

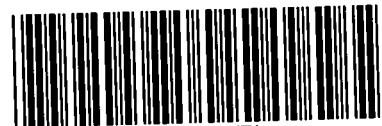
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THE FERRERS SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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THE FERRERS SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Mr J Nicholson FCA Mr A Briggs Mr T Hopkins Mr M Wigginton (resigned 28 August 2016) Mr A Dougall Mr A Berry (resigned 21 January 2016)
Trustees	Mr T Hopkins, Chair Mr R Gray LLB Law (Honours), Vice Chair Mr J S Giles, Headteacher and Accounting Officer Mr J Nicholson FCA Mr A Briggs Mrs A Patenall (resigned 11 July 2016) Mr A Berry (resigned 21 January 2016) Mr M Wigginton (resigned 28 August 2016) Mr A Dougall Mrs T Clarke (appointed 21 January 2016) Mrs C Baldry (appointed 24 March 2016) Miss R Jones, Staff Trustee (resigned 1 December 2016) Miss I Campbell, Staff Trustee (resigned 28 November 2016) Mrs A Ward (resigned 21 January 2016) Mr M Kennedy (appointed 1 December 2016)
Company registered number	08621334
Company name	The Ferrers School
Principal and registered office	The Ferrers School Queensway Higham Ferrers Rushden Northamptonshire NN10 8LF
Company secretary	Mrs T Watson
Senior management team	Mr J S Giles, Headteacher Mr K O'Grady, Deputy Headteacher Miss C Howe, Assistant Headteacher Miss C Leech, Assistant Headteacher Miss K York, Assistant Headteacher Mrs T Watson, Business Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB
Bankers	Lloyds Bank Plc Rushden Northants NN10 0QE
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

THE FERRERS SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the year 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 Trust operates an Academy for pupils aged 11 to 19 serving a catchment area in Higham Ferrers and Rushden. It has a pupil capacity of 1,100 and had a roll of 988 in the school census on 6 October 2015.

Structure, governance and management

CONSTITUTION

The Academy is a Charitable Company limited by guarantee and an exempt charity.

The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of The Ferrers School are also the directors of the Charitable Company for the purpose of company law.

The Charitable Company is known as The Ferrers School.

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

Trustees benefit from indemnity insurance 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. The cost of this insurance is detailed in note 11 to the accounts.

THE FERRERS SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Members are responsible for appointing Trustees except for Parent Trustees and Staff Trustees who are elected by a secret ballot. Trustees are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. The Trustees to retire are those who have served a four year term.

The Umbrella Trust may appoint up to three UT Trustees if it has made recommendation to the Board of Trustees in relation to the Academy's performance which the Board of Trustees has failed or refused to comply with within a reasonable time.

New Trustees are recruited with the help of SGOSS by advertising on their website the advert will include the skill set that the members are looking for. The applicant will complete an application form which is then sent to the members. References are applied for, if these are suitable then a meeting will take place with the applicant and two members before the appointment is approved by the members.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new Trustees will depend on their experience. All new Trustees receive a minimum induction programme and where necessary this includes information on charity and educational legal and financial matters. All new Trustees are given a tour of the Academy and an opportunity to meet with staff and students. All new Trustees are provided with an induction pack which includes the School Improvement Plan, minutes, accounts, budgets, access to policies are available on an external website, with DfE statutory documentation and guidance.

ORGANISATIONAL STRUCTURE

The Board of Trustees have included standing items on the agenda which cover Budgets; Audit and Risk and Health and Safety. Personnel, Premises, Welfare and Curriculum items are included on the FGB agenda on a rotational basis throughout the year. The Board of Trustees delegates responsibility for operational matters to the Head Teacher who is also the Accounting Officer.

The Trustees are responsible for setting the strategy and general policy, adopting an annual plan and budget and monitoring the performance of the Academy. The Trustees also make any major decisions for the Academy especially in relation to capital expenditure and senior appointments.

The Senior Leadership Team comprises, the Head Teacher, one Deputy Head Teacher, three Assistant Head Teachers and the Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff in accordance with the agreed structure. Appointments for the Senior Leadership Team always include a Trustee and the appointment of a Head Teacher is managed by the Board of Trustees. Normal spending control is devolved to members of the Senior Leadership Team with limits above which a member of the Senior Leadership team must sign.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Trustees Pay Review Committee meet annually the in autumn term to review recommendations by the Head Teacher for pay progression for eligible members of staff. The Trustees are advised by an independent senior educationalist in relation to the Head Teacher's remuneration package. Pay progression is related to performance management outcomes and the School's academic success.

THE FERRERS SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Sixth form operates as part of a three school consortium to deliver 16-19 education, "TENC" – The East Northants College. TENC has operated for a number of years and comprises The Ferrers School, Huxlow Science College and Rushden Academy. The latter administers TENC on behalf of the other two academies including making payments on behalf of TENC. The discussions in relation to the funds held by TENC on the Trust's behalf have progressed during the year, although it is still not clear how much relates to each Trust it is anticipated that this will be concluded early in 2017.

We are also a member of the East Northants Partnership which delivers vocational education locally and comprises three schools, two Further Education colleges and a local vocational higher education training organisation.

The Academy is a member of the PLT (Pilgrim Learning Trust)(Umbrella Trust) which is a collaboration of twenty nine schools whose aims are;

- To raise standards in member schools/Academies;
- To work alongside local governing bodies, embedded in their communities, to ensure accountability, challenge and support;
- To grow the PLT locally at a pace appropriate to our capacity to make a difference to the education and lives of young people in our schools/Academies.

Objectives and Activities

OBJECTS AND AIMS

The principle object and activity of the Charitable Company is the operation of The Ferrers School to provide education for students of differing abilities between the ages of 11 and 19 by offering a broad and balanced curriculum.

We base what we do around the following core values:

- Learning – we are ambitious to create and develop successful, effective learners;
- Respect – we believe that all people have the right to be treated with consideration and dignity;
- Participation – we expect everyone to actively contribute to their success;
- Aspiration – we strive to always be the best we can;
- Celebration – we recognise and reward the successes of our students;
- Collaboration – we know that we can gain by working with, contributing to and learning from partners in our local and wider community.

THE FERRERS SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives for the Academy during the year are summarised below; more details for each can be found in our School Development Plan:

- Improve standards of achievement and rates of progress;
- Strengthening leadership and management at all levels;
- Improving the quality of teaching and learning - Teachers will be free to innovate to create a diverse curriculum with creative, varied teaching styles. Our best practice will be informed by research and we will increasingly lead others in improving practice;
- Developing more effective learners - Students will be more effective, autonomous learners, taking more responsibility for their own learning and contributing to decisions made in school.

PUBLIC BENEFIT

The Academy Trust promotes education for the benefit of the local community of Higham Ferrers, Rushden and surrounding villages and offers recreational facilities to local community groups outside of school hours for the benefit of the general public.

Community based projects are also undertaken throughout the year by staff and students which further enhances the public benefit. Charity fund raising is undertaken through the year, this year the following charities benefited:

British Heart Foundation	£445
Macmillan Coffee Morning	£200
Save the Children	£410
St Mary's Church	£ 60
SSAFA	£171
Sports Relief	£786
Readathon	£711
Race4Life	£186

THE FERRERS SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

KEY PERFORMANCE INDICATORS

Student outcomes improved in KS5, where the average grade each student attained improved from a high D to a low C grade on average, and the percentage of students attaining top grades improved 6% on 2015. Attainment remains slightly below levels of national attainment, but progress students make from starting points remains at and above national.

Student outcomes were satisfactory at KS4: returning a Progress 8 score of -0.09 (161 grades from 1770 away from a score of 0). This was with the last year from a number of cohorts that have been Sig- on entry in terms of prior attainment (RAISEOnline), and with a substantial number of PP students for whom attendance was a significant challenge. Here again the whole school focus on raising the attainment of the most able was seen, with the % of A*/A grades significantly above expected. The Ferrers Progress 8 performance was comfortably the highest among schools in East Northamptonshire.

The Academy Trust also uses a number of financial key performance indicators to monitor the financial success of the Academy Trust and progress against the targets set.

Staffing costs are monitored as a percentage of non capital income. For the year ended 31 August 2016 staffing costs amounted to 73% of non capital income (2015 – 77%).

The Academy Trust also monitors its operating surplus or deficit (excluding restricted fixed assets and actuarial gains and losses) as a percentage of non capital income. For the year ended 31 August 2016 the operating surplus amounted to 1.7% of non capital income (2015 – surplus 0.7%).

STRENGTHS AND AREAS FOR DEVELOPMENT

Strengths:

- English & Maths A*-C pass rate improved on last year;
- An increase in the proportion of A* and A grades;
- The proportion of students gaining EBACC qualifications remains high;
- Progress 8 score shows most students are making expected progress;
- The pupil premium gap has reduced compared to last year;
- At A level, average points per entry and average points per student are at three year highs;
- The proportion of students gaining 3A levels is the highest for three years;
- Attendance remains close to national averages;
- Destinations after school are strong with no NEETs recorded last year;
- Fixed term exclusions remain low. There have been no permanent exclusions in the year under review;
- Recruitment into the school in year 7 is strong with our largest ever intake of 210 students, all of whom made the school their first choice.

Areas for development:

- To increase levels of attainment, especially in English & Maths;
- To improve outcomes for lower attaining students and disadvantaged students;
- To improve levels of attendance among disadvantaged students.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

GOING CONCERN

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

Financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31st August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31st August 2016, total revenue expenditure of £5,373,848 (2015 - £5,595,581), excluding depreciation, is more than covered by funds brought forward, recurrent grant funding from the DfE together with other incoming resources. The excess income over expenditure for the year (excluding restricted fixed asset funds, and actuarial gains or losses) was £93,839 (2015 - £42,193).

RESERVES POLICY

The Academy Trust aims to have three months operating costs in reserves. However at the moment more is being held back due to uncertainty surrounding the level of future funding and anticipation of expenditure on the Academy's campus.

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £148,426. The Academy intends to continue building up free reserves as required.

At 31 August 2016 the total funds comprised:

Unrestricted funds		148,426
Restricted	Fixed asset funds	12,422,987
	Pension reserve	(1,833,000)
	Other restricted funds	<u>425,069</u>
		<u>11,163,482</u>

During this year there have been several capital projects undertaken. At the start of the academic year there was the installation of the 3G pitch at a cost of £368,542. During the summer break the catering area was refurbished with improved kitchen servery and more space for students to eat and socialise at a cost of £297,437. The Academy was successful in two CIF bids during the academic year to replace the flat roof in its entirety the total project costs of £1,484,687. This project commenced at the end of May 2016 and continues through to December 2016.

Included within restricted funds at 31st August 2016 is the Local Government Pension Scheme deficit of £1,833,000 (2015 - £1,212,000). The pension deficit is viewed as a long term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

THE FERRERS SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

INVESTMENT POLICY

The Academy Trust invests surplus cash in UK bank deposits to minimise the risk of loss of capital. The Trustees acknowledge that this does not maximise return but believe that security of the Academy's assets is paramount.

PRINCIPAL RISKS AND UNCERTAINTIES

Through the Academy's risk management procedure it has considered its principal risks and uncertainties and plan mitigating action wherever possible. The principal risks and uncertainties identified by the Board of Trustees are:-

- Change in government funding regime – the Academy receives 98% of its income from government agencies;
- Availability of high calibre staff;
- Not meeting the Academy PAN each year.

Key controls that the Academy has in place to mitigate these risks include:

- Attendance at funding briefings and other functions to understand and influence Government policy.
- Retain quality staff and advance succession planning;
- Working with feeder primaries and parents.

The Academy Trust practices through its Board, namely the Board of Trustees risk management principles. Any major risks identified are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

Plans for future periods

FUTURE DEVELOPMENTS

The Academy Trust has prepared a financial forecast up to 2021 that shows that the Academy is financially viable throughout this period.

The Academy will continue to prioritise improvements in the quality of teach and learning and in students outcomes.

THE FERRERS SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

DISCLOSURE OF INFORMATION TO 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.

This report, incorporating a strategic report, was approved by order of the Board of Trustees as the company directors, on 1 December 2016 and signed on its behalf by:



Mr T Hopkins
Chair of Trustees

THE FERRERS SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Mr T Hopkins, Chair	6	6
Mr R Gray LLB Law (Honours), Vice Chair	3	6
Mr J S Giles, Headteacher and Accounting Officer	6	6
Mr J Nicholson FCA	5	6
Mr A Briggs	5	6
Mrs A Patenall	5	6
Mr A Berry	1	6
Mr M Wigginton	4	6
Mr A Dougall	3	6
Mrs T Clarke	3	3
Mrs C Baldry	2	3
Miss R Jones, Staff Trustee	5	6
Miss I Campbell, Staff Trustee	5	6
Mrs A Ward	0	6
Mr M Kennedy	3	6

The changes to the composition of the Board of Trustees during the year are detailed on page 1.

All finance topics are reviewed as part of the Board of Trustees committee meetings.

Governance reviews

During the first quarter of the year a skills matrix was completed by all current trustees to identify any specific shortfall. Two trustees tendered their resignation and the information taken from the matrix was used when recruiting replacement trustees.

The Board of Trustees are actively exploring options for working collaboratively with other schools through the formation of a Multi Academy Trust.

Plans are in place during May 2016 for an external governance review as part of the School's Self Evaluation which is conducted by the Pilgrim Learning Trust.

THE FERRERS SCHOOL
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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

- Trustees have a strong oversight of financial governance and challenge decisions made on their effectiveness to ensure value for money is achieved. All capital expenditure is reviewed and plans discussed at the Board of Trustees meetings prior to final decision;
- The Academy is a member of the Pilgrim Learning Trust (PLT). The PLT are actively pursuing joint procurement across approximately twenty nine member schools to drive down costs by negotiating contracts that deliver a quality service that is both effective and incurs the least cost. During this year we have secured competitive prices for our energy costs with printing costs being a focus for the start of the next academic year;
- Opportunities for improving income generation are continuously monitored and the installation of our 3G pitch at the start of this academic year has supported this area of focus together with the recruitment of a part-time lettings officer;
- Robust internal control systems are in place to ensure value for money is obtained for all procurement. All aspects of procurement are considered before final decisions are approved for the purchase of resources or equipment, including economies of scale;
- Business continuity planning has been undertaken and a risk register is reviewed and updated by the Senior Leadership Team. This securely manages risk to the organisation;
- External auditors were instructed to carry out testing on our systems and processes relating to: bank and petty cash reconciliations, personnel and payroll transactions, purchase orders and invoices;
- A new financial system was implemented on conversion that supports the Academy in ensuring correct accounting procedures are adhered to. All budget holders raise their own orders which are then authorised by the relevant person depending upon the level of spend. Each month budget holders are sent a statement of account to monitor the accuracy of expenditure;
- The Business Manager monitors all balances and discusses with SLT following production of month end data. As an Academy we continually strive for further improvement and review procedures and processes annually;
- The Ferrers has in-house provision for school meals and deliver a healthy varied menu choice for students. Students take part in surveys to identify new initiatives to add to the menu choice and ensure as many students as possible have access to healthy food during the school day, the school has also benefitted from increased take up of school meal provision over the last three years;
- The Ferrers School enjoys a good reputation within the local community for providing a good education for all the students in the school;
- The Academy facilities are used by local scout groups and local junior football teams. Together with a performing arts and music school that use our facilities as their "Hub" for children in the surrounding area;
- The school allocates additional funding to those students supported by the Pupil Premium funding.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Ferrers School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included the testing of:

- testing of payroll systems;
- testing of purchasing and expense systems;
- testing of control account/bank reconciliations;
- testing of income systems.

On an annual basis, the reviewer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The reviewer confirmed to the Trustees that there were no material control issues arising in the year.

GOVERNANCE STATEMENT (continued)

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

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

Approved by order of the members of the Board of Trustees on 1 December 2016 and signed on their behalf, by:



Mr T Hopkins
Chair of Trustees



Mr J S Giles
Headteacher & Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Ferrers School 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 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.



Mr J S Giles
Headteacher & Accounting Officer

Date: 1 December 2016

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 1 December 2016 and signed on its behalf by:



Mr T Hopkins
Chair of Trustees

THE FERRERS SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE FERRERS SCHOOL

We have audited the financial statements of The Ferrers School for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, 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, 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

THE FERRERS SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE FERRERS SCHOOL


OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Elaine Olson-Williams FCCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 13 Dec 2016

THE FERRERS SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
FERRERS SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ferrers School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE FERRERS SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Ferrers School's funding agreement with the Secretary of State for Education dated 31 July 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

THE FERRERS SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
FERRERS SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- Testing a sample of payroll payments to staff. Testing of a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- Making appropriate enquiries of the Accounting Officer.

CONCLUSION

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



MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 13 Dec 2016

THE FERRERS SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	3,695	-	1,497,104	1,500,799	63,532
Charitable activities:						
Funding for the Academy						
Trust's educational operations	3	-	5,032,956	-	5,032,956	5,155,159
Other trading activities	4	389,293	33,315	-	422,608	438,645
Investments	5	8,429	-	-	8,429	1,724
TOTAL INCOME		401,417	5,066,271	1,497,104	6,964,792	5,659,060
EXPENDITURE ON:						
Raising funds		357,430	23,341	-	380,771	438,526
Charitable activities:						
Academy Trust educational operations		-	4,993,078	229,623	5,222,701	5,380,595
TOTAL EXPENDITURE	6	357,430	5,016,419	229,623	5,603,472	5,819,121
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between funds	15	43,987	49,852	1,267,481	1,361,320	(160,061)
		-	(682,156)	682,156	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		43,987	(632,304)	1,949,637	1,361,320	(160,061)
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(560,000)	-	(560,000)	29,000
NET MOVEMENT IN FUNDS		43,987	(1,192,304)	1,949,637	801,320	(131,061)
RECONCILIATION OF FUNDS:						
Total funds brought forward		104,439	(215,627)	10,473,350	10,362,162	10,493,223
TOTAL FUNDS CARRIED FORWARD		148,426	(1,407,931)	12,422,987	11,163,482	10,362,162

THE FERRERS SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08621334

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		11,551,119		10,473,349
CURRENT ASSETS					
Debtors	13	899,709		137,270	
Cash at bank and in hand		1,769,291		1,385,809	
		<u>2,669,000</u>		<u>1,523,079</u>	
CREDITORS: amounts falling due within one year	14	(1,223,637)		(422,266)	
NET CURRENT ASSETS			<u>1,445,363</u>		<u>1,100,813</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,996,482</u>		<u>11,574,162</u>
Defined benefit pension scheme liability	18	(1,833,000)			(1,212,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>11,163,482</u></u>		<u><u>10,362,162</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income fund	15	425,069		996,373	
Fixed asset fund	15	<u>12,422,987</u>		<u>10,473,350</u>	
Restricted income funds excluding pension liability		12,848,056		11,469,723	
Pension reserve		<u>(1,833,000)</u>		<u>(1,212,000)</u>	
Total restricted income funds			<u>11,015,056</u>		<u>10,257,723</u>
Unrestricted income funds	15		<u>148,426</u>		<u>104,439</u>
TOTAL FUNDS			<u><u>11,163,482</u></u>		<u><u>10,362,162</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2016 and are signed on their behalf, by:



T Hopkins
Chair of Trustees

The notes on pages 24 to 44 form part of these financial statements.

THE FERRERS SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>185,343</u>	<u>253,553</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		8,429	1,724
Purchase of tangible fixed assets		(1,307,394)	(103,131)
Capital grants from DfE/EFA		<u>1,497,104</u>	<u>21,286</u>
Net cash provided by/(used in) investing activities		<u>198,139</u>	<u>(80,121)</u>
Change in cash and cash equivalents in the year		383,482	173,432
Cash and cash equivalents brought forward		<u>1,385,809</u>	<u>1,212,377</u>
Cash and cash equivalents carried forward	21	<u><u>1,769,291</u></u>	<u><u>1,385,809</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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 of financial statements

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

The Ferrers School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of The Ferrers School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Ferrers School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

1.2 Going concern

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Donations

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

Other income

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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 allocated on the portion of the asset's use.

Expenditure on Raising Funds

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

Charitable Activities

These 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.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing more than £1000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Freehold property	-	50 years straight line or estimated useful life if lower
Plant and machinery	-	20 years straight line.
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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 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 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leased assets

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

1.9 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 part 11, chapter 3 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.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.13 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Fund accounting

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

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

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

THE FERRERS SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Miscellaneous income	-	-	-	-	38,460
Capital Grants	-	-	1,497,104	1,497,104	21,286
Donations	3,695	-	-	3,695	3,786
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	3,695	-	1,497,104	1,500,799	63,532
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £3,786 was to unrestricted funds and £59,746 was to restricted funds

THE FERRERS SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General annual grant (GAG)	-	4,826,302	4,826,302	4,913,076
Other DfE/EFA grants	-	159,955	159,955	173,575
	-	4,986,257	4,986,257	5,086,651
Other government grants				
Local authority grants	-	46,699	46,699	68,508
	-	46,699	46,699	68,508
	-	5,032,956	5,032,956	5,155,159

In 2015, of the total income from charitable activities, £ *NIL* was to unrestricted funds and £5,155,159 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Trip income	142,067	-	142,067	151,089
Hire of facilities	33,131	-	33,131	16,648
Catering income	207,028	-	207,028	197,394
Uniform sales	-	-	-	8,796
School production	2,340	-	2,340	2,367
Recharges and parental contributions	-	33,315	33,315	47,356
Music services	4,727	-	4,727	14,995
	389,293	33,315	422,608	438,645

In 2015, of the total income from other trading activities, £382,493 was to unrestricted funds and £56,152 was to restricted funds.

THE FERRERS SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	8,429	-	8,429	1,724

In 2015, of the total investment income, £1,724 was to unrestricted funds and £ NIL was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	94,966	-	285,805	380,771	438,526
Academy's educational operations:					
Direct costs	2,878,722	-	403,282	3,282,004	3,314,218
Allocated support costs	1,026,864	632,063	281,770	1,940,697	2,066,377
	<u>4,000,552</u>	<u>632,063</u>	<u>970,857</u>	<u>5,603,472</u>	<u>5,819,121</u>

In 2016, of the total expenditure, £357,430 (2015 - £344,754) was to unrestricted funds and £5,246,042 (2015 - £5,474,367) was to restricted funds.

THE FERRERS SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Educational operations	<u>3,282,004</u>	<u>1,940,697</u>	<u>5,222,701</u>	<u>5,380,595</u>

Analysis of support costs

	2016 £	2015 £
Support staff costs	1,026,864	1,079,148
Depreciation	229,623	208,540
Technology costs	80,658	40,927
Premises costs	402,440	473,377
Other support costs	183,047	243,559
Governance costs	18,065	20,826
Total support costs	<u>1,940,697</u>	<u>2,066,377</u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	229,624	208,540
Fees payable to auditor for - audit	8,400	8,000
Fees payable to auditor for - other services	8,460	9,645
Operating lease rentals	<u>6,571</u>	<u>6,571</u>

THE FERRERS SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,108,347	3,208,935
Social security costs	252,469	230,547
Operating costs of defined benefit pension schemes	542,071	517,369
	<u>3,902,887</u>	<u>3,956,851</u>
Supply costs	87,115	196,411
Staff restructuring costs	10,550	-
	<u><u>4,000,552</u></u>	<u><u>4,153,262</u></u>

Staff restructuring costs comprise:

Redundancy payments	<u>10,550</u>	<u>-</u>
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The average number of persons employed by the Academy during the year was as follows:

	2016 No.	2015 No.
Teachers	57	56
Administration and support	59	62
Management	6	7
	<u>122</u>	<u>125</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	0
In the band £90,001 - £100,000	1	1

The above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2016 employers pension contributions for these staff members amounted to £25,938 (2015: £12,761).

The key management personnel of the Academy Trust comprise the Trustees and 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 £496,872 (2015: £447,229).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. TRUSTEES' REMUNERATION AND EXPENSES

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

	2016	2015
	£'000	£'000
Mr J S Giles (Headteacher and Trustee)		
Remuneration	95,000 - 100,000	90,000 - 95,000
Employer's pension contributions	15,000 - 20,000	10,000 - 15,000
Miss R Jones (Staff Trustee)		
Remuneration	40,000 - 45,000	25,000 - 30,000
Employer's pension contributions	5,000 - 10,000	0 - 5,000
Miss I Campbell (Staff Trustee)		
Remuneration	20,000 - 25,000	10,000 - 15,000
Employer's pension contributions	5,000 - 10,000	0 - 5,000

During the year, Trustees received reimbursement of travel expenses for training totalling £216 (2015 - £81).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,755 (2015 - £1,755).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Computer equipment £	Total £
Cost				
At 1 September 2015	10,743,378	62,348	65,321	10,871,047
Additions	1,221,376	75,394	10,624	1,307,394
At 31 August 2016	11,964,754	137,742	75,945	12,178,441
Depreciation				
At 1 September 2015	365,769	10,156	21,773	397,698
Charge for the year	193,334	12,670	23,620	229,624
At 31 August 2016	559,103	22,826	45,393	627,322
Net book value				
At 31 August 2016	11,405,651	114,916	30,552	11,551,119
At 31 August 2015	10,377,609	52,192	43,548	10,473,349

13. DEBTORS

	2016 £	2015 £
Trade debtors	14,069	759
VAT recoverable	184,730	22,968
Prepayments and accrued income	700,910	113,543
	899,709	137,270

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14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	821,218	108,454
Other taxation and social security	73,087	66,043
Pension creditor	66,401	62,919
Other creditors	4,818	-
Accruals and deferred income	258,113	184,850
	<u>1,223,637</u>	<u>422,266</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	64,943	61,271
Resources deferred during the year	71,555	64,943
Amounts released from previous period	(64,943)	(61,271)
Deferred income at 31 August 2016	<u>71,555</u>	<u>64,943</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips booked for the autumn term 2016 and grant monies relating to 16/17.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	104,439	401,417	(357,430)	-	-	148,426
Restricted funds						
General annual grant (GAG)	242,250	4,826,302	(4,378,160)	(682,156)	-	8,236
Local authority grants	-	46,699	(22,687)	-	-	24,012
Other DfE/EFA grants	44,880	17,125	(17,125)	-	-	44,880
Miscellaneous restricted	991	33,315	(23,341)	-	-	10,965
Pupil premium	28,396	142,830	(161,907)	-	-	9,319
Transfer from LA	679,856	-	(352,199)	-	-	327,657
Pension reserve	(1,212,000)	-	(61,000)	-	(560,000)	(1,833,000)
	(215,627)	5,066,271	(5,016,419)	(682,156)	(560,000)	(1,407,931)
Restricted fixed asset funds						
Capital expenditure - non GAG	365,031	-	(43,856)	-	-	321,175
Transfer from LA	9,984,757	-	(170,524)	-	-	9,814,233
DfE capital grants	28,476	1,497,104	(3,243)	(12,417)	-	1,509,920
Capital expenditure - from GAG	95,086	-	(12,000)	694,573	-	777,659
	10,473,350	1,497,104	(229,623)	682,156	-	12,422,987
Total restricted funds	10,257,723	6,563,375	(5,246,042)	-	(560,000)	11,015,056
Total of funds	10,362,162	6,964,792	(5,603,472)	-	(560,000)	11,163,482

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

Restricted general funds will be used for educational purposes in line with the Academy Trust's objects and funding agreement with the EFA.

Restricted fixed asset funds amounting to £11,551,121 will be reserved against future depreciation charges and the remainder of £871,866 relates to unspent capital grants which will be used to enhance the Academy's facilities.

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. STATEMENT OF FUNDS (continued)

amounts capitalised during the year.

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	11,551,119	11,551,119	10,473,350
Current assets	148,426	1,648,706	871,868	2,669,000	1,523,078
Creditors due within one year	-	(1,223,637)	-	(1,223,637)	(422,266)
Pension scheme liability	-	(1,833,000)	-	(1,833,000)	(1,212,000)
	<u>148,426</u>	<u>(1,407,931)</u>	<u>12,422,987</u>	<u>11,163,482</u>	<u>10,362,162</u>

17. CAPITAL COMMITMENTS

At 31 August 2016 the Academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>953,099</u>	<u>305,182</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £66,401 were payable to the schemes at 31 August 2016 (2015 - 62,919) 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.

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 TPS in the period amounted to £357,879 (2015 - £312,185).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. PENSION COMMITMENTS (continued)

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

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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £211,000 (2015 - £213,000), of which employer's contributions totalled £169,000 (2015 - £169,000) and employees' contributions totalled £42,000 (2015 - £44,000). The agreed contribution rates for future years are 22.8% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Expected return on scheme assets at 31 August	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.3	22.3
Females	24.3	24.3
Retiring in 20 years		
Males	24.0	24.0
Females	26.6	26.6

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	981,000	671,000
Debt instruments	263,000	182,000
Property	111,000	86,000
Cash	28,000	19,000
Total market value of assets	<u>1,383,000</u>	<u>958,000</u>

The actual return on scheme assets was £279,000 (2015 - £27,000).

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

	2016 £	2015 £
Net interest cost	(47,000)	(44,000)
Current service cost	(183,000)	(196,000)
Total	<u>(230,000)</u>	<u>(240,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	2,170,000	1,888,000
Interest cost	87,000	74,000
Contributions by employees	42,000	44,000
Actuarial losses/(gains)	734,000	(32,000)
Current service cost	183,000	196,000
Closing defined benefit obligation	<u>3,216,000</u>	<u>2,170,000</u>

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18. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	958,000	718,000
Return on plan assets (excluding net interest on the net defined pension liability)	40,000	30,000
Actuarial gains and (losses)	174,000	(3,000)
Contributions by employer	169,000	169,000
Contributions by employees	42,000	44,000
Closing fair value of scheme assets	1,383,000	958,000

19. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	8,859	6,571
Between 1 and 5 years	1,144	10,003
Total	10,003	16,574

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

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	1,361,320	(160,061)
Adjustment for:		
Depreciation charges	229,624	209,541
Dividends, interest and rents from investments	(8,429)	(1,724)
(Increase)/decrease in debtors	(762,440)	37,467
Increase in creditors	801,372	118,616
Capital grants from DfE and other capital income	(1,497,104)	(21,286)
Defined benefit pension scheme cost less contributions payable	14,000	27,000
Defined benefit pension scheme finance cost	47,000	44,000
Net cash provided by operating activities	185,343	253,553

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NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash in hand	1,769,291	1,385,809
Total	1,769,291	1,385,809

22. MEMBERS' LIABILITY

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

23. RELATED PARTY TRANSACTIONS

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

No related party transactions took place during the period.

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NOTES TO THE FINANCIAL STATEMENTS
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24. FIRST TIME ADOPTION OF FRS 102

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

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

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		10,493,223	10,362,162
Total funds reported under FRS 102		<u>10,493,223</u>	<u>10,362,162</u>

Reconciliation of net (expenditure)	Notes	31 August 2015
		£
Net (expenditure) previously reported under UK GAAP		(145,061)
Change in actuarial assumptions	A	(15,000)
Net movement in funds reported under FRS 102		<u>(160,061)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. 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/debit to income/expense by £32,000 and increase the credit/debit in other recognised gains and losses in the SoFA by an equivalent amount.
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