

Company Registration No. 08603388 (England and Wales)

DOWNVIEW TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015

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DOWNVIEW TRUST

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DOWNVIEW TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mrs S Hawthorn (Chair)
Mrs M Williams (Headteacher and accounting officer)
Mrs M J Childs
Mr A S Holland
Mrs J E Lord
Mr J N Martin (Staff)
Mrs F McKenzie (Staff)
Mrs V M Morris
Mr P Nicholas
Mr C J Pacey
Mrs J Twine (Staff)

Members

Mrs M Williams
Mrs S Hawthorn
Mr C J Pacey

Senior management team

- Headteacher
- Deputy Headteacher
- SENCO
- Business Manager

Mrs M Williams
Mr J Martin
Mrs R Adams
Mrs N Courtney

Company registration number

08603388 (England and Wales)

Principal address

Wroxham Way
Felpham
Bognor Regis
West Sussex
PO22 8ER

Independent auditor

Carpenter Box
Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

Solicitors

Pannone LLP
123 Deansgate
Manchester
M3 2BU
United Kingdom

DOWNVIEW TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 4 to 11 serving a catchment area in Bognor Regis. It has a pupil capacity of 420 and had a roll of 426 in the school census of January 2015. Pupil capacity has increased to 450 from September 2015.

Structure, governance and management

Constitution

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

The charitable company is known as Downview Trust.

The trustees of Downview Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

A trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust: provided that any such insurance shall not extend to (i) any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of trust or breach of duty or not; and (ii) the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the Academy Trust.

Method of recruitment and appointment or election of trustees

The Academy Trust shall have the following trustees as set out in its articles of association and funding agreement:

- 3 members of the Academy Trust
- A minimum of 2 parent trustees who are elected by parents of registered pupils of the academy. A parent trustee must be a parent of a pupil at the academy at the time when they are elected. Where a vacancy for a parent trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practicable to secure that every person known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given the opportunity to do so.
- Up to 3 staff trustees appointed by the Governing Body (including the headteacher) who are employees of the Academy Trust. The total number of trustees who are employees of the Academy Trust shall not exceed one third of the total number of trustees.
- Up to 3 co-opted trustees. A co-opted trustee is appointed to be a director by being co-opted by trustees who have not themselves been so appointed
- Up to 3 member appointed trustees. The members may appoint trustees through such process that they determine.

DOWNVIEW TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Policies and procedures adopted for the induction and training of trustees

The Academy Trust has a Trustee Induction Policy. The training and induction of new trustees includes a tour of the academy and a chance to meet the staff and children. All trustees are provided with access to The Key, an online resource for school leaders, including regular updates on practice, legislation and guidance. A new trustee is provided with an experienced 'buddy'. All trustees are provided with a handbook, containing copies of policies, procedures, plans and other documents that will assist them in their role as trustees. The governing body as a whole engages in regular training delivered by school staff and individual trustees or external providers. Trustees are invited to attend INSET Days and contribute to whole school improvement planning.

Organisational structure

The Academy Trust has a leadership structure which consists of the governors, the Senior Leadership Team (SLT) and Lead Learners. The aim of the leadership structure is to devolve and disperse responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

The SLT consists of the Headteacher, Deputy Headteacher, SENCO and two Senior Lead Learners; a further two Lead Learners make up the school's management and operational team. This team controls the Academy Trust at an executive level implementing the policies laid down by the Governors and reporting back to them.

The governors are responsible for setting general policy, adopting an annual School Improvement Plan, approving the statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a governor.

Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of Downview Primary School. There are no sponsors.

The school has a Parent Teacher Association which fund raises for the benefit of the children of Downview Primary School. This association is a registered Charity (no 1100187).

Downview Primary School is part of the Felpham and Bognor (FAB) group of schools. The schools have a Memorandum of Understanding (MOU) to foster good relationships, to share best practice, and to exploit the opportunities of collaboration to deliver benefits in terms of both financial efficiency and educational standards.

Objectives and activities

Objects and aims

The principle object of the charitable company is the operation of Downview Primary School, to provide education and care for pupils of different abilities between the ages of 4 and 11.

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- that the school has a curriculum that is balanced and broadly based;
- that it provides for pupils of different abilities; and
- that it provides education for pupils who are wholly or mainly drawn from the area in which the school is situated

DOWNVIEW TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

The principle objective of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them.

The Aims of the Academy Trust during the period ended 31 August 2015 are summarised below.

At Downview Primary School we grow and learn together every day. For all children to reach their potential we aim to:

- ensure that teaching and learning is consistently of the highest quality
- provide an inspiring, supportive and safe environment
- enable every child to participate in all aspects of school life
- nurture and encourage each child to take their place in society as an active, responsible and respectful citizen

Our school is a community in which an attitude of consideration and respect is promoted and in which children staff and parents are happy to be part of a happy and caring environment.

In order to achieve this, we will aim to:

- develop a wide range of skills for learning: Collaboration, Creativity, Communication, Independence and Resilience and Risk-taking
- develop self-confident and healthy individuals
- acquire essential knowledge and understanding in all areas of learning and experience
- foster an enthusiastic attitude to learning

Key priorities for the year are contained in our School Improvement Plan. Our main priorities for the coming year are to improve learning in our school to raise standards and narrow the gap and for a higher percentage to attain end of year expectations:

- to develop assessment for learning procedures, tracking and making judgments against end of year expectations
- to further revise our maths schemes of work in line with the new National Curriculum from year 1 to 6
- to further improve the children's phonic and spelling knowledge
- to improve writing standards
- to foster a love of reading at the same time as raising standards of attainment

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

DOWNVIEW TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

The Academy Trust continues to be popular with parents with all year groups full and a waiting list maintained for most year groups. Our achievement continues to excel in many areas. We have achieved above national average standards in children's attainment in reading and maths in key stage 2 for the last 3 years. In 2015 our attainment scores averaged more than 90% in the core subjects and children made good or better progress from KS1 to KS2. Three children achieved level 6 in maths which is outstanding.

KS2 Results for 2015

LEVEL 4+

	2015	2014
Reading	95%	91%
Reading 2 LEVEL PROGRESS	92%	94%
Writing	84%	91%
Writing 2 LEVEL PROGRESS	98%	98%
MATHEMATICS	92%	91%
MATHS 2 LEVEL PROGRESS	89%	92%
Reading & Writing & Maths	83%	84%

"Downview is a high achieving school. Children enter Reception with levels of skills and understanding which are increasingly below national averages, but leave Downview with levels which are above national expectations. There is a busy working atmosphere throughout the school. Children are friendly, polite and able to talk confidently about their learning. They are justifiably proud of their school and of the progress they make in the basic skills." Viv Earwicker Basic Skills Quality Mark July 2013 / December 2014.

We are a large, friendly, inclusive primary school serving a diverse and vibrant community. Downview is currently a 2 form entry primary school expanding to a 3 form entry from September 2015. Not only do we aim for seamless transitions between the year groups in our school, we also place great emphasis on the start children make to Downview and also the independence of our year 6 children and on their preparation for secondary school.

Children are enthusiastic learners both in and out of school; this is evident through their school achievements, the quality of take-away tasks undertaken at home and the after school and out of school clubs at which many children attend. The children's attitude to learning and their behaviour is good. The school has a good reputation within the community.

At Downview Primary School we grow and learn together every day. All members of our school community actively contribute to this vision. There is a very strong learning culture that enables us to move forward and respond to the needs and aspirations of our children and the influences of the wider community. In this context our aim is to educate the whole child providing an expansive education which develops powerful and independent learners. Our curriculum actively promotes the British Values of democracy, rule of law, individual liberty and mutual respect and tolerance of those with different faiths and beliefs. Our learning skills of Communication, Collaboration, Creativity, Independence, Resilience and Risk-taking are evident throughout the school.

The school is proud of its achievements and has been awarded the Gold Kite mark for school sports for the second year running, Active Mark, Quality Mark for Basic Skills III, Dyslexia Award, Autism Award, Enhanced National Healthy Schools Status, Eco Schools (Bronze), Travel Plan Mark 3 and Sing Up.

DOWNVIEW TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

The Academy has provided good value for money in:

- Sustaining the school's outstanding OFSTED judgement
- Improving educational results – achieving performance in line with or better than national averages
- Improving pupil attendance and punctuality – achieving statistics in line with or better than national averages
- Receiving positive feedback from school's questionnaire using Ofsted Parent View questions
- Continued good purchasing
- Continued good income generation from letting the school premises to a Nursery, Before + After School + Holiday Child care provider, Karate and Zumba / Pilates classes
- Continued good governance and oversight

The school's financial position should remain sufficient to fund future needs.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The principle source of funding for the Academy Trust is the General Academy Grant (GAG) obtained from The Educational Funding Authority (EFA). The grants received from the EFA and the associated expenditure is shown as restricted funds within the Statement of Financial Activities. The expenditure in the year, of which a large part related to salary costs, has been used to advance the education of children attending the Academy. Expenditure has effectively supported the key objectives of the Academy Trust.

The restricted fixed asset fund has mainly arisen from the introduction of the leasehold buildings and land at fair value on conversion of the school to academy status, together with capitalised costs incurred during the year and the transfer of new fixed assets donated by the local authority. The fund is reduced by annual depreciation charges over the expected useful life of the assets concerned. The assets were used exclusively for providing education and the associated support services to the children of the Academy Trust.

Reserves policy

The trustees review the reserve levels of the Academy Trust on a regular basis. The review includes the income and expenditure streams, the need to match income with commitments and the nature of any reserves. The governors have determined that a target of one months operational costs should be maintained when possible to ensure adequate working capital cover for delays between spending and the receipt of grant monies as well as to provide a cushion for unexpected emergencies such as urgent building maintenance.

The Academy has £81,636 in the unrestricted fund as at 31 August 2015. This reserve has been generated over a number of years. The fund is freely available for its general purposes and has been held as an accumulating fund for major capital projects, additional training and resources.

The Academy Trust's non teaching staff are entitled to enter the Local Government Pension Scheme. The Academy Trust's share of the scheme assets is currently assessed to be less than its share of the scheme liabilities and consequently the Academy Trust's balance sheet shows a significant liability in this respect. However, the deficit does not mean that an immediate liability is about to manifest. The contribution rate to reduce this deficit is calculated by an independent actuary and will be paid over a period of time via additional pension contributions as part of a longer term deficit reduction plan.

DOWNVIEW TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy and powers

There are no material investments held by the Academy Trust. Cash balances are invested in such a way that the cash is readily accessible whilst a small return has been generated by way of interest earned. The trustees are satisfied with the interest earned on the cash balances in the year.

Principal risks and uncertainties

Governors have considered the principle risks and uncertainties that the Academy Trust may be exposed to and, in particular, those related to the operation and finance of the Academy Trust and are satisfied that systems are in place to mitigate any exposure to major risks. Policies and controls have been designed so that these risks can be quickly identified, allowing the Academy Trust to respond swiftly in order to eliminate them.

The trustees have identified the principal risks as being loss of key staff and trustees, inadequate funding, and poor academic outcomes and a poor OFSTED Inspection.

Plans for future periods

The Academy Trust will continue to strive to improve the performance of its pupils at all levels and will continue its efforts to ensure its pupils get the best start to their educational career. To continue to develop the school premises, particularly improving the areas of the existing school which will remain as a result of the expansion to 3 form entry.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Carpenter Box be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10/12/15 and signed on its behalf by:



Mrs S Hawthorn
Chair

DOWNVIEW TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Downview Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs S Hawthorn (Chair)	6	6
Mrs M Williams (Headteacher and accounting officer)	6	6
Mrs M J Childs	5	6
Mr A S Holland	6	6
Mrs J E Lord	4	6
Mr J N Martin (Staff)	6	6
Mrs F McKenzie (Staff)	5	6
Mrs V M Morris	4	6
Mr P Nicholas	6	6
Mr C J Pacey	5	6
Mrs J Twine (Staff)	0	6

Mrs J Twine was on maternity leave during the period when all the meetings took place.

Governors undertake a formal self review on an annual basis and develop an action plan to develop still further. National College materials are used to facilitate this, plus additional research undertaken by governor working parties.

The findings of the review at the end of 2014 identified numerous areas of good practice in governance.

Areas for further development in 2014/15 included succession planning and recruiting governors with specific skills sets, governor's strategic role in staff appraisal and raising awareness of the financial position enabling scrutiny and support and ensuring best value.

Our Chair of Governors (COG) has a place on the board of another local Multi Academy Trust, also now regularly leading training for other governing bodies. Our COG is an integral part of a Best Practice in Governance Group, this group discuss local and national issues and offer challenge and support to one another.

In September 2015, several governors attended training on effective governance to support further development work.

DOWNVIEW TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The curriculum committee is a sub-committee of the main board of trustees. Its purpose is to:

Assisting and advising the Governing Body on all matters relating to the provision of a sound curriculum that is consistent with national curriculum policy and has regard to any West Sussex curriculum policy and to advise as necessary on the implication or change to Downview Primary.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs S Hawthorn (Chair)	3	3
Mrs M Williams (Headteacher and accounting officer)	3	3
Mrs M J Childs	1	3
Mr J N Martin (Staff)	3	3
Mrs F McKenzie (Staff)	3	3
Mrs V M Morris	3	3

The finance, audit and staffing committee is a sub-committee of the main board of trustees. Its purpose is to:

Assisting and advising the Governing Body on all financial matters including the monitoring of those delegated to the headteacher.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs S Hawthorn (Chair)	3	3
Mrs M Williams (Headteacher and accounting officer)	3	3
Mrs J E Lord	2	3
Mr J N Martin (Staff)	3	3
Mrs V M Morris	3	3
Mr C J Pacey	1	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.

DOWNVIEW TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The accounting officer considers how the Academy 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. Improving educational outcomes: Raising pupil attainment and improving progress.

The school has used its resources in pursuit of its principle aim for all children to reach their potential. We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, by targeting resources in line with the School Improvement Plan, for example:

- training the School's Inclusion Manager to improve the provision for children with special educational needs
- increasing the hours for our pastoral teacher
- recruitment or redeployment and high quality training of specialist Teaching Assistants to support individual children
- developing further the assessment, tracking and monitoring processes to ensure data is used to inform planning, target focussed interventions and support differentiation, including regular pupil progress meetings involving Senior Leaders to review progress and impact of interventions for different groups of children
- to narrow the gap and a higher percentage making expected or better progress in all subjects
- developing staff appraisal processes for the effective monitoring and evaluation of performance
- professional development for all staff to implement the new National Curriculum

The effectiveness of these strategies can be seen in improved pupil outcomes, staff observations and preparations for delivery of a new curriculum.

At the end of the 2014/15 academic year the school's results at the end of Key Stage Two (KS2) were above the government's floor targets for both progress and attainment. The results show that the school has performed consistently in line with or above the national average in all subjects at level 4 and 5. Writing attainment was slightly lower than the national average but 98% children made at least expected progress. The results also show that the school is increasing its attainment level in key areas reflecting a coherent and successful approach to school improvement. Pupil progress results are also in line with or above the national average in all subjects. At the end of Key Stage 2 all pupils in receipt of pupil premium made expected or better progress. All groups of children throughout the school made at least expected progress during the 2014/15 academic year.

The school continues to develop a tracking system for individual pupils and provides a range of interventions that track attainment and progress from EYFS to KS2 and halt any potential under-attainment. The school continually compares itself to other schools nationally and is committed to closing the achievement gap with all groups of children.

Downview Primary School constantly reviews its quality of teaching and curriculum provision to ensure that teaching and learning is based around the needs of the school community and builds upon previous learning. As a result of high performance the school achieved the School Games Gold Award, Artsmark, Basic Skills 3 and the Autism Aware Award during 2014/15.

The school takes the lead in a number of projects locally to share knowledge and best practice in teaching and learning in order to raise standards of attainment and progress across the groups of schools.

2. Financial governance and oversight and Internal Control

The School has a long-standing commitment to the principles of Best Value: Challenge, Compare, Consult and Compete, which is supported by a Best Value Statement. The school has an effective Finance, Audit and Staffing sub-committee, this oversees how the school's resources are used and monitors the school's budget on a regular basis. Financial information is discussed and challenged at committee and full governing body level. The Chair of the Finance Committee meets with the school's accountants and auditors as well as the headteacher (Accounting Officer).

DOWNVIEW TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The school benefits from the support of its appointed accountants on compliance and accounting practices. The Academy's trustees and governors approve the budget each year and are mindful of the need to balance expenditure against income to ensure that the Academy Trust remains a 'going concern'. The headteacher (Accounting Officer) has regularly undertaken internal checks on the financial systems. Professional advice and support from HR and legal has been taken where necessary.

3. Ensuring the operation of the Trust shows good value for money and efficient and effective use of resources.

Better Purchasing

Downview Primary School requires all suppliers to compete on grounds of cost and quality of products. The School actively seeks out the best products at the best prices, regardless of how much the School aims to spend.

For any order between £1, 000 and £2,500 two oral quotations will be obtained and recorded and for orders of £2,500 (£5,000 for capital works) or over the School will obtain three written quotes. Successful companies will be chosen on grounds of price, quality and previous track record.

The School is always mindful that minor improvements or savings are not cost effective if the administration involves substantial time or costs. Time wasted on these minor improvements and savings can also distract management from more important or valuable areas. The school therefore uses well known, reliable suppliers for small orders (e.g. stationary, small equipment).

The School deploys human resources so that value for money is maximised in terms of quality of teaching and learning, adult-pupil ratio and curriculum management. The School's staffing structure is reviewed annually to ensure the most appropriate provision for our pupils. In order to provide high quality education for all pupils, the main aim, the school has developed a strong teaching staff and leadership team.

A new post with additional hours to provide additional pastoral support to vulnerable children has been most successful. Attendance has improved and families engage with the school more readily as a result. The School purchases a number of goods and services via the local authority, this secures savings for the school through economies of scale as the costs are reduced and shared.

The School targets its use of the Pupil Premium so that the school's most deprived pupils have the opportunity to raise their individual levels of attainment resulting in improved educational outcomes. The impact of all targeted interventions is monitored by the headteacher and senior leaders.

The School also shares good practice with a number of local schools which helps to drive up standards for the least cost.

Reviewing controls and managing risks

The School has an asset register which manages the allocation of resources in terms of costing, effectiveness and depreciation. All orders are viewed by the headteacher or deputy headteacher and Business Manager to ensure that money is being utilised and allocated wisely.

Downview Primary School benchmarks financial performance against other academy trusts and schools to demonstrate that the school provides good value for money.

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 Downview Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

DOWNVIEW TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors appointed a business manager of another local academy, as assurance officer with effect from September 2014.

The assurance officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the assurance officer has reported to the board of trustees, through the Finance, Audit and Staffing committee, on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

During the period under review the assurance officer has delivered their schedule of work as planned, no material control issues arose and therefore no remedial action was required.

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 assurance officer;
- The work of the Finance, Audit and Staffing committee;
- The work of the external auditor;
- The work of the School Business Manager within the Academy Trust who has responsibility for the development and maintenance of the internal control framework.

DOWNVIEW TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, audit and staffing committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 10/12/15 and signed on its behalf by:



Mrs S Hawthorn
Chair



Mrs M Williams
Headteacher and accounting officer

DOWNVIEW TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

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

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

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

Approved on 10/12/15 and signed by:



Mrs M Williams
Accounting Officer

DOWNVIEW TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 10/12/15 and signed on its behalf by:


Mrs S Hawthorn
Chair

DOWNVIEW TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOWNVIEW TRUST

We have audited the accounts of Downview Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the trustees, who are also the directors of Downview Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Robin Evans BA FCA CTA (Senior Statutory Auditor)
Carpenter Box
Chartered Accountants and Statutory Auditor
Worthing

Dated: 10/12/2015

DOWNVIEW TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DOWNVIEW TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 June 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Downview Trust during the period 1 September 2014 to 31 August 2015 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 Downview Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Downview Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Downview Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Downview Trust's funding agreement with the Secretary of State for Education dated 19 August 2013 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing authorisation procedures and controls to ensure their adequacy and that they are being adhered to
- reviewing and assessing the appropriateness of delegation levels
- testing expenditure to ensure that it is being incurred for the benefit and in the best interests of the academy trust
- testing expenditure to ensure it is appropriate and properly authorised
- reviewing expenditure to assess whether it is an efficient and effective use of resources
- reviewing expenditure for necessity

DOWNVIEW TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DOWNVIEW TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robin Evans BA FCA CTA

Reporting Accountant

Carpenter Box

Amelia House

Crescent Road

Worthing

West Sussex

BN11 1QR

Dated: 10/12/2015

DOWNVIEW TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	1,682	40,329	2,176,105	2,218,116	15,102
- Inherited on conversion		-	-	-	-	3,714,764
- Activities for generating funds	3	14,715	22,879	-	37,594	66,715
- Investment income	4	39	-	-	39	15
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	26,372	1,725,396	8,826	1,760,594	1,583,980
Total incoming resources		42,808	1,788,604	2,184,931	4,016,343	5,380,576
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	-	877	-	877	-
<i>Charitable activities</i>						
- Educational operations	7	20,269	1,732,212	38,537	1,791,018	1,639,596
Governance costs	8	-	50,034	-	50,034	37,899
Total resources expended	6	20,269	1,783,123	38,537	1,841,929	1,677,495
Net incoming/(outgoing) resources before transfers		22,539	5,481	2,146,394	2,174,414	3,703,081
Gross transfers between funds		-	(2,060)	2,060	-	-
Net income/(expenditure) for the year		22,539	3,421	2,148,454	2,174,414	3,703,081
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	5,000	-	5,000	(53,000)
Net movement in funds		22,539	8,421	2,148,454	2,179,414	3,650,081
Fund balances at 1 September 2014		59,097	(85,290)	3,676,274	3,650,081	-
Fund balances at 31 August 2015		81,636	(76,869)	5,824,728	5,829,495	3,650,081

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

DOWNVIEW TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11		5,824,728		3,661,922
Current assets					
Debtors	12	40,998		67,675	
Cash at bank and in hand		228,005		217,027	
		<u>269,003</u>		<u>284,702</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(122,236)		(171,543)	
Net current assets			146,767		113,159
Net assets excluding pension liability			5,971,495		3,775,081
Defined benefit pension liability	17		(142,000)		(125,000)
Net assets			<u>5,829,495</u>		<u>3,650,081</u>
Funds of the Academy Trust:					
Restricted funds	15				
- Fixed asset funds			5,824,728		3,676,274
- General funds			65,131		39,710
- Pension reserve			(142,000)		(125,000)
Total restricted funds			5,747,859		3,590,984
Unrestricted income funds	15		81,636		59,097
Total funds			<u>5,829,495</u>		<u>3,650,081</u>

The accounts were approved by order of the board of trustees and authorised for issue on 10/12/15.....



Mrs S Hawthorn
Chair

Company Number 08603388

DOWNVIEW TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	18	27,351	123,771
Cash funds transferred on conversion		-	87,513
Returns on investments and servicing of finance			
Investment income	39		15
Net cash inflow from returns on investments and servicing of finance		39	15
		27,390	211,299
Capital expenditure and financial investments			
Capital grants received	8,826		9,768
Payments to acquire tangible fixed assets	(25,238)		(4,040)
Net cash flow from capital activities		(16,412)	5,728
Increase in cash	19	10,978	217,027

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Incoming resources

All incoming resources are recognised when the Academy 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 Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods, facilities and services

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the 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.

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 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. 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 such 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	over 125 years
Computer equipment	3 years
Fixtures, fittings & equipment	10 years

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.

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.7 Taxation

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

1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 Fund accounting

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

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

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

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Donated fixed assets	-	2,176,105	2,176,105	-
Other donations	1,682	40,329	42,011	15,102
	<u>1,682</u>	<u>2,216,434</u>	<u>2,218,116</u>	<u>15,102</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	14,715	-	14,715	12,108
Parental contributions towards school visits and activities	-	22,879	22,879	54,607
	<u>14,715</u>	<u>22,879</u>	<u>37,594</u>	<u>66,715</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	39	-	39	15
	<u>39</u>	<u>-</u>	<u>39</u>	<u>15</u>

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	1,533,639	1,533,639	1,495,310
Capital grants	-	8,826	8,826	9,768
Other DfE / EFA grants	-	165,818	165,818	63,846
	-	1,708,283	1,708,283	1,568,924
Other government grants				
Local authority grants	-	25,939	25,939	15,056
Other funds				
Other incoming resources	26,372	-	26,372	-
Total funding	26,372	1,734,222	1,760,594	1,583,980

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	1,165,046	-	113,990	1,279,036	1,193,019
- Allocated support costs	213,368	64,099	234,515	511,982	446,577
	1,378,414	64,099	348,505	1,791,018	1,639,596
Other expenditure					
Costs of activities for generating funds	-	-	877	877	-
Governance costs (see note 8)	-	-	50,034	50,034	37,899
	-	-	50,911	50,911	37,899
Total expenditure	1,378,414	64,099	399,416	1,841,929	1,677,495

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended (Continued)

Incoming/outgoing resources for the year include:	2015 £	2014 £
Operating leases		
- Plant and machinery	1,280	624
Fees payable to auditor		
- Audit	4,750	4,750
- Other services	3,225	3,500
- Teachers' pension audit	625	450

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	7,464	1,140,860	1,148,324	1,080,544
Technology costs	-	7,389	7,389	6,607
Educational supplies and services	-	37,268	37,268	31,301
Staff development	10,872	5,850	16,722	10,455
Other direct costs	-	69,333	69,333	64,112
	<u>18,336</u>	<u>1,260,700</u>	<u>1,279,036</u>	<u>1,193,019</u>
Support costs				
Support staff costs	-	213,368	213,368	174,310
Depreciation	-	38,537	38,537	39,369
Technology costs	-	5,331	5,331	15,627
Recruitment and support	-	41,530	41,530	24,561
Maintenance of premises and equipment	-	25,562	25,562	27,008
Cleaning	-	28,886	28,886	29,692
Energy costs	-	9,902	9,902	12,401
Rent and rates	1,933	15,984	17,917	18,684
Insurance	-	45,489	45,489	31,826
Security and transport	-	1,935	1,935	1,686
Catering	-	69,719	69,719	35,635
Interest and finance costs	-	2,000	2,000	2,000
Other support costs	-	11,806	11,806	33,778
	<u>1,933</u>	<u>510,049</u>	<u>511,982</u>	<u>446,577</u>
Total costs	<u>20,269</u>	<u>1,770,749</u>	<u>1,791,018</u>	<u>1,639,596</u>

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	33,569	33,569	27,307
Auditor's remuneration				
- Audit of financial statements	-	4,750	4,750	4,750
Other governance costs	-	11,715	11,715	5,842
	-	50,034	50,034	37,899

9 Staff costs

	2015 £	2014 £
Wages and salaries	1,075,582	1,003,939
Social security costs	70,018	66,774
Other pension costs	173,011	142,436
	1,318,611	1,213,149
Supply teacher costs	43,081	41,705
Staff development and other staff costs	16,722	10,455
Total staff costs	1,378,414	1,265,309

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

	2015 Number	2014 Number
Teachers	19	21
Administration and support	22	20
	41	41

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

The above employee participated in the Teachers' Pension Scheme.

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mrs M Williams (headteacher)

Remuneration: £70,000 - £75,000 (2014: £65,000 - £70,000)

Employer's pension contributions: £10,000 - £15,000 (2014: £5,000 - £10,000)

Mr J Martin (deputy headteacher)

Remuneration: £50,000 - £55,000 (2014: £45,000 - £50,000)

Employers pension contribution: £5,000 - £10,000 (2014: £5,000 - £10,000)

Mrs F McKenzie (staff trustee)

Remuneration £40,000 - £45,000 (2014: £40,000 - £45,000)

Employers pension contributions: £5,000 - £10,000 (2014: £5,000 - £10,000)

Mrs J Twine (staff trustee)

Remuneration: £10,000 - £15,000 (2014: £25,000 - £30,000)

Employers pension contributions: £0,000 - £5,000 (2014: £0,000 - £5,000).

Other related party transactions involving the trustees are set out within the related parties note.

Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £780 (2014: £3,388)

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2014	3,683,040	18,251	-	3,701,291
Additions	1,900,034	120,067	181,242	2,201,343
At 31 August 2015	5,583,074	138,318	181,242	5,902,634
Depreciation				
At 1 September 2014	29,464	9,905	-	39,369
Charge for the year	29,504	9,033	-	38,537
At 31 August 2015	58,968	18,938	-	77,906
Net book value				
At 31 August 2015	5,524,106	119,380	181,242	5,824,728
At 31 August 2014	3,653,576	8,346	-	3,661,922

12 Debtors

	2015 £	2014 £
Trade debtors	12,024	-
VAT recoverable	11,529	22,048
Prepayments and accrued income	17,445	45,627
	40,998	67,675

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	23,674	88,567
Taxes and social security costs	20,034	20,497
Other creditors	19,629	18,129
Accruals	6,000	8,200
Deferred income	52,899	36,150
	122,236	171,543

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14	Deferred income	2015 £	2014 £
	Deferred income is included within:		
	Creditors due within one year	52,899	36,150
		<u>52,899</u>	<u>36,150</u>
	Total deferred income at 1 September 2014	36,150	-
	Amounts credited to the statement of financial activities	(36,150)	-
	Amounts deferred in the year	52,899	36,150
		<u>52,899</u>	<u>36,150</u>
	Total deferred income at 31 August 2015	52,899	36,150

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals Funding and Special Educational Needs which relate to the 2015/16 academic year.

15	Funds	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
	Restricted general funds					
	General Annual Grant	27,779	1,533,639	(1,509,418)	(2,060)	49,940
	Other DfE / EFA grants	5,642	165,818	(162,000)	-	9,460
	Other government grants	7	25,939	(24,958)	-	988
	Other restricted funds	6,282	63,208	(64,747)	-	4,743
		<u>39,710</u>	<u>1,788,604</u>	<u>(1,761,123)</u>	<u>(2,060)</u>	<u>65,131</u>
	Funds excluding pensions	39,710	1,788,604	(1,761,123)	(2,060)	65,131
	Pension reserve	(125,000)	-	(22,000)	5,000	(142,000)
		<u>(85,290)</u>	<u>1,788,604</u>	<u>(1,783,123)</u>	<u>2,940</u>	<u>(76,869)</u>
	Restricted fixed asset funds					
	DfE / EFA capital grants	9,736	8,826	(3,924)	-	14,638
	Inherited fixed asset fund	3,666,538	-	(34,613)	-	3,631,925
	Capital expenditure from GAG or other funds	-	-	-	2,060	2,060
	Donated fixed assets	-	2,176,105	-	-	2,176,105
		<u>3,676,274</u>	<u>2,184,931</u>	<u>(38,537)</u>	<u>2,060</u>	<u>5,824,728</u>
	Total restricted funds	3,590,984	3,973,535	(1,821,660)	5,000	5,747,859
	Unrestricted funds					
	General funds	59,097	42,808	(20,269)	-	81,636
		<u>59,097</u>	<u>42,808</u>	<u>(20,269)</u>	<u>-</u>	<u>81,636</u>
	Total funds	3,650,081	4,016,343	(1,841,929)	5,000	5,829,495

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

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

- GAG funds are restricted to providing education
- Other DfE / EFA grants relate to reimbursement for specific services
- Other restricted funds are held to provide trips and other activities for students and the provision of education

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 2015.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	5,824,728	5,824,728
Current assets	81,636	187,367	-	269,003
Creditors falling due within one year	-	(122,236)	-	(122,236)
Defined benefit pension liability	-	(142,000)	-	(142,000)
	<u>81,636</u>	<u>(76,869)</u>	<u>5,824,728</u>	<u>5,829,495</u>

17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £19,629 (2014: £18,129) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% 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 the TPS in the period amounted to £69,000 (2014: £46,000).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.0 per cent for employers and 5.5 to 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £51,000.

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.

Contributions made	2015 £	2014 £
Employer's contributions	49,000	46,000
Employees' contributions	15,000	13,000
Total contributions	64,000	59,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (Continued)

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.1	4
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7
Expected Return on Assets	3.8	5.5

Sensitivity Analysis

Change in assumptions at 31 August 2015:	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	16%	61
1 year increase in member life expectancy	3%	12
0.5% increase in the Salary Increase Rate	8%	32
0.5% increase in the Pension Increase Rate	7%	26

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

	2015 Years	2014 Years
Retiring today		
- Males	24.4	24.4
- Females	25.8	25.8
Retiring in 20 years		
- Males	26.9	26.9
- Females	28.5	28.5

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.8	175,000	6.2	124,000
Bonds	3.8	39,000	3.4	28,000
Cash	3.8	12,000	3.3	9,000
Property	3.8	20,000	4.5	12,000
Total market value of assets		246,000		173,000
Present value of scheme liabilities - funded		(388,000)		(298,000)
Net pension asset / (liability)		(142,000)		(125,000)

The expected return on assets is based on the long-term future expected investment return for each class of asset class as at the beginning of the period. The asset return assumptions under FRS17 are the responsibility of the company directors or equivalent. The figures shown in our standard FRS17 report for Fund employers are based on our recommended return assumptions which we derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased)
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns
- The output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables

While the model allows for the possibility of scenarios that would be extreme by historical standards, including very significant downturns in equity markets, large systemic and structural dislocations are not captured by the model. Such events are unknowable in effect, magnitude and nature, meaning that the most extreme possibilities are not necessarily captured within the distributions of results.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	69,000	46,000
Past service cost	-	-
Total operating charge	69,000	46,000
Finance costs/(income)		
Expected return on pension scheme assets	(11,000)	(7,000)
Interest on pension liabilities	13,000	9,000
Net finance costs/(income)	2,000	2,000
Total charge/(income)	71,000	48,000

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	2,000	(9,000)
Experience (gains)/losses on liabilities	(7,000)	62,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	(5,000)	53,000
Cumulative (gains)/losses to date	(5,000)	-

Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(298,000)	-
Obligations acquired on conversion	-	(168,000)
Current service cost	(69,000)	(46,000)
Interest cost	(13,000)	(9,000)
Contributions by employees	(15,000)	(13,000)
Actuarial gains/(losses)	7,000	(62,000)
At 31 August 2015	(388,000)	(298,000)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	173,000	-
Assets acquired on conversion	-	98,000
Expected return on assets	11,000	7,000
Actuarial gains/(losses)	(2,000)	9,000
Contributions by employers	49,000	46,000
Contributions by employees	15,000	13,000
	<u>246,000</u>	<u>173,000</u>
At 31 August 2015	246,000	173,000

History of experience gains and losses

	2015 £	2014 £
Present value of defined benefit obligations	(388,000)	(298,000)
Fair value of share of scheme assets	246,000	173,000
	<u>(142,000)</u>	<u>(125,000)</u>
Surplus / (deficit)	(142,000)	(125,000)
Experience adjustment on scheme assets	(2,000)	9,000
Experience adjustment on scheme liabilities	-	-
	<u>-</u>	<u>9,000</u>

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income	2,174,414	3,703,081
Capital grants and similar income	(2,184,931)	(9,768)
Net deficit/(surplus) transferred on conversion	-	(3,714,764)
Investment income	(39)	(15)
Defined benefit pension costs less contributions payable	20,000	-
Defined benefit pension finance costs/(income)	2,000	2,000
Depreciation of tangible fixed assets	38,537	39,369
(Increase)/decrease in debtors	26,677	(67,675)
Increase/(decrease) in creditors	(49,307)	171,543
	<u>27,351</u>	<u>123,771</u>
Net cash inflow/(outflow) from operating activities	27,351	123,771

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Reconciliation of net cash flow to movement in net funds	2015	2014
	£	£
Increase/(decrease) in cash	10,978	217,027
Net funds at 1 September 2014	217,027	-
Net funds at 31 August 2015	228,005	217,027

20 Analysis of net funds	At 1 September 2014	Cash flows	Non-cash changes	At 31 August 2015
	£	£	£	£
Cash at bank and in hand	217,027	10,978	-	228,005

21 Commitments under operating leases

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Expiry date:		
- Within one year	-	50
- Between two and five years	3,664	804
	3,664	854

22 Related parties

No related party transactions took place in the period of account.

23 Members' liability

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