the operation of the systems of control and on the discharge of the governing body's 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 in question, the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Buildings 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 governing body on 14 December 2016 and signed on its behalf by:

Mrs Jenny Downs
Chair



Mr A Scott-Evans
Headteacher and Accounting Officer

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

Statement of Regularity, Propriety and Compliance

As Accounting Officer of RET Becket Keys Church of England Free School Trust, I have considered my responsibility to notify the academy trust 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 for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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



Mr A Scott-Evans
Accounting Officer

14 December 2016

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of RET Becket Keys Church of England Free School trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

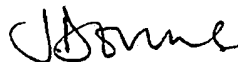
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 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 governors 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 governors are responsible for ensuring that in its conduct and operation, the charitable company applies financial and other controls which conform with the requirements of both 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 governors 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 governing body on 14 December 2016 and signed on its behalf by:



Mrs Jenny Downs
Chair

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report on the Financial Statements to the Governing Body of RET Becket Keys Church of England Free School Trust

We have audited the financial statements of RET Becket Keys Church of England Free School Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 which is the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015, and the Academies Accounts Direction 2015 to 2016 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 auditors' 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 Governors and Auditors

As explained more fully in the Statement of Governors' Responsibilities, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the Audit of the Financial Statements

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

Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

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

- 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Colin Wright (Senior Statutory Auditor)

19 December 2016

For and on behalf of UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
London
E1W 1YW

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account and Statement of Recognised Gains and Losses)

FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
Income and endowments						
Donations and capital grants	3	16	-	809	825	285
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	3,263	-	3,263	2,476
Other trading activities	5	229	16	-	245	226
Total		245	3,279	809	4,333	2,987
Resources expended						
Charitable activities:						
- School's educational operations	6	10	3,431	430	3,871	3,068
Total		10	3,431	430	3,871	3,068
Net income / (expenditure)		235	(152)	379	462	(81)
Gross transfer between funds		-	-	-	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension scheme	21	-	(161)	-	(161)	(1)
Net movement in funds		235	(313)	379	301	(82)
Reconciliation of Funds						
Total funds brought forward		348	(521)	11,089	10,916	10,998
Total funds carried forward	14	583	(834)	11,468	11,217	10,916

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

All of the academy's activities derive from continuing operations in the current financial year and acquisitions in the prior financial year.

A comparative Statement of Financial Activities for the year ended 31 August 2015 is shown in note 2 to the financial statements.

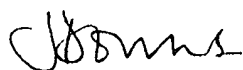
RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

BALANCE SHEET

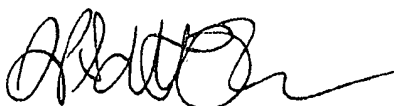
AS AT 31 AUGUST 2016

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	11		11,028		11,089
Current assets					
Stocks			-		-
Debtors	12	275		213	
Cash at bank and in hand		<u>1,321</u>		<u>559</u>	
		1,596		772	
Liabilities					
Creditors: amounts falling due within one year	13	<u>(897)</u>		<u>(611)</u>	
Net current assets			<u>699</u>		<u>161</u>
Total assets less current liabilities			11,727		11,250
Net assets excluding pension liability			<u>11,727</u>		<u>11,250</u>
Defined benefit pension scheme liability	21		(510)		(334)
Net assets including pension liability			<u>11,217</u>		<u>10,916</u>
Funds of the academy:					
Restricted income funds					
- fixed asset fund	14		11,468		11,089
- general fund	14		(324)		(187)
- pension reserve	14		<u>(510)</u>		<u>(334)</u>
Total restricted funds			10,634		10,568
Unrestricted income funds					
- general fund	14		<u>583</u>		<u>348</u>
Total unrestricted funds			<u>583</u>		<u>348</u>
Total funds			<u>11,217</u>		<u>10,916</u>

The financial statements were approved by the governors and authorised for issue on 14 December 2016 and are signed on their behalf by:



Mrs Jenny Downs
Chair



Mr A Scott Evans
Accounting Officer

Company Number: 08096798

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2016

		2016	2015
	Notes	£000	£000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	17	322	(454)
Cash flows from / (used in) financing activities		-	-
Cash flows from / (used in) investing activities	18	440	(39)
Change in cash and cash equivalents in the reporting period		762	(493)
Cash and cash equivalents at 1 September 2015	19	559	1,052
Cash and cash equivalents at 31 August 2016	19	1,321	559

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2016

1. Accounting Policies

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006. Becket Keys Church of England Free School Trust meets the definition of a public benefit entity under FRS 102.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

First time adoption of FRS 102

These financial statements are the first financial statements of Becket Keys Church of England Free School Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of the Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005. Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the trust to continue as a going concern. The governors make this assessment each year in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

• **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

• **Sponsorship income**

Sponsorship income provided to the school trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance related conditions, where the receipt is probable and it can be measured reliably. There was no sponsorship income received during the year.

• **Donations**

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

• **Other income**

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

• **Donated services and gifts in kind**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

1. Statement of Accounting Policies (continued)

are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Expenditure

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

Expenditure on Raising Funds

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

Charitable activities

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

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on the relevant assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

• Long leasehold land and buildings	life of lease
• Fixtures and equipment	15% straight line
• Computer equipment and software	20% straight line
• Plant and machinery	15% straight line
• Motor vehicles	20% straight line

Assets or buildings in the course of construction are included at cost, based on the certified or other direct costs incurred to 31 August. Depreciation on these assets is not charged until they are brought into use.

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

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

1. Statement of Accounting Policies (continued)

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Taxation

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

Pensions Benefits

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

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

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency or the Department for Education.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

1. Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Comparative SoFA

In accordance with the requirement under SORP 2015 the Trust must disclose the comparative information for all amounts presented in the SoFA. The trust's SoFA for 2014-15 is provided below to allow comparisons with the 2015-16 SoFA.

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Incoming resources						
Incoming resources from generated funds:						
- Voluntary income	3	4	-	-	4	6,238
- Activities for generating funds	5	179	47	-	226	195
Incoming resources from charitable activities:						
- Funding for the Academy's educational operations	4	-	2,476	281	2,757	3,702
Total incoming resources		183	2,523	281	2,987	10,135
Resources expended						
Charitable activities:						
- School's educational operations	7	42	2,590	417	3,049	2,481
Governance costs	7	-	19	-	19	12
Total resources expended		42	2,609	417	3,068	2,493
Net incoming/(outgoing) resources before transfers		141	(86)	(136)	(81)	7,642
Gross transfer between funds		-	(39)	39	-	-
Net income/(expenditure) for the year		141	(125)	(97)	(81)	7,642
Other recognised gains and losses:						
Actuarial gains/(losses) on defined benefit pension scheme	21	-	(1)	-	(1)	(47)
Net movement in funds		141	(126)	(97)	(82)	7,595
Total funds brought forward		207	(395)	11,186	10,998	3,403
Total funds carried forward	14	348	(521)	11,089	10,916	10,998

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

3. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	809	809	281
Donated fixed assets	-	-	-	-
Donations	16	-	16	4
	16	809	825	285

The income from donations and capital grants was £825k (2015: £285k) of which £16k was unrestricted (2015: £4k), £nil restricted general (2015: £nil) and £809k restricted fixed assets (£281k).

4. Funding for the Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
DfE / EFA revenue grants				
- General Annual Grant (GAG)	-	2,999	2,999	2,158
- Start Up Grants	-	163	163	261
	-	3,162	3,162	2,419
Other Government grants				
- SEN grant	-	101	101	58
	-	101	101	58
Total	-	3,263	3,263	2,477

Funding for the Trust's educational operations was £3,263k (2015: £2,477k) of which £nil was unrestricted (2015: £nil) and £3,263k restricted (2015: £2,477k).

5. Other trading activities

	Unrestricted Funds £000	Restricted General Funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	84	-	84	105
Other income	145	16	161	74
	229	16	245	179

Income from other trading activities was £245k (2015: £179k) of which £229k was unrestricted (2015: £179k) and £16k restricted (2015: £nil).

6. Expenditure

	Staff Costs £000	Non Pay Premises £000	Expenditure Other Costs £000	Total 2016 £000	Total 2015 £000
Academy's education operations:					
- Direct costs	2,026	430	228	2,684	1,992
- Allocated support costs	369	323	495	1,187	1,076
Total expenditure	2,395	753	723	3,871	3,068

Net income / (expenditure) for the period includes:

	2016 £000	2015 £000
Depreciation	430	417
Fees payable to auditor for audit	10	14

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

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7. Charitable Activities

	Total 2016 £000	Total 2015 £000
Direct costs – educational operations	2,684	1,993
Allocated support costs – educational operations	1,187	1,075
	3,871	3,049

Analysis of support costs	Boarding £000	Educational Operations £000	Total 2016 £000	Total 2015 £000
Support staff costs	-	384	384	365
Depreciation	-	-	-	-
Technology costs	-	53	53	54
Premises costs	-	324	324	247
Other support costs	-	416	416	390
Governance costs	-	10	10	19
Total Support Costs	-	1,187	1,187	1,075

8. Staff costs

a. Staff Costs

Staff costs during the year were:

	2016 £000	2015 £000
Wages and salaries	1,867	1,426
Social security costs	161	108
Pension costs	306	209
	2,334	1,743
Supply staff costs	61	22
	2,395	1,765

b. Staff Numbers

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

	2016 No.	2015 No.
Charitable activities		
Teachers	44	32
Administration and support	20	20
	64	52

The number of employees whose emoluments fell within the following bands was:

	2016 No.	2015 No.
£80,001 - £90,000	1	1

c. Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed in the Reference and Administrative Details. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £351k (2015: £351k).

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9. Governors' remuneration and expenses

The headteacher only receives remuneration in respect of services provided undertaking the role of Headteacher and not in respect of his services as a governor. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

Headteacher: £80,001 - £90,000 (2015: £80,001 - £90,000)

During the year ended 31 August 2016, travel and subsistence expenses totalled £481 (2015: £263). Other related party transactions involving the trustees are set out in note 22.

10. Governors' and Officers' Financial Liabilities

In accordance with normal commercial practice, the academy has arranged for cover to protect governors and officers from the financial impact of claims arising from negligent acts, errors or omissions occurring whilst on academy business. The financial protection is through the Department for Education's Risk Protection Arrangement. The RPA scheme provides cover up to £5m on any one claim and is capped at a total of £5m for all claims in any year. The membership cost for the scheme is £25 per pupil per annum and the Governors and Officers cover is included within this cost.

11. Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2015	11,087	563	517	25	12,192
Additions	319	10	40	-	369
At 31 August 2016	11,406	573	557	25	12,561
Depreciation					
At 1 September 2016	611	216	266	10	1,103
Charged in year	228	86	111	5	430
At 31 August 2016	839	302	377	15	1,533
Net book values					
At 31 August 2016	10,567	271	180	10	11,028
At 1 September 2015	10,476	346	251	15	11,089

12. Debtors

	2016 £000	2015 £000
Trade debtors	3	7
Prepayments	93	58
VAT recoverable	54	60
Accrued income	125	88
	275	213

13. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	223	138
Other taxation and social security	48	37
Pensions	39	29
Other creditors	141	155
Accruals and deferred income	446	252
	897	611

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Deferred Income	2016 £000	2016 £000
Deferred income at 1 September 2015	16	12
Resources deferred in the year	43	16
Amounts released from previous years	(16)	(12)
Deferred income at 31 August 2016 (included above)	43	16

14. Funds

14.1 Analysis of Funds

	Balance at 1 September 2015 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	(187)	2,999	(3,151)	15	(324)
Start-up Grant	-	163	(163)	-	-
Other DfE/EFA grants	-	-	-	-	-
Pension reserve	(334)	-	(161)	(15)	(510)
Activities for Generating Funds	-	16	(16)	-	-
Local authority grants	-	101	(101)	-	-
	(521)	3,279	(3,592)	-	(834)
Restricted fixed asset funds					
DfE/EFA building grants	5,154	797	(430)	-	5,521
DfE/Other capital grants	15	12	-	-	27
Capital expenditure from GAG	58	-	-	-	58
Voluntary Income	5,861	-	-	-	5,862
	11,089	809	(430)	-	11,468
Total restricted funds	10,568	4,088	(430)	-	10,634
Unrestricted funds					
General funds	348	245	(10)	-	583
Total unrestricted funds	348	245	(10)	-	583
Total funds	10,916	4,333	(4,032)	-	11,217

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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

Start-up grant

Start-up Grant was received for expenditure delivering a range of activities following the opening of the RET Becket Church of England Free School Trust.

General Annual Grant

The General Annual Grant must be used for the normal running costs of the Academy including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DfE/EFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

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Pension reserve

The pension reserve is the element of the local government pension fund liability attributable to the Academy.

Transfer between funds

A transfer from unrestricted funds to the restricted fixed asset fund was necessary to fund capital expenditure carried out during the year.

14.2 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total Funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	11,028	11,028	11,089
Current assets	583	573	440	1,596	772
Current liabilities	-	(897)	-	(897)	(611)
Pension scheme liability	-	(510)	-	(510)	(334)
Total net assets	583	(834)	11,468	11,217	10,916

15. Capital commitments

	2016 £000	2015 £000
Contracted for, but not provided in the financial statements	Nil	Nil

16. Commitments under operating leases

At 31 August 2016 the academy had no annual commitments under non-cancellable operating leases (2015: £nil).

17. Reconciliation of net (expenditure) / income to net cash (outflow) / inflow from operating activities

	2016 £000	2015 £000
Net income / (expenditure)	462	(81)
Depreciation (note 11)	430	417
Capital grants from DfE and other capital income (note 3)	(809)	(281)
Interest receivable	-	-
Defined benefit pension scheme costs less contributions payable (note 21)	31	17
Defined benefit pension scheme finance cost (note 21)	(16)	19
(Increase) / decrease in debtors (note 12)	(61)	(93)
Increase / (decrease) in creditors (note 13)	285	(452)
Net cash provided by / (used in) operating activities	322	(454)

18. Cash flows from investing activities

	2016 £000	2015 £000
Purchase of tangible fixed assets	(369)	(319)
Capital grants from DfE/EFA	809	280
Net cash provided by / (used in) investing activities	440	(39)

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19. Analysis of cash and cash equivalents

	2016 £000	2015 £000
Cash in hand and at bank	1,321	559
Total cash and cash equivalents	1,321	559

20. Members' Liabilities

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

21. Pension and Similar Obligations

Overview

The academy's employees belong to two principal pension schemes which are both defined-benefit schemes:

1. Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and
2. Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Essex Pension Fund.

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.

Contributions amounting to £39,502 (2015: £28,633) were payable to the schemes at 31 August 2016 and are included within creditors.

1. Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 16.4%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

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- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 16.4%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which 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.

The pension costs paid to TPS in the period amounted to £363,363 (2015: £239,132).

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

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

2. Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The scheme name is Essex Pension Fund. The total contributions made for the year ended 31 August 2016 was £100,341 (2015: £87,000) of which employer's contributions totalled £76,454 (2015: £67,000) and employees' contributions totalled £23,888 (2015: £20,000). The agreed contribution rates for 2016-17 are 19.9% for employers and between 5.5% and 7.5% for employees.

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

2.a Principal Actuarial Assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.10%	4.50%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.30%	2.70%
Inflation assumption (RPI)	3.20%	3.60%
Commutation of pensions to lump sums	60.00%	60.00%

2.b Mortality Expectations

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.9	22.8
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	25.2	25.1
Females	27.7	27.6

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2.c Estimated Share of Assets and Expected Rates of Return

The school's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	351	137
Gilts	18	8
Other Bonds	23	20
Property	57	24
Cash	16	15
Alternative Assets	23	5
Other Managed Funds	25	-
Total market value of assets	513	209
Present value of scheme liabilities	(1,023)	(543)
Deficit in the scheme	(510)	(334)

2.d Amounts recognised in the Statement of Financial Activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	108	92
Past service cost	-	-
Total operating charge	108	92

2.e Movements in the Present Benefit Obligations

	2016 £000	2015 £000
At 1 September 2015	543	411
Current service cost	108	92
Employee contributions	24	20
Change in financial assumptions	326	1
Liabilities assumed / (extinguished) on settlements	-	-
Benefits paid	-	-
Past Service cost	-	-
Curtailments and settlements	-	-
Interest on pension liabilities	22	19
At 31 August 2016	1,023	543

2.f Movements in the Present Value Defined Benefit Assets

	2016 £000	2015 £000
At 1 September 2015	209	114
Expected return on assets	38	8
Actuarial gain / loss	165	-
Employer contributions	77	67
Employee contributions	24	20
Settlement prices received / (paid)	-	-
Benefits paid	-	-
At 31 August 2016	513	209

22. Related Party Transactions

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a member

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

During the current year financial services to the value of £25,000 (2015: £25,000); core services of £60,631 (2015: £52,977), general support of £96,609 (2015: £86,435), and specific curriculum support services of £30,000 (2014: £29,560) were obtained from Russell Education Trust (RET). Furthermore, additional services were procured by the school through RET for maths, science and English school improvement consultants, and the value of these cost was £62,552 in 2015-16. There is no direct relationship between RET Becket Keys Church of England Free School Trust and RET's sponsor Education London, and as in 2014-15 there were no financial transactions between these two parties in 2015-16.

23. Explanation of Transition to FRS102

It is the first year that the Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015, and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

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

	Note	31 August 2015 £000
Net income/(expenditure) previously reported under UK GAAP		(82)
Change in recognition of LGPS interest cost	A	nil
Net movement in funds reported under FRS 102		<u>(82)</u>

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets within both income and expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income and expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015.

There are no adjustments to Total Funds for holiday pay accruals, as the trust's annual leave year for all employees runs from September to August and employees are not permitted to carry forward annual leave.

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

Independent Assurance Report on Regularity to the Governing Body of RET Becket Keys Church of England Free School Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 12 June 2015 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by RET Becket Keys Church of England Free School Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to RET Becket Keys Church of England Free School Trust and the EFA in accordance with the terms of our engagement letter dated 12 June 2015. Our work has been undertaken so that we might state to the RET Becket Keys Church of England Free School Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than RET Becket Keys Church of England Free School Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of RET Becket Keys Church of England Free Trust accounting officer and the reporting accountant

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

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

Approach

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

The work undertaken to draw our conclusion includes:

- Evaluation of the general control environment and operational effectiveness of the controls, policies and procedures;
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education;
- Review of the declaration of interests to ensure completeness;
- Review of minutes for evidence of declaration of interest;
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities;
- A sample of cash payments were reviewed for unusual transactions;
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement; and
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety.

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY

Conclusion

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

UHY Hacker Young

UHY Hacker Young LLP
Chartered Accountants
Reporting Accountant

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19 December 2016