

Company Registration No. 08738750 (England and Wales)

THE PRIMARY FIRST TRUST
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' STRATEGIC REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015



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THE PRIMARY FIRST TRUST

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THE PRIMARY FIRST TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors	W Harwood (Chair) J D H Smith (Accounting officer) C Foster S Ristow M J Wallbridge A Spearman (Appointed 10 December 2014)	
Members	W Harwood S Ristow M Wallbridge	
Senior leadership team	J D H Smith K Powell P Jones M K Ford	- Chief Executive Officer - Leading Head Teacher - Leading Head Teacher - Director of Finance and Business Services
Company registration number	08738750 (England and Wales)	
Registered office	The White House Clifton Marine Parade Gravesend Kent DA11 0DY United Kingdom	
Academies operated	Location	Principal
Barnehurst Infant School	Barnehurst	C Malone
Barnehurst Junior School	Barnehurst	C Malone
Primary First Trust	Gravesend	J Smith
Cuxton Junior	Cuxton	S Jones
Cuxton Infant	Cuxton	S Jones
Mayplace Primary	Barnehurst	J Pemberton
Lessness Heath Primary	Lessness Heath	E Robertson
Independent auditor	Wilkins Kennedy LLP Greytown House 221-227 High Street Orpington Kent BR6 0NZ	
Bankers	Lloyds Bank 130-132 Broadway Bexleyheath Kent DA6 7DP	

THE PRIMARY FIRST TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Charles Russell LLP
Buryfields House
Bury Fields
Guildford
Surrey
GU2 4AZ

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

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

The Trust operates six academies for children aged 4 -11. The Academies are in the areas of Bexley and Medway in Kent. Please see below for pupil capacity:

Barnehurst Infant School:

Capacity of School	232 (180 +52 nursery)
Number on Roll	180
Number on roll of onsite Nursery	51

Barnehurst Junior School:

Capacity of School	240
Number on Roll	240
Number on roll of onsite Nursery	-

Cuxton Infant School:

Capacity of School	180
Number on Roll	154
Number on roll of onsite Nursery	-

Cuxton Junior School:

Capacity of School	240
Number on Roll	191
Number on roll of onsite Nursery	-

Lessness Heath Primary School:

Capacity of School	682
Number on Roll	647
Number on roll of onsite Nursery	52

Mayplace Primary School:

Capacity of School	477 inc N & Prov
Number on Roll	466 in N & Prov
Number on roll of onsite Nursery	52

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08738750) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Directors act as the Trustees for the charitable activities of The Primary First Trust. The charitable company is known as The Primary First Trust. Details of the Directors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

The Primary First Trust was incorporated on 18 October 2013 and is made up of six academies. All Academies have kept their original names, Barnehurst Infant School and Barnehurst Junior School obtained academy status from 1 November 2013. Cuxton Infant School and Cuxton Junior School and Mayplace Primary School obtained academy status from 1 September 2014 and Lessness Heath Primary obtained academy status from 1 April 2015.

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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.

Principal activities

The principal activity 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 and settings offering a broad and balanced curriculum.

Method of recruitment and appointment or election of directors

The members of the Academy Trust shall comprise the signatories to the Memorandum, the chairman of the Directors, and any person appointed under Article 16.

The number of Directors shall be not less than 3, but shall not be subject to a maximum. Members will be appointed by the Directors except for the CEO who will have de facto membership.

Each Trust school shall have a local governing body that will consist of the following Governors; Governors appointed by the Primary First Trust, the Headteacher, two elected Parent Governors and two elected staff Governors.

The first Directors of The Primary First Trust shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Director or Member shall be 4 years, save that this time limit shall not apply to the Headteacher or Chief Executive Officer subject to remaining eligible to be a particular type of Director, any Director or member may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of directors

During the period under review the Trust Board of Directors held 3 full Directors meetings. The training and induction provided for new Directors will depend on their existing experience. All new Directors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The structure consists of three management levels: the Primary First Trust Board, the Local Governing Body and the Academy Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Primary First Trust Board are responsible for setting general policy, adopting an annual plan and budget monitoring for the Academies by the use of budget reports and making major decisions about the direction of the Primary First Trust, capital expenditure and senior staff appointments.

The Academy Leadership Team consists of the Executive Headteacher, Head of Schools, Assistant Heads of School and the Business Manager. These leaders control the Academy at school level implementing the policies laid down by themselves, the local governing body or the Primary First Trust Board. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of non-senior staff. Appointments of senior leader posts will require Director's authorisation.

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Related parties and other connected charities and organisations

Objectives and activities

Objects and aims

The principal object of the Academy is specifically restricted to the following: 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.

The Mission

The goal of The Primary First Trust is to improve the quality of education provided to all children in all schools within the Trust. We are a community of schools who use each other as a resource to:

- Improve the quality of teaching.
- Improve the quality of leadership.
- Improve the breadth of curriculum experience

These will drive the ultimate aim:

To Improve the Educational Outcomes for Children in Primary Education.

Objectives, strategies and activities

The main objectives of the Academy during the period ended 31 August 2015 are summarised below:

- The Primary First Trust (PFT) is a multi-academy trust which is committed to improving the life chances of every child with whom they work. The Trust does this by:
- Developing a culture in which improving the quality of teaching is seen as central;
- Working with school leaders on developing the highest quality leadership systems and personnel;
- Ensuring children have a wide range of sporting, cultural and artistic experiences as well as an absolute understanding of the core skills.

The Primary First Trust community values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit The Primary First Trust.

Students will be happy and enthused by the intellectual, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Parents will fulfill their roles as true partners, recognizing their role in the student- School - parent partnership to ensure that their child realizes his/her potential.

Directors will contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming a recognised centre of excellence.

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Public benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

The Trust adopts the admission policies of the Local Education authority in which it works. For full details see the individual school websites.

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

Pupils enter the Schools from a wide range of social, cultural and economic backgrounds. The Academies pride themselves on being inclusive Schools.

See below for the percentage of pupils eligible for free school meals, from ethnic minority backgrounds and on the Special Educational Needs register for each school:

Barnehurst Infant School

% of children eligible for FSM	7.2% (plus 3 children ever 6)
% of children from ethnic minorities	20.7%
% of children on SEN register	10%

Barnehurst Junior School

% of children eligible for FSM	7.1% (plus 25 children ever 6)
% of children from ethnic minorities	21.25%
% of children on SEN register	12.1%

Cuxton Infant School

% of children eligible for FSM	3.9% (pupil premium 3.9%)
% of children from ethnic minorities	13.63% (EAL - 4.17%)
% of children on SEN register	8.4%

Cuxton Junior School

% of children eligible for FSM	11% (pupil premium 15.7%)
% of children from ethnic minorities	13% (EAL -2.6%)
% of children on SEN register	27.2%

Lessness Heath Primary School

% of children eligible for FSM	10%
% of children from ethnic minorities	41%
% of children on SEN register	9.58%

Mayplace Primary School

% of children eligible for FSM	5.36%
% of children from ethnic minorities	7.72%
% of children on SEN register	15.02%

To ensure that standards are continually raised the Academy: operates a programme of internal and external reviews of curriculum areas and has an external quality assurance review as part of its membership of Challenge Partners.

Using the key performance indicators in the new Ofsted framework the Senior Leadership Team of each school currently grades:

Barnehurst Infant School as 'Outstanding'

Barnehurst Junior School as 'Good'

Cuxton Infant School as 'Good'

Cuxton Junior School as 'Requires Improvement'

Mayplace Primary School as 'Good'

Lessness Heath Primary School as 'Special Measures'

This is supported by the latest Ofsted inspections and the Primary First Trust Internal monitoring systems.

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

The main KPI is the Ofsted Framework for Inspection. Inspectors must judge the quality of education provided in the school. This is the overarching judgement.

In order to make a judgement about the quality of education provided in the school, inspectors must first make four key judgements. These are:

- the achievement of pupils at the school
- the quality of teaching in the school
- the behaviour and safety of pupils at the school.
- the quality of leadership in and management of the school

In addition, inspectors must also consider:

- the spiritual, moral, social and cultural development of pupils at the school
- the extent to which the education provided by the school meets the needs of the range of pupils at the school, and in particular the needs of:
- pupils who have a disability for the purposes of the Equality Act 2010
- pupils who have special educational needs.

2015 Key Stage 2 Attainment Headline Data %

Barnehurst

Level 4	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium (20 Pupils)
Reading	89	98	97	95
Writing	85	97	97	100
Maths	86	100	98	95
EGPS	76	87	85	65
Combined	79	95	93	90

Level 5	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium (20 Pupils)
Reading	50	63	57	50
Writing	33	45	60	40
Maths	42	58	52	35
EGPS	52	65	62	55
Combined	24	37	35	30

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Barnehurst

2015 Progress Outcomes

2 Levels Progress	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	91	97	92	95
Writing	93	97	97	100
Maths	89	100	97	95

3 Levels Progress	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	35	34	33	35
Writing	33	36	41	40
Maths	35	52	43	35

Cuxton

Level 4	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	89	90	89	85
Writing	85	79	87	69
Maths	86	79	87	69
EGPS	76	67	76	77
Combined	79	71	74	54

Level 5	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	50	45	39	15
Writing	33	26	33	23
Maths	42	33	26	8
EGPS	52	43	30	15
Combined	24	19	20	8

2015 Progress Outcomes

2 Levels Progress	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	91	83	81	60
Writing	93	81	95	90
Maths	89	79	88	70

3 Levels Progress	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	35	31	24	10
Writing	33	12	34	30
Maths	35	24	24	0

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Mayplace

Level 4	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	89	90	93	100
Writing	85	90	96	100
Maths	86	92	88	82
EGPS	76	80	82	73
Combined	79	87	84	82

Level 5	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	50	32	49	36
Writing	33	20	46	27
Maths	42	45	47	18
EGPS	52	55	63	45
Combined	24	10	25	9

2015 Progress Outcomes

2 Levels Progress	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	91	85	96	100
Writing	93	98	100	100
Maths	89	97	84	82

3 Levels Progress	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	35	25	47	64
Writing	33	12	60	64
Maths	35	35	40	18

Lessness Heath

Level 4	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	89	82	80%	74%
Writing	85	80	70%	59%
Maths	86	71	75%	67%
EGPS	76	71	68%	56%
Combined	79	68	60%	52%

Level 5	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	50	35	39%	41%
Writing	33	23	26%	26%
Maths	42	32	29%	30%
EGPS	52	44	46%	33%
Combined	24	12	15%	15%

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

2015 Progress Outcomes

2 Levels Progress	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	91	88	84%	72%
Writing	93	92	84%	80%
Maths	89	84	66%	64%
3 Levels Progress	2014 National Average	2014 Actual	2015 Actual	2015 Pupil Premium
Reading	35	22	27%	28%
Writing	33	32	25%	24%
Maths	35	25	15%	8%

Going concern

The Board of Directors 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

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) and the Local Authority in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2015, total expenditure of £7,549 (2014:£1,907k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period (excluding pension deficit on conversion, restricted fixed asset funds and transfers to restricted fixed asset funds) was £691k (2014: £253k) .

At 31 August 2015 the net book value of fixed assets was £17,123k (2014: £3.812k). Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government pension scheme, in which the Academy participates, showed a deficit of £1,445k (2014: £269k) at 31 August 2015. Of this sum, £1,282k was inherited by The Primary First Trust from the London Borough of Bexley and Kent County Council, on the dates the local authorities staff transferred to employment with the Academy.

The Statement of Financial Activities includes the assets and liabilities from the predecessor schools, details of these can be found in note 23.

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Reserves policy

The directors 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 directors have determined that the appropriate level of free reserves should be equivalent to 4 week's expenditure, which is approximately £600k (2014: £400k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves is £963k (2014: £194k) (total funds less the amount held in fixed assets and restricted funds).

Investment policy and powers

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

The principal risks and uncertainties that The Primary First Trust faces are mitigated by the risk management process that the academy trust has in place.

Risk management

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 14.

Financial and risk management objectives and policies

The financial risks to which The Academy is exposed to relate primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Reduction in student numbers

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £1,445k (2014: £269k).

THE PRIMARY FIRST TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

The Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students are fully prepared for the next steps in their school life. At Board level the Trust will work with Local Authorities, The Department for Education and Individual schools to manage grow the number of schools at a manageable rate.

The schools knows their strengths and weaknesses based on continual self-assessment. External validation through an annual programme of external review- is well used to formulate developments. The School Development Plan is succinct and well-focussed on key developmental areas. Subject areas also assess their outcomes and plan developments accordingly.

Subject areas that are underperforming are challenged and supported so that improvements are made. Colleagues that require support to improve their own professional practice are similarly challenged and supported. Interventions for students are thorough, although these are being modified to focus even more clearly of key strategic areas for improvement.

The culture is one of openness and senior staff and teaching staff are clear about the need to collaborate and commit to their own professional development.

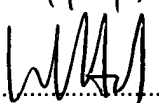
Auditor

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors 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 Wilkins Kennedy LLP be reappointed as auditor of the charitable company will be put to the members.

The directors' report, incorporating a strategic report, was approved by order of the board of directors on 31.12.2015 and signed on its behalf by:


.....

W Harwood
Chair

THE PRIMARY FIRST TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As directors we acknowledge we have overall responsibility for ensuring that The Primary First 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 directors 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 The Primary First Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

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

Directors	Meetings attended	Out of possible
W Harwood (Chair)	3	3
J D H Smith (Accounting officer)	3	3
C Foster	3	3
S Ristow	3	3
M J Wallbridge	2	3
A Spearman (Appointed 10 December 2014)	3	3

The Finance Committee is a sub-committee of the main governing body. Its purpose is to provide guidance to the Governing Body and Headteacher on all matters relating to finance as outlined in the Financial Regulations.

Attendance during the period at meetings of the **Barnehurst Infant and Junior School** was as follows:

Governors	Meetings attended	Out of a possible
S Ristow	2	3
C Foster	2	3
J O'Neill	2	3
M Wallbridge	1	3
D Gardiner	3	3
B Harwood	2	3
S Brown	2	2
K Powell	3	3
C Malone	0	1

THE PRIMARY FIRST TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Attendance during the period at meetings of **Mayplace Primary School** was as follows:

Governors	Meetings attended	Out of a possible
N Richards	3	3
C Rust	3	3
P Malsbury	3	3
S Bradley	3	3
K Riley	3	3
N Charles	1	2
S Hamilton	3	3

Attendance during the period at meetings of the **Cuxton Infants and Juniors** was as follows:

Governors	Meetings attended	Out of a possible
J Smith	3	3
I Harper	2	2
S Jones	2	3
G Knight	2	2
I Chappell	3	3
A Street	1	1
P Gibbons	0	0
Neil Curtis	2	2

Attendance during the period at meetings of the **Lessness Heath Primary School** was as follows:

Governors	Meetings attended	Out of a possible
M Clarkson	1	2
C Sekulowicz-Barclay	1	2
J Stoddard	1	2
G Allan	2	2
D Cox	1	1
S Woodland	1	1
Roy Day	1	1

The Trust is in the process of establishing a separate Finance Committee and Audit Committee.

THE PRIMARY FIRST TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Review of value for money

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

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

- Over the past financial year the Trust has achieved Value for Money because results in all of the schools that were in the Trust for the whole financial year have improved significantly.
- There are reductions in the achievement gap between free school meal and non-free school meal children.
- The introduction of Easter Schools provided the opportunity for pupils throughout the Trust to improve performance.
- The Trust has reviewed staffing in a number of schools and made significant savings in leadership and support levels.
- The Trust has identified service level agreements and is currently recruiting to posts which will reduce costs against those service level agreements.
- The finance committees of each individual school identified areas of improvement and acted upon them.
- The Trust brought a number of financial processes in house and reduced auditing costs significantly.
- The Trust has engaged with external providers and followed its best value statement in the procurement of contracts across all 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 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 The Primary First Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

The 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 directors;
- regular reviews by the Finance 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 PRIMARY FIRST TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The board of directors has considered the need for a specific internal audit function and decided to appoint E.F.S as a company providing services as Responsible Officer (RO) for the period 1 September 2014 to 31 August 2015. The RO's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. The RO has provided termly reports to the Board on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Governing body has appointed a Director of Finance and Business Services on 15 June 2015 who will act as an internal auditor and is responsible for ensuring that internal financial framework of control outlined above is maintained and applied, with reference to the Academies Financial Handbook.

The Director of Finance and Business Services will assume and carry out internal audit checks from the final term of the academic year to 31 August 2015 and onwards. Wilkins Kennedy LLP, Chartered Accountants will review the responsible officer reports and internal audit reports on an annual basis, independently of the external audit personal and provide advice on assurance and compliance.

All planned procedures were carried out during the period and no significant issues were found.

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

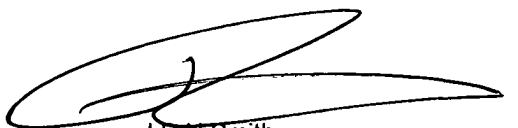
- the work of the responsible officer
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of directors on 9/12/15 and signed on its behalf by:



W Harwood
Chair



J D H Smith
Accounting officer

THE PRIMARY FIRST TRUST

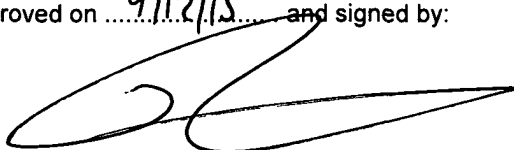
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of The Primary First Trust I have considered my responsibility to notify the trust board of directors 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 trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Approved on 9/12/15 and signed by:



J D H Smith
Accounting Officer

THE PRIMARY FIRST TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who also act as trustees for The Primary First Trust) are responsible for preparing the Directors' 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 directors to prepare accounts for each financial year. Under company law the directors 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 directors are required to:

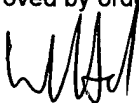
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The directors 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 directors on 9/12/15 and signed on its behalf by:



W Harwood
Chair

THE PRIMARY FIRST TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE PRIMARY FIRST TRUST

We have audited the accounts of The Primary First Trust for the year ended 31 August 2015 set out on pages 24 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 19, the directors, who also act as trustees for the charitable activities of The Primary First Trust, 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

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

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

THE PRIMARY FIRST TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE PRIMARY FIRST TRUST

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

Michelle Wilkes

Michelle Wilkes (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP

Chartered Accountants

Statutory Auditor

Greytown House

221-227 High Street

Orpington

Kent

BR6 0NZ

Dated: 15/12/15

THE PRIMARY FIRST TRUST

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

In accordance with the terms of our engagement letter dated 11 February 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Primary First Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Primary First Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Primary First Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

THE PRIMARY FIRST TRUST

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

Conclusion

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

Wilkins Kennedy LLP

Reporting Accountant

Wilkins Kennedy LLP
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 15/12/15.

THE PRIMARY FIRST TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds	Restricted funds	Fixed Asset funds	Total 2015	Total 2014 9 months
	Notes	£'000	£'000	£'000	£'000	£'000
<u>Incoming resources</u>						
<i>Resources from generated funds</i>						
- Voluntary income	2	88	3	-	91	25
- Inherited on conversion	24	706	(1,048)	13,415	13,073	3,765
- Activities for generating funds	3	154	-	-	154	116
- Investment income	4	1	-	-	1	-
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	7,056	-	7,056	2,035
Total incoming resources		<u>949</u>	<u>6,011</u>	<u>13,415</u>	<u>20,375</u>	<u>5,941</u>
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	64	7,177	232	7,473	1,859
Governance costs	8	-	76	-	76	48
Total resources expended	6	<u>64</u>	<u>7,253</u>	<u>232</u>	<u>7,549</u>	<u>1,907</u>
Net incoming/(outgoing) resources before transfers		885	(1,242)	13,183	12,826	4,034
Gross transfers between funds		(190)	62	128	-	-
Net income/(expenditure) for the year		<u>695</u>	<u>(1,180)</u>	<u>13,311</u>	<u>12,826</u>	<u>4,034</u>
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(33)	-	(33)	(40)
Net movement in funds		695	(1,213)	13,311	12,793	3,994
Fund balances at 1 September 2014		<u>268</u>	<u>(86)</u>	<u>3,812</u>	<u>3,994</u>	<u>-</u>
Fund balances at 31 August 2015		<u>963</u>	<u>(1,299)</u>	<u>17,123</u>	<u>16,787</u>	<u>3,994</u>

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

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

THE PRIMARY FIRST TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

		2015	2014
	Notes	£'000	£'000
Fixed assets			
Tangible assets	11	17,123	3,812
Current assets			
Debtors	12	484	87
Cash at bank and in hand		1,164	526
		<u>1,648</u>	<u>613</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(539)	(162)
Net current assets		<u>1,109</u>	<u>451</u>
Net assets excluding pension liability		<u>18,232</u>	<u>4,263</u>
Defined benefit pension liability	17	(1,445)	(269)
Net assets		<u><u>16,787</u></u>	<u><u>3,994</u></u>
Funds of the trust:			
Restricted funds	15		
- Fixed asset funds		17,123	3,812
- General funds		146	183
- Pension reserve		(1,445)	(269)
Total restricted funds		<u>15,824</u>	<u>3,726</u>
Unrestricted income funds	15	<u>963</u>	<u>268</u>
Total funds		<u><u>16,787</u></u>	<u><u>3,994</u></u>

The accounts were approved by order of the board of directors and authorised for issue on 9/12/15

W Harwood
Chair

Company Number 08738750

THE PRIMARY FIRST TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

		2015	2014
	Notes	£'000	9 months £'000
Net cash inflow from operating activities	18	60	392
Cash funds transferred on conversion		706	165
Returns on investments and servicing of finance			
Investment income	1	-	-
Financing costs	(1)	-	-
		<u>-</u>	<u>-</u>
Net cash inflow from returns on investments and servicing of finance		<u>-</u>	<u>-</u>
		766	557
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets	(128)	(31)	(31)
		<u>(128)</u>	<u>(31)</u>
Net cash flow from capital activities		<u>(128)</u>	<u>(31)</u>
Increase in cash	19	<u>638</u>	<u>526</u>

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Incoming resources

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

Grants receivable

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

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

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

Donations

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

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's policies.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

These are costs incurred on the trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds the cost is transferred to the restricted fixed asset fund, depreciation on such assets is charged to the restricted fixed asset fund.

The properties have been included at the valuations provided by the EFA when completing their desktop valuation.

The academy has 125 year leases on the land and buildings with the relevant local authorities.

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:

Land and buildings	Buildings 2%; Land is not depreciated
Computer equipment	33.3%
Fixtures, fittings & equipment	25%

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.

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.6 Leasing commitments

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

1.7 Taxation

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

1.8 Pensions benefits

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

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

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

1.9 Fund accounting

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

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

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

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Other donations	88	3	91	25

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	57	-	57	73
Catering income	64	-	64	24
Other income	33	-	33	19
	154	-	154	116

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Short term deposits	1	-	1	-

5 Funding for the trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
DfE / EFA grants				
General annual grant (GAG)	-	5,870	5,870	1,475
Start up grants	-	70	70	50
Other DfE / EFA grants	-	648	648	361
	-	6,588	6,588	1,886
Other government grants				
Local authority grants	-	465	465	149
Other funds				
Other incoming resources	-	3	3	-
Total funding	-	7,056	7,056	2,035

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2015 £'000	Total 2014 £'000
Academy's educational operations					
- Direct costs	4,739	199	426	5,364	1,403
- Allocated support costs	935	186	988	2,109	456
	<u>5,674</u>	<u>385</u>	<u>1,414</u>	<u>7,473</u>	<u>1,859</u>
Other expenditure					
Governance costs	3	-	73	76	48
	<u>3</u>	<u>-</u>	<u>73</u>	<u>76</u>	<u>48</u>
Total expenditure	<u>5,677</u>	<u>385</u>	<u>1,487</u>	<u>7,549</u>	<u>1,907</u>
Net income/(expenditure) for the year includes:				2015	2014
				£'000	£'000
Operating leases					
- Plant and machinery				101	-
Fees payable to auditor					
- Audit				27	13
- Other services				11	-
				<u>138</u>	<u>13</u>

Central services

The trust has provided the following central services to its academies during the year:

- Governance services
- Educational Improvement, management and support services
- Financial services
- Communication and marketing services
- Staff Training and Personal Development Services

The trust charges for these services on the following basis:

Schools in Special Measures / Requiring Improvement:
5.9% of GAG School Budget Share plus 60% of GAG ESG Funding

Schools in Good / Outstanding Category:
3.8% of GAG School Budget Share plus 50% of GAG ESG Funding

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

(Continued)

The amounts charged during the year were as follows:

	Total £'000
Barnehurst Infant School	35
Barnehurst Junior School	43
Primary First Trust	-
Cuxton Junior	57
Cuxton Infant	33
Mayplace Primary	79
Lessness Heath Primary	89
	<u>336</u>

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Direct costs				
Teaching and educational support staff costs	-	4,679	4,679	1,196
Depreciation	-	199	199	45
Technology costs	-	16	16	5
Educational supplies and services	-	247	247	74
Staff development	-	60	60	37
Educational consultancy	-	73	73	10
Other direct costs	-	90	90	36
	<u>-</u>	<u>5,364</u>	<u>5,364</u>	<u>1,403</u>
Allocated support costs				
Support staff costs	-	935	935	188
Depreciation	-	33	33	8
Technology costs	-	114	114	26
Recruitment and support	-	13	13	1
Maintenance of premises and equipment	-	153	153	35
Cleaning	-	50	50	5
Energy costs	-	101	101	20
Rent and rates	-	53	53	11
Insurance	-	59	59	23
Security and transport	-	1	1	2
Catering	64	242	306	34
Interest and finance costs	-	21	21	6
Other support costs	-	270	270	97
	<u>64</u>	<u>2,045</u>	<u>2,109</u>	<u>456</u>
Total costs	<u>64</u>	<u>7,409</u>	<u>7,473</u>	<u>1,859</u>

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

8 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Legal and professional fees	-	25	25	35
Auditor's remuneration				
- Audit of financial statements	-	27	27	13
- Other audit costs	-	11	11	-
Support staff costs	-	3	3	-
Other governance costs	-	10	10	-
	<u>-</u>	<u>76</u>	<u>76</u>	<u>48</u>

9 Staff costs

	2015 £'000	2014 £'000
Wages and salaries	4,503	1,105
Social security costs	233	76
Other pension costs	664	151
	<u>5,400</u>	<u>1,332</u>
Supply teacher costs	217	52
Staff development and other staff costs	60	37
	<u>5,677</u>	<u>1,421</u>

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

	2015 Number	2014 Number
Teachers	64	19
Administration and support	79	25
Management	2	1
	<u>145</u>	<u>45</u>

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

	2015 Number	2014 Number
£60,001 - £70,000	2	-
£70,001 - £80,000	2	-
£110,001 - £120,000	1	1
	<u>5</u>	<u>1</u>

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	3	1
	£'000	39	12
Local Government Pension Scheme	Numbers	1	-
	£'000	9	-

During the year £30,000 was paid in non statutory payments to one person.

10 Directors' remuneration and expenses

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

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

J Smith (Chief Executive Officer):

- Remuneration £115,000 - £120,000 (2014: £85,000- £90,000 (9 months))
- Employer's pension contributions £15,000 - £20,000 (2014: £10,000- £15,000 (9 months))

C Foster(Staff):

- Remuneration £25,000 - £30,000 (2014: £25,000- £30,000 (9 months))
- Employer's pension contributions £0 - £5,000 (2014: £0- £5,000 (9 months))

During the year, no expenses were reimbursed or paid directly to directors (2014: £nil).

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

Directors' and officers' insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2014	3,834	18	13	3,865
Additions	27	41	60	128
Transfer on conversion	13,415	-	-	13,415
	<u>17,276</u>	<u>59</u>	<u>73</u>	<u>17,408</u>
At 31 August 2015				
Depreciation				
At 1 September 2014	45	5	3	53
Charge for the year	199	17	16	232
	<u>244</u>	<u>22</u>	<u>19</u>	<u>285</u>
At 31 August 2015				
Net book value				
At 31 August 2015	17,032	37	54	17,123
	<u>3,789</u>	<u>13</u>	<u>10</u>	<u>3,812</u>
At 31 August 2014				

Included in land and buildings is land valued at £5,266k (2014: £1,133k) which is not depreciated.

The additions in the year relate to roof repairs and a large electrical update project.

12 Debtors

	2015 £'000	2014 £'000
Trade debtors	285	-
VAT recoverable	66	26
Prepayments and accrued income	133	61
	<u>484</u>	<u>87</u>

13 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	145	80
Taxes and social security costs	89	27
Other creditors	24	4
Accruals	147	16
Deferred income	134	35
	<u>539</u>	<u>162</u>

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

14	Deferred income	2015 £'000	2014 £'000
	Deferred income is included within:		
	Creditors due within one year	134	35
		<u>134</u>	<u>35</u>
	Total deferred income at 1 September 2014	35	-
	Amounts credited to the Statement of Financial Activities	(35)	-
	Amounts deferred in the year	134	35
		<u>134</u>	<u>35</u>
	Total deferred income at 31 August 2015	134	35

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals which has been received in advance relating to the year to August 2016.

15	Funds	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2015 £'000
	Restricted general funds					
	General Annual Grant	183	5,870	(5,969)	62	146
	Start up grants	-	70	(70)	-	-
	Other DfE / EFA grants	-	648	(648)	-	-
	Other government grants	-	465	(465)	-	-
	Other restricted funds	-	6	(6)	-	-
		<u>183</u>	<u>7,059</u>	<u>(7,158)</u>	<u>62</u>	<u>146</u>
	Funds excluding pensions	183	7,059	(7,158)	62	146
	Pension reserve	(269)	(1,048)	(95)	(33)	(1,445)
		<u>(86)</u>	<u>6,011</u>	<u>(7,253)</u>	<u>29</u>	<u>(1,299)</u>
	Restricted fixed asset funds					
	Inherited fixed asset fund	-	13,415	-	(13,415)	-
	General fixed asset fund	3,812	-	(232)	13,543	17,123
		<u>3,812</u>	<u>13,415</u>	<u>(232)</u>	<u>128</u>	<u>17,123</u>
	Total restricted funds	3,726	19,426	(7,485)	157	15,824
	Unrestricted funds					
	General funds	268	949	(64)	(190)	963
		<u>268</u>	<u>949</u>	<u>(64)</u>	<u>(190)</u>	<u>963</u>
	Total funds	3,994	20,375	(7,549)	(33)	16,787

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

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 2013.

Other DFE/EFA grants: This includes the pupil premium, CIF grant, devolved formula capital grant, sports grant universal infant free school meals.

Other government grants: This includes High Needs top-up, EYFS grant, pupil premium all received from local authority.

Other restricted grants: This includes donations from the PTA for educational supplies.

The transfer of funds relate to the purchase of fixed assets during the period and to cover the additional costs over and above those covered by the GAG funding within individual schools.

Analysis of academies by fund balance

	Total £'000
Fund balances at 31 August 2015 were allocated as follows:	
Barnehurst Infant School	111
Barnehurst Junior School	261
Primary First Trust	93
Cuxton Junior	3
Cuxton Infant	51
Mayplace Primary	139
Lessness Heath Primary	451
Funds excluding fixed asset fund and pensions reserve	1,109
Restricted fixed asset fund	17,123
Pension reserve	(1,445)
Total funds	16,787

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Barnehurst Infant School	672	109	35	184	1,000
Barnehurst Junior School	631	145	63	173	1,012
Primary First Trust	111	207	2	194	514
Cuxton Junior	556	123	29	113	821
Cuxton Infant	423	81	13	136	653
Mayplace Primary	1,510	177	78	413	2,178
Lessness Heath Primary	776	93	27	243	1,139
	<u>4,679</u>	<u>935</u>	<u>247</u>	<u>1,456</u>	<u>7,317</u>

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	17,123	17,123
Current assets	963	685	-	1,648
Creditors falling due within one year	-	(539)	-	(539)
Defined benefit pension liability	-	(1,445)	-	(1,445)
	<u>963</u>	<u>(1,299)</u>	<u>17,123</u>	<u>16,787</u>

17 Pensions and similar obligations

The 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 the local authority of the individual schools. 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 £12k were payable to the schemes at 31 August 2015 and are included within creditors.

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

The pension costs paid to the TPS in the period amounted to £402k (2014: £179k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 32% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £330k.

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

Contributions made	2015 £'000	2014 £'000
Employer's contributions	248	54
Employees' contributions	75	12
Total contributions	323	66

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.0	3.7
Rate of increase for pensions in payment	2.4	2.2
Discount rate for scheme liabilities	3.9	4.0
Inflation assumption (CPI)	2.4	2.2

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

	2015 Years	2014 Years
Retiring today		
- Males	23.0	23
- Females	24.4	25.4
Retiring in 20 years		
- Males	25.3	25.3
- Females	28.1	28.3

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £'000	2014 Expected return %	2014 Fair value £'000
Equities	6.4	1,117	7.0	217
Other bonds	4.4	167	3.8	32
Cash	2.33	38	0.5	2
Property	6.1	220	6.2	38
Other assets	6.42	265	7.0	68
Total market value of assets		1,807		357
Present value of scheme liabilities - funded		(3,252)		(626)
Net pension asset / (liability)		(1,445)		(269)

The return on the fund (on a bid value to bid value basis) for the period to 31 August 2015 is estimated to be 5.89%. This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on scheme assets was £11k.

Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
Operating costs/(income)		
Current service cost (net of employee contributions)	323	43
Past service cost	-	-
Total operating charge	323	43
Finance costs/(income)		
Expected return on pension scheme assets	(77)	(15)
Interest on pension liabilities	97	21
Net finance costs/(income)	20	6
Total charge/(income)	343	49

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £'000	2014 £'000
Actuarial (gains)/losses on assets: actual return less expected	66	(3)
Experience (gains)/losses on liabilities	(33)	43
(Gains)/losses arising from changes in assumptions	-	-
	<u>33</u>	<u>40</u>
Total (gains)/losses	<u>33</u>	<u>40</u>
Cumulative (gains)/losses to date	<u>33</u>	<u>-</u>

Movements in the present value of defined benefit obligations

	2015 £'000	2014 £'000
Obligations at 1 September 2014	(626)	-
Obligations acquired on conversion	(2,180)	(533)
Current service cost	(323)	(43)
Interest cost	(97)	(21)
Contributions by employees	(75)	(12)
Actuarial gains/(losses)	33	(43)
Benefits paid	16	26
	<u>(3,252)</u>	<u>(626)</u>
At 31 August 2015	<u>(3,252)</u>	<u>(626)</u>

Movements in the fair value of scheme assets

	2015 £'000	2014 £'000
Assets at 1 September 2014	357	-
Assets acquired on conversion	1,132	299
Expected return on assets	77	15
Actuarial gains/(losses)	(66)	3
Contributions by employers	248	54
Contributions by employees	75	12
Benefits paid	(16)	(26)
	<u>1,807</u>	<u>357</u>
At 31 August 2015	<u>1,807</u>	<u>357</u>

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

History of experience gains and losses

	2015 £'000	2014 £'000
Present value of defined benefit obligations	(3,252)	(626)
Fair value of share of scheme assets	1,807	357
Surplus / (deficit)	(1,445)	(269)
Experience adjustment on scheme assets	(66)	3
Experience adjustment on scheme liabilities	33	(43)

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

	2015 £'000	2014 £'000
Net income	12,826	4,034
Net deficit/(surplus) transferred on conversion	(13,073)	(3,765)
Investment income	(1)	-
Financing costs	1	-
Defined benefit pension costs less contributions payable	75	(11)
Defined benefit pension finance costs/(income)	20	6
Depreciation of tangible fixed assets	232	53
(Increase)/decrease in debtors	(397)	(87)
Increase/(decrease) in creditors	377	162
Net cash inflow/(outflow) from operating activities	60	392

19 Reconciliation of net cash flow to movement in net funds

	2015 £'000	2014 £'000
Increase/(decrease) in cash	638	526
Net funds at 1 September 2014	526	-
Net funds at 31 August 2015	1,164	526

20 Analysis of net funds

	At 1 September 2014 £'000	Transferred on conversion £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2015 £'000
Cash at bank and in hand	526	706	(68)	-	1,164

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

21 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

22 Commitments under operating leases

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

	2015 £'000	2014 £'000
Expiry date:		
- Within one year	1	-
- Between two and five years	100	-
	<hr/>	<hr/>
	101	-
	<hr/>	<hr/>

23 Related parties

Owing to the nature of the Academy's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

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

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

24 Conversion to an academy

On 1 September 2014 and 1 April 2015 Cuxton Junior, Cuxton Infants, Mayplace Primary and Lessness Heath Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Primary First Trust from the Local Authority for £nil consideration.

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

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

Academy	Location	Date of conversion		
Cuxton Junior	Cuxton	1 September 2014		
Cuxton Infant	Cuxton	1 September 2014		
Mayplace Primary	Barnehurst	1 September 2014		
Lessness Heath Primary	Lessness Heath	1 April 2015		

Funds surplus/(deficit) transferred:	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total 2015 £'000
Fixed assets funds	-	-	13,415	13,415
LA budget funds	706	-	-	706
LGPS pension funds	-	(1,048)	-	(1,048)
	<u>706</u>	<u>(1,048)</u>	<u>13,415</u>	<u>13,073</u>

Net assets transferred:	£'000
Leasehold land and buildings	13,415
Cash	706
Pension surplus/(deficit)	(1,048)
	<u>13,073</u>

25 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.