

Company Registration No. 08603388 (England and Wales)

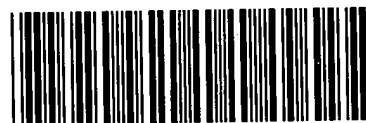
DOWNVIEW TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

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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 (Resigned 13 October 2015)
Mr A S Holland
Mrs J E Lord (Resigned 28 September 2016)
Mr J N Martin (Staff)
Mrs F McKenzie (Staff) (Resigned 24 March 2016)
Mrs V M Morris
Mr P Nicholas
Mr C J Pacey
Mrs J Twine (Staff)
Mr D Evans (Appointed 11 February 2016 and resigned 28 September 2016)
Ms I M Hellyer (Teacher) (Appointed 25 March 2016)
Mr O Costen (Appointed 8 December 2016)
Mrs L Farrant (Appointed 8 December 2016)

Members

Mrs M Williams
Mrs S Hawthorn
Mr C J Pacey

Senior management team

- Headteacher	Mrs M Williams
- Deputy Headteacher	Mr J Martin
- SENCO	Mrs R Baker

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

Bankers

Lloyds Bank
1 West Street
Horsham
West Sussex
RH12 1PA

DOWNVIEW TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Pannone LLP
123 Deansgate
Manchester
M3 2BU

DOWNVIEW TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. 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 480 and had a roll of 481 in the school census on 6 October 2016.

Structure, governance and management

Constitution

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

The 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 2016

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, Inclusion Manager 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.

DOWNVIEW TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting pay and remuneration of key management personnel are strictly in adherence with the school's Pay Policy. This policy sets out the framework for making decisions on teachers and support staff's pay. It has been developed to comply with current legislation and the requirements of the School Teacher's Pay and Conditions Document (STPCD).

In this school all teachers can expect to receive regular, constructive feedback on their performance and are subject to annual appraisal that recognises their strengths, informs plans for their future development, and helps to enhance their professional practice. Teachers and school leaders can expect to progress to the top of their pay range if they demonstrate continued good performance.

In the case of the leadership team, sustained, high quality performance, confirmed by the most recent appraisal, should give the individual an expectation of progression up the pay range.

Pay Progression

The governing body consider annually whether or not to increase the salary of members of the leadership who have completed a year of employment since the previous pay determination, and, if so, to what salary within the relevant pay range.

Pay Progression Based on Performance for the Leadership Group

The Governing Body consider annually, whether or not to increase the salary of members of the leadership group. This will be determined by an assessment of performance carried out by the appointed Governors responsible for appraising the Headteacher or, in the case of the Deputy, the Headteacher.

To be fair and transparent, assessments of performance will be properly rooted in evidence. In this school we will ensure fairness by ensuring that objectives and assessments are consistent, the appointed governors will seek advice from an external adviser and for the deputy headteacher the head teacher and senior leadership team will quality assure appraisal arrangements, including moderating objectives.

The evidence used includes:

- Objectives that have been set for the leadership group.
- Peer reviews.
- Statistical measures.
- Performance of tasks delivered over and above the objectives achieved.
- Impact on school improvement priorities.
- Children's outcomes and progress.
- Teachers' Standards.
- Behaviours and attitudes (including those specified in relation to personal and professional conduct as detailed in the Teachers' Standards)
- Advice of the independent advisor for the Headteacher, (or other external reports on the moderation of the school's progress).

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.

DOWNVIEW TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

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 2016 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 2016

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.

The school 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. In 2016 new assessments were in place which saw the national results decline considerably. There was also a decline in results at Downview in KS1 and KS2.

Early Years Good Level of Development was in line with national average with many areas seeing above local authority results in many areas. Phonic screening in year 1 and year 2 and KS1 tests results were above the national average.

The national curriculum tests for 2016 were changed. The tests were considerably more difficult and the threshold for attaining the expected result was also higher. No comparisons to previous years' results can be made.

KS2 Results for 2016 nationally for Reading Writing and Maths was 53%.

School EXS

Reading 58%

Writing 61%

Maths 49%

"The school has a clear and detailed development plan that supports the focus on the basic skills. This enables the school to keep to its core purpose i.e. pupil driven progress. There is a full range of tracking and reporting procedures linked to all aspects of the SDP. Questions from and for the Governors keeps everything focused on the strategic/impact driven agenda. This approach is reflected in assessment, planning and implementation within the core subjects and the SEND approaches. There is a fully distributed style for both monitoring of the strategic approach and accountability for impact. Layers of leadership report to governors, tackle all aspects... at implementation, monitoring, moderating and reporting levels. The school is robust in setting itself high targets against the changing national assessment agenda.

Embedded within the schools approach and SDP is the vision, ethos: there is a shared approach and shared understanding of the pupil first agenda. The school focuses its teaching style and resources to ensure pupils are focused on developing the basic skills but the bigger drive is ensuring pupils have the depth of knowledge to use and apply these skills at greater depth.

The leadership distribution, focus on the full range of CPD and an open door to training vision leads to a proactive, growth centred approach which in turn impacts on the skills of the teaching staff." Karen Simpson Basic Skills Quality Mark September 2016

We are a large, friendly, inclusive primary school serving a diverse and vibrant community. Downview began expanding to a 3 form entry primary school 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.

DOWNVIEW TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 third 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.

Key performance indicators

The Academy has provided good value for money in:

- Sustaining the school's outstanding OFSTED judgement
- Achieving Basic Skills Quality Mark IV
- Improving pupil attendance and punctuality – achieving statistics in line with or better than national averages
- Over time improving educational results – achieving performance above the national floor standards
- Receiving positive feedback from parents
- 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. The school remains hopeful to receive some interim transitional funding for 2017/18. The school are hopeful that when the Fair Funding formula is adopted nationally the school will receive considerably more funds than currently. For these 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 principal source of funding for the Academy Trust is the General Academy Grant (GAG) and other government funding, the use of which is restricted to particular purposes. This has been utilised in a manner which serves the best interests of the school and its pupils. The objective of the Academy Trust is to advance, for the public benefit, education in the United Kingdom in particular to establish, maintain, carry on, manage and develop a school offering a broad balanced curriculum.

The grants received during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities (SOFA).

During the year ended 31 August 2016 the main expenditure item has been salary costs. During this period the total expenditure (excluding restricted fixed asset funds) of £1,865,071 was covered by recurrent government funding from the EFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £59,778 as a result of growth funding for additional pupils during the year not being sufficient to cover the corresponding costs of taking on an additional class. This net expenditure has been covered by carry forward funds from 2015/16.

As reported in the SOFA the continued reduction in value of the pension fund and its resultant deficit continue to have a negative impact on the financial reserves of the Academy Trust.

DOWNVIEW TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 following 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. At 31 August 2016, the net book value of fixed assets was £5,728,807.

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 month's operational costs (around £155,000) 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 £81,442 in the unrestricted fund as at 31 August 2016. 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. In addition the Academy has a further £29,973 within restricted funds (excluding pension reserves) as at 31 August 2016 therefore providing available reserves of £111,415. The available reserves at 31 August 2016 are therefore below the target level of resources noted above, but are not considered materially different and plans are in place to restore reserve levels.

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.

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 School's Risk Management Strategy is thoroughly reviewed by the members on an annual basis and then at least termly by governors. The Review is informed by evidence gathered from a range of sources, nationally and locally. Strategies for mitigating any growing risks are implemented as swiftly and as appropriately as possible.

DOWNVIEW TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Funding and liabilities risk

- Pension costs rising putting pressures on budgets
- National Funding decrease also adding to pressures of budgets

Finance risk

- Failure to ensure that the financial systems of the school are suitable, maintained and secure
- Failure to ensure that an adequate disaster recovery plan is in place in relation to the school's financial systems

Performance results risk

- Results do not achieve the government/ national expectations resulting in OFSTED category of 'special measures'.

Reputation risk

- Related Governors and / or Strategic Partners receive unfavourable publicity linked to Downview

Staff and governor compliance risk

- Failure to ensure that the objectives of the school are met
- Failure to ensure that Data Protection systems, procedures and processes are adequate

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. The school improvement plan drives the work of the school in increasing the number of children reaching age related expectations at the end of the year. This involves training in key areas of teaching and learning, including maths and GPS (Grammar, Punctuation and Spelling). 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.

The Trustees are considering MAT expansion; this includes a joint collaborative application with another school and MAT to open a new school in the local area.


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 8.12.16 and signed on its behalf by:



Mrs S Hawthorn
Chair

DOWNVIEW TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

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 principal, 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.

DOWNVIEW TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 7 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)	7	7
Mrs M Williams (Headteacher and accounting officer)	7	7
Mrs M J Childs (Resigned 13 October 2015)	0	0
Mr A S Holland	7	7
Mrs J E Lord (Resigned 28 September 2016)	6	7
Mr J N Martin (Staff)	7	7
Mrs F McKenzie (Staff) (Resigned 24 March 2016)	5	5
Mrs V M Morris	7	7
Mr P Nicholas	5	7
Mr C J Pacey	6	7
Mrs J Twine (Staff)	6	7
Mr D Evans (Appointed 11 February 2016 and resigned 28 September 2016)	3	4
Ms I M Hellyer (Teacher) (Appointed 25 March 2016)	2	2
Mr O Costen (Appointed 8 December 2016)		
Mrs L Farrant (Appointed 8 December 2016)		

2015/16 was a stable year for the board of trustees. During the year one staff member's term of office came to an end, another member of staff was elected and joined the board.

A full review of the impact and effectiveness of the board was undertaken using materials from the National College for Teaching and Leadership (NCTL), FASNA, EFA and The Key. The board recognise individual knowledge, skills and expertise allow the board to effectively fulfil its duties and responsibilities and in holding the school to account. The findings of the review at the end of 2016 identified numerous areas of good practice. The board have recognised the need to devote time to succession planning as a number of terms of office are due to end during 2017 Steps to ensure continuity and a smooth transition for the board will be taken in 16/17. A further finding from the review is the necessity to recruit a trustee with financial expertise or understanding. Active recruitment shall take place in 2017.

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. A further review of governance shall take place in July 2017.

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.

DOWNVIEW TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

The Committee will be generally responsible for advising the Governing Body on all financial matters including the monitoring of those delegated to the Headteacher, to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework.

Specifically, the Committee will be responsible for the following:

Finance

- To receive and monitor, once per school term, a statement of income and expenditure on all funds against budget made up to within one calendar month of the meeting.
- To make recommendations to the full Governing Body at each June meeting, having considered the draft budget.
- Levels of delegation: to review annually the levels of delegation to the Headteacher for the day-to-day financial management of the school.
- When necessary, authorise cheque signatories for the school bank account.
- Ensure a Register of Pecuniary and Business Interests for governors and staff is kept and is open to inspection.

Audit

- Advise the Governing Body and Accounting Officer on the adequacy and effectiveness of the Trust's governance, risk management, internal control and vfm systems and frameworks by way of the annual accounts.
- Advise the Governing Body on the appointment, re-appointment, dismissal and remuneration of the external and regularity Accountant and Auditor.
- Review the external auditor's annual planning document and approve the planned audit approach.
- Receive reports (annual reports, management letters etc.) from the external auditor and other bodies, for example the EFA, and consider any issues raised, the associated management response and action plans. Where deemed appropriate reports should be referred to the Board or other committee for information and action.
- Regularly monitor outstanding audit recommendations from whatever source and ensure any delays to implementation dates are reasonable.
- Review the Trust's Risk Register at every meeting and ensure that all allegations of fraud or irregularity are managed and investigated appropriately.
- Consider any additional services delivered by the external auditor or other assurance provider and ensure appropriate independence is maintained.
- Ensure appropriate cooperation and coordination of the work of the external auditor and the school.

Staffing

- Decide arrangements for all staff appointments, except for the appointment of the Head and Deputy Headteacher which is the responsibility of the full Governing Body.
- To ensure that this Committee is advised on the drafting/adoption and implementation of appropriate personnel policies and procedures using models as set out in the Local Authority's HR guide (on WSGFL), including any actions taken.
- To review the staffing structure at least annually in relation to the School Improvement Plan and to submit recommendations as necessary on staff establishment numbers (both teaching and non-teaching) and allowances, having regard to the School Pay Policy.
- To advise the Governing body on arrangements for the appointment of the Head or Deputy.
- To ensure compliance with the school's recruitment and selection policy using the LA model.
- To select appointment panels up to a minimum of one non-staff Governor, to include the Headteacher, to deal with the appointment of teachers. (The procedures to be followed are delegated to the Headteacher to decide depending on the particular posts to be filled.)
- To monitor the school's Sickness, Absence, Grievance Procedure, Capability and Disciplinary Policies.
- To monitor staff and pupil welfare through an agenda item at each meeting.

This committee will report its findings annually to the Governing Body and the Accounting Officer as a critical element of the Trust's annual reporting requirements. It has no executive powers or operational responsibilities/duties.

DOWNVIEW TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs S Hawthorn (Chair)	4	4
Mrs M Williams (Headteacher and accounting officer)	4	4
Mrs J E Lord (Resigned 28 September 2016)	4	4
Mr J N Martin (Staff)	4	4
Mrs V M Morris	4	4
Mr C J Pacey	2	4

Review of value for money

As accounting officer the principal 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 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:

Improving educational outcomes for pupils at Downview: in the widest sense, developing good learners with improved life chances, as well as improving pupil attainment and 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 for disadvantaged children, increasing numbers 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, including the changes to the assessment criteria and greater expectations

Despite the dip in end of key stage results, the effectiveness of these strategies can be seen in improving pupil educational outcomes.

At the end of the 2015/2016 academic year the school's results at the end of Key Stage Two (KS2) were above the government's floor targets because the school achieved sufficient progress scores in English reading, Mathematics and English writing.

DOWNVIEW TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Over time, the results show that the school has performed consistently in line with or above the national average in all subjects at Key Stage 1 and 2 except in 2016 when there were numerous changes to the assessments throughout the year. Over time, the results also show that the school is increasing its attainment level in key areas in Early Years and Year 1 and 2 phonic screening reflecting a coherent and successful approach to school improvement.

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 has retained its existing awards and also achieved the School Games Gold Award, Basic Skills 4, Rights and Respecting Recognition of Commitment Award during 2015/16.

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

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 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

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 2015 to 31 August 2016 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 and general purposes 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.

DOWNVIEW TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The reviewer'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:

- Payroll
- Purchases
- Income
- Accounting System

The reviewer provides a report 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.

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 on8/12/16..... and signed on its behalf by:



Mrs S Hawthorn
Chair



Mrs M Williams
Headteacher and accounting officer

DOWNVIEW TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

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 2015.

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 2015.

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

Mrs M Williams
Accounting Officer

M Williams

8/12/16

DOWNVIEW TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for Downview Trust and are also the directors of Downview Trust 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 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 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 8/12/16 and signed on its behalf by:



Mrs S Hawthorn
Chair

DOWNVIEW TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF DOWNVIEW TRUST

We have audited the accounts of Downview Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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), including FRS 102 '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 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 Trustees' Responsibilities Statement set out on page 18, 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/auditscope/private.

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 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 requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

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

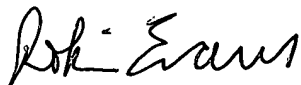
DOWNVIEW TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF DOWNVIEW TRUST (CONTINUED)

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)
for and on behalf of Carpenter Box

Chartered Accountants

Statutory Auditor

Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

Dated: 8/12/16

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 2015 to 2016, 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 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 Downview Trust and 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 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 Downview Trust and 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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 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.



Robin Evans BA FCA CTA
Reporting Accountant
Carpenter Box
Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

Dated:8/12/16.....

DOWNVIEW TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	421	11,058	8,781	20,260	2,226,942
Charitable activities:						
- Funding for educational operations	3	6,513	1,729,805	-	1,736,318	1,751,768
Other trading activities	4	10,732	46,732	-	57,464	37,594
Investments	5	32	-	-	32	39
Total income and endowments		17,698	1,787,595	8,781	1,814,074	4,016,343
Expenditure on:						
Raising funds	6	-	896	-	896	877
Charitable activities:						
- Educational operations	7	16,318	1,847,857	106,275	1,970,450	1,844,052
Total expenditure	6	16,318	1,848,753	106,275	1,971,346	1,844,929
Net income/(expenditure)		1,380	(61,158)	(97,494)	(157,272)	2,171,414
Transfers between funds		(1,573)	-	1,573	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(142,000)	-	(142,000)	8,000
Net movement in funds		(193)	(203,158)	(95,921)	(299,272)	2,179,414
Reconciliation of funds						
Total funds brought forward		81,635	(76,869)	5,824,728	5,829,494	3,650,081
Total funds carried forward		81,442	(280,027)	5,728,807	5,530,222	5,829,495


DOWNVIEW TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11	5,728,807		5,824,728	
Current assets					
Debtors	12	19,071		40,998	
Cash at bank and in hand		252,365		228,005	
		271,436		269,003	
Current liabilities					
Creditors: amounts falling due within one year	13	(160,021)		(122,236)	
Net current assets		111,415		146,767	
Net assets excluding pension liability		5,840,222		5,971,495	
Defined benefit pension liability	17	(310,000)		(142,000)	
Net assets		5,530,222		5,829,495	
Funds of the Academy Trust:					
Restricted funds	15				
- Fixed asset funds		5,728,807		5,824,728	
- Restricted income funds		29,973		65,131	
- Pension reserve		(310,000)		(142,000)	
Total restricted funds		5,448,780		5,747,859	
Unrestricted income funds	15	81,442		81,636	
Total funds		5,530,222		5,829,495	

The accounts were approved by the board of trustees and authorised for issue on 8/12/16 and are signed on its behalf by:


 Mrs S Hawthorn
 Chair

Company Number 08603388

DOWNVIEW TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18		25,901		27,351
Cash flows from investing activities					
Dividends, interest and rents from investments		32		39	
Capital grants from DfE and EFA		8,781		(2,167,279)	
Capital funding from sponsors and others		-		2,176,105	
Payments to acquire tangible fixed assets		(10,354)		(25,238)	
			(1,541)		(16,373)
Change in cash and cash equivalents in the reporting period			24,360		10,978
Cash and cash equivalents at 1 September 2015			228,005		217,027
Cash and cash equivalents at 31 August 2016			252,365		228,005

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Downview Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts 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.

Downview Trust meets the definition of a public benefit entity under FRS 102.

These financial statements are the first financial statements of Downview Trust prepared in accordance with Financial Reporting Standards 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 Downview 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. The trustees have also taken advantage of certain exemptions from the requirements and FRS 102 permitted by FRS 102 Chapter 35 'Transition to FRS'.

1.2 Going concern

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

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

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.

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 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.

1.7 Leasing and hire purchase commitments

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

1.8 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.

1.9 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.

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions 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 Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.10 Fund accounting

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

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

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

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates, judgements and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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.

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donated fixed assets	-	-	-	2,176,105
Capital grants	-	8,781	8,781	8,826
Other donations	421	11,058	11,479	42,011
	<u>421</u>	<u>19,839</u>	<u>20,260</u>	<u>2,226,942</u>

The income from donations and capital grants was £20,260 (2015: £2,226,942) of which £421 was unrestricted (2015: £1,682), £11,058 was restricted (2015: £40,329) and £8,781 was restricted fixed assets (2015: £2,184,931).

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	1,498,554	1,498,554	1,533,639
Other DfE / EFA grants	-	154,571	154,571	165,818
	<u>-</u>	<u>1,653,125</u>	<u>1,653,125</u>	<u>1,699,457</u>
Other government grants				
Local authority grants	-	76,680	76,680	25,939
	<u>-</u>	<u>76,680</u>	<u>76,680</u>	<u>25,939</u>
Other funds				
Other incoming resources	6,513	-	6,513	26,372
	<u>6,513</u>	<u>-</u>	<u>6,513</u>	<u>26,372</u>
Total funding	<u>6,513</u>	<u>1,729,805</u>	<u>1,736,318</u>	<u>1,751,768</u>

The income from funding for educational operations was £1,736,318 (2015: £1,751,768) of which £6,513 was unrestricted (2015: £26,372) and £1,729,805 was restricted (2015: £1,725,396).

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	10,732	-	10,732	14,715
Parental contributions towards school visits and activities	-	46,732	46,732	22,879
	<u>10,732</u>	<u>46,732</u>	<u>57,464</u>	<u>37,594</u>

The income from other trading activities was £57,464 (2015: £37,594) of which £10,732 was unrestricted (2015: £14,715) and £46,732 was restricted (2015: £22,879).

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	<u>32</u>	<u>-</u>	<u>32</u>	<u>39</u>

The income from funding for investment income was £32 (2015: £39) of which £32 was unrestricted (2015: £39).

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	1,227,800	-	69,850	1,297,650	1,279,036
- Allocated support costs	224,650	136,739	311,411	672,800	565,016
	<u>1,452,450</u>	<u>136,739</u>	<u>381,261</u>	<u>1,970,450</u>	<u>1,844,052</u>
Other expenditure					
Raising funds	<u>-</u>	<u>-</u>	<u>896</u>	<u>896</u>	<u>877</u>
Total expenditure	<u>1,452,450</u>	<u>136,739</u>	<u>382,157</u>	<u>1,971,346</u>	<u>1,844,929</u>

The expenditure on raising funds was £896 (2015: £877) of which £896 was restricted (2015: £877).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2016 £	2015 £
Fees payable to auditor for:		
- Audit	5,000	4,750
- Other services	3,990	3,225
- Teachers' pension audit	625	625
Depreciation of tangible fixed assets	106,275	38,537

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	6,870	1,290,780	1,297,650	1,279,036
Support costs - educational operations	9,448	663,352	672,800	565,016
	16,318	1,954,132	1,970,450	1,844,052

The expenditure on educational operations was £1,970,450 (2015: £1,844,052) of which £16,318 was unrestricted (2015: £20,269), £1,847,857 was restricted (2015: £1,785,246) and £106,275 was restricted fixed assets (2015: £38,537).

	2016 £	2015 £
Analysis of support costs		
Support staff costs	224,650	213,368
Depreciation and amortisation	106,275	38,537
Technology costs	7,444	5,331
Premises costs	98,053	82,267
Other support costs	181,216	175,479
Governance costs	55,162	50,034
	672,800	565,016

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

	2016 £	2015 £
Wages and salaries	1,119,806	1,075,582
Social security costs	82,062	70,018
Operating costs of defined benefit pension schemes	201,975	173,011
	<u>1,403,843</u>	<u>1,318,611</u>
Supply staff costs	41,672	43,081
Staff development and other staff costs	6,935	16,722
	<u>6,935</u>	<u>16,722</u>
Total staff expenditure	<u><u>1,452,450</u></u>	<u><u>1,378,414</u></u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	22	20
Administration and support	43	41
Management	3	3
	<u>68</u>	<u>64</u>

Higher paid staff

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

	2016 Number	2015 Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £196,585 (2015: 187,988).

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 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.

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

Mrs M Williams (headteacher)

Remuneration: £70,000 - £75,000 (2015: £70,000 - £75,000)

Employer's pension contributions: £10,000 - £15,000 (2015: £10,000 - £15,000)

Mr J Martin (deputy headteacher)

Remuneration: £50,000 - £55,000 (2015: £50,000 - £55,000)

Employers pension contribution: £5,000 - £10,000 (2015: £5,000 - £10,000)

Mrs F McKenzie (staff trustee)

Remuneration £20,000 - £25,000 (2015: £40,000 - £45,000)

Employers pension contributions: £0,000 - £5,000 (2015: £5,000 - £10,000)

Mrs J Twine (staff trustee)

Remuneration: £15,000 - £20,000 (2015: £10,000 - £15,000)

Employers pension contributions: £0,000 - £5,000 (2015: £0,000 - £5,000).

Mrs I Hellyer (staff trustee)

Remuneration: £15,000 - £20,000 (2015: £nil)

Employers pension contributions: £0,000 - £5,000 (2015: £nil).

During the year ended 31 August 2016, travel and subsistence expenses totalling £79 were reimbursed to 1 trustee (2015: £nil).

10 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 2016 was £780 (2015: £780)

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2015	5,583,074	138,318	181,242	5,902,634
Additions	-	3,600	6,754	10,354
At 31 August 2016	5,583,074	141,918	187,996	5,912,988
Depreciation				
At 1 September 2015	58,968	18,938	-	77,906
Charge for the year	44,715	42,761	18,799	106,275
At 31 August 2016	103,683	61,699	18,799	184,181
Net book value				
At 31 August 2016	5,479,391	80,219	169,197	5,728,807
At 31 August 2015	5,524,106	119,380	181,242	5,824,728

12 Debtors

	2016 £	2015 £
Trade debtors	9,011	12,024
VAT recoverable	8,329	11,529
Prepayments and accrued income	1,731	17,445
	19,071	40,998

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	13,091	23,674
Other taxation and social security	23,437	20,034
Other creditors	23,197	19,629
Accruals and deferred income	100,296	58,899
	160,021	122,236

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14	Deferred income	2016 £	2015 £
	Deferred income at 1 September 2015	52,899	36,150
	Released from previous years	(52,899)	(36,150)
	Amounts deferred in the year	86,477	52,899
	Deferred income at 31 August 2016	86,477	52,899

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals, Growth Grant and Special Educational Needs funding which relate to the 2016/17 academic year.

15	Funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
	Restricted general funds					
	General Annual Grant	49,940	1,498,554	(1,548,217)	-	277
	Other DfE / EFA grants	9,460	154,571	(152,162)	-	11,869
	Other government grants	988	76,680	(74,858)	-	2,810
	Other restricted funds	4,743	57,790	(47,516)	-	15,017
		<u>65,131</u>	<u>1,787,595</u>	<u>(1,822,753)</u>	<u>-</u>	<u>29,973</u>
	Funds excluding pensions	65,131	1,787,595	(1,822,753)	-	29,973
	Pension reserve	(142,000)	-	(26,000)	(142,000)	(310,000)
		<u>(76,869)</u>	<u>1,787,595</u>	<u>(1,848,753)</u>	<u>(142,000)</u>	<u>(280,027)</u>
	Restricted fixed asset funds					
	DfE / EFA capital grants	23,654	8,781	(6,455)	-	25,980
	Inherited funds	3,623,302	-	(32,220)	-	3,591,082
	Capital expenditure from GAG	1,667	-	(1,028)	1,573	2,212
	Donated fixed assets	2,176,105	-	(66,572)	-	2,109,533
		<u>5,824,728</u>	<u>8,781</u>	<u>(106,275)</u>	<u>1,573</u>	<u>5,728,807</u>
	Total restricted funds	5,747,859	1,796,376	(1,955,028)	(140,427)	5,448,780
	Unrestricted funds					
	General funds	81,635	17,698	(16,318)	(1,573)	81,442
	Total funds	5,829,494	1,814,074	(1,971,346)	(142,000)	5,530,222

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2016.

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	5,728,807	5,728,807
Current assets	81,442	189,994	-	271,436
Creditors falling due within one year	-	(160,021)	-	(160,021)
Defined benefit pension liability	-	(310,000)	-	(310,000)
	<u>81,442</u>	<u>(280,027)</u>	<u>5,728,807</u>	<u>5,530,222</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 £23,197 (2015: £19,629) were payable to the schemes at 31 August 2016 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.

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

The employer's pension costs paid to the TPS in the period amounted to £76,000 (2015: £69,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 22.9 per cent for employers and 5 to 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £55,000.

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.

Total contributions made	2016 £	2015 £
Employer's contributions	55,000	49,000
Employees' contributions	17,000	15,000
Total contributions	72,000	64,000

DOWNVIEW TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.6	4.1
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8

Sensitivity Analysis

Change in assumptions at 31 August 2016:	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	16%	109
1 year increase in member life expectancy	3%	21
0.5% increase in the Salary Increase Rate	5%	32
0.5% increase in the Pension Increase Rate	11%	73

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

	2016 Years	2015 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

The Academy Trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	278,130	175,000
Bonds	60,960	39,000
Cash	11,430	12,000
Property	30,480	20,000
Total market value of assets	381,000	246,000
Actual return on scheme assets - gain/(loss)	63,000	(9,000)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations		(Continued)	
Amounts recognised in the statement of financial activities		2016	2015
		£	£
Current service cost (net of employee contributions)		76,000	69,000
Net interest cost		5,000	5,000
		<u> </u>	<u> </u>
Changes in the present value of defined benefit obligations		2016	2015
		£	£
Obligations at 1 September 2015		388,000	298,000
Current service cost		76,000	69,000
Interest cost		16,000	13,000
Employee contributions		17,000	15,000
Actuarial losses / (gains)		194,000	(7,000)
		<u> </u>	<u> </u>
At 31 August 2016		691,000	388,000
		<u> </u>	<u> </u>
Changes in the fair value of the Academy Trust's share of scheme assets		2016	2015
		£	£
Assets at 1 September 2015		246,000	173,000
Interest income		11,000	8,000
Return on plan assets (excluding amounts included in net interest):			
Actuarial gain		52,000	1,000
Employer contributions		55,000	49,000
Employee contributions		17,000	15,000
		<u> </u>	<u> </u>
At 31 August 2016		381,000	246,000
		<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2016 £	2015 £
Net income/(expenditure) for the reporting period	(157,272)	2,171,414
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(8,781)	(2,184,931)
Investment income	(32)	(39)
Defined benefit pension costs less contributions payable	21,000	20,000
Defined benefit pension net finance cost/(income)	5,000	5,000
Depreciation of tangible fixed assets	106,275	38,537
(Increase)/decrease in debtors	21,927	26,677
Increase/(decrease) in creditors	37,784	(49,307)
Net cash provided by operating activities	25,901	27,351

19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	2,861	2,861
Amounts due in two and five years	2,861	5,722
	5,722	8,583

20 Related party transactions

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

21 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Reconciliations on adoption of FRS 102

The transition to FRS 102 affected the figures reported for the comparative period under previous UK GAAP for funds and net income or expenditure, as follows.

Reconciliation of funds for the previous financial period

	Notes	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP		3,650,081	5,829,495
Adjustments arising from transition to FRS 102:			
	1	-	(3,000)
	1	-	3,000
Funds reported under FRS 102		<u>3,650,081</u>	<u>5,829,495</u>

Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income as reported under previous UK GAAP		2,179,414
Adjustments arising from transition to FRS 102:		
	1	(3,000)
	1	3,000
Net income reported under FRS 102		<u>2,179,414</u>

Notes to reconciliations on adoption of FRS 102

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure and actuarial gains or losses within other recognised gains and losses within the Statement of Financial Activities (SoFA). Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure and a remeasurement in other recognised gains and losses within the SoFA.

There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expenditure in the SoFA by £3,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.