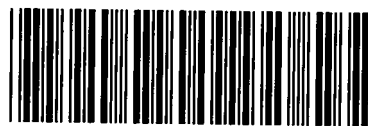


Company Registration No. 08812257 (England and Wales)

ESHER LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' STRATEGIC REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

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ESHER LEARNING TRUST

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ESHER LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors	H Coulson (Chair) M Boddington (Accounting officer) C Duke (Appointed 1 September 2015) P Price L Beighton
Members	The Guildford Diocese Educational Trust H Coulson P Price
Senior leadership team	M Boddington - Headteacher H Gregory - Deputy Headteacher N Morris - Deputy Headteacher P Gower - Deputy Headteacher N Buckland - Chief Financial Officer J Ribolla - Assistant Headteacher G Davies - Assistant Headteacher S Jay - Assistant Headteacher J Woodley - Bursar
Company registration number	08812257 (England and Wales)
Registered office	Esher Church of England High School More Lane Esher Surrey KT10 8AP
Independent auditor	Wilkins Kennedy LLP Greytown House 221-227 High Street Orpington Kent BR6 0NZ
Bankers	Lloyds Bank PO Box 1000 Andover BX1 1LT
Solicitors	Veale Wasbrough Vizard Orchard Court Orchard Lane Bristol BS1 5WS

ESHER LEARNING TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Surrey. It has a pupil capacity of 1050 and had a roll of 1050 in the school census on January 2016.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08812257) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of Esher Church of England High School and are also Directors of the charitable company for the purposes of company law. The charitable company is known as Esher Church of England High School.

Esher Learning Trust was incorporated on 12 December 2013 as a multi Academy Trust. At the period end the Trust only consisted of one school, Esher Church of England High School which obtained academy status from 1 March 2014.

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/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.

Principal Activities

The principal activity of the Academy 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 a school offering a broad and balanced curriculum.

Method of recruitment and appointment or election of directors

The members of the Academy Trust shall comprise no less than 3 persons, nor more than 10 (including co-opted Directors. Subject to Articles 48-49, the Company shall have the following Directors: A minimum of 1 Director and up to 2 Directors appointed under Article 50; the Executive Principal; the Chair of Governors of the Local Governing Body of Esher Church of England High School and up to 2 other appointees of the Local Governing Body of Esher Church of England High School; up to 2 appointees of the other Academies operated by the Company, to be divided equally in the event that there are 2 other Academies and, in the event that there are 3 or more Academies, to be determined on a rotation system to be determined by the Members; Parent Directors if appointed under Articles 53-56 in the event that no provision is made for parent representatives on Local Governing Bodies under Article 101A. The company may also have any Co-opted Director appointed under Article 588.

The first Directors shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006. The Guildford Diocese Educational Trust shall appoint no fewer than 1 Director provided that the total number of Directors appointed under this Article would not thereby exceed 25% of the total number of Directors.

The term of office for any Director (other than the co-opted Directors under Article 58) shall be 4 years, save that this time limit shall not apply to the Executive Principal. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of directors

During the period under review the Directors held 3 meetings. The Directors are all experienced members of the Local Governing Body, training and induction provided for new Directors will depend on their existing experience. All 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.

ESHER LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure

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

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

The Local Governing Body are responsible for Esher High School they follow a Scheme of Delegation set by the Trust. Strategic decisions are implemented at local level within the Terms of Reference as issued by the Trust.

The Academy Senior Leadership team consists of the Headteacher of the School, three Deputy Headteachers, three Assistant Headteachers, the Bursar and the School Business Manager. These leaders control the Academy at a school level implementing the policies laid down by the Trust Board and Directors and reporting back to the Local Governing Body. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff where authorised by the Headteacher. Appointments of middle and senior leader posts will require Governor input into the selection process for existing vacancies and authorisation from the Trust Board for new posts.

Arrangements for setting pay and remuneration of key management personnel

The Academy appoints a Pay Committee annually to Implement the Pay Policy. The Pay Committee will consist of a minimum of three governors, who are not members of staff at the school; at least two of these will also be Trustees plus the Headteacher in an advisory capacity.

The Headteacher's pay is set by the Board of Trustees

The Academy sets pay within the following frameworks:

For teachers: The School Teachers' Pay and Conditions Document (STCPD), to the extent recognised by the school, and statutory regulations affecting the employment and conduct of teaching staff, insofar as they apply to a school with academy status.

For support staff: The terms and conditions of Surrey County Council's employment framework known as 'Surrey Pay', to the extent adopted by the Board of Trustees

The salary range for all staff paid on the leadership spine will be determined by reference to the provisions of the STPCD and will include consideration of any broader responsibilities that attach to the role.

Determining Pay Progression (Leadership Group QTS and Support Staff)

The leadership team must demonstrate sustained high quality of performance, with particular regard to leadership, management and student progress at the school and will be subject to an annual appraisal at which performance against objectives will be reviewed. All decisions regarding pay progression for the leadership group will be made with reference to appraisal reports and the pay recommendations contained within them

ESHER LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Related parties and other connected charities and organisations

The Academy Trust has a subsidiary company; Track Education Ltd, company No. 07887685 (incorporated 20th December 2011) Track Education was set up to deliver leadership training to other schools and also to provide "Lesson Tracker" a computerised system that can be used to support and shape whole school improvements including targeted professional development for individuals.

There is a Trust Fund for parental donations which is registered with the Charities Commission as Esher Church of England High School Trust Fund charity number 1047146.

The Academy no longer has close links with Surrey Teaching Schools Network but continues to work with both the Diocese of Guildford and Babcock 4S to provide school to school support to a range of schools in Surrey and Hampshire

Objectives and activities

Objects and aims

The Company's objects ("the Objects") are specifically restricted to the following:

(a) 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 (Academies) which shall offer a broad and balanced curriculum and which shall include:

- Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the relevant Funding Agreement), and having regard to any advice issued by the Diocesan Board of Education;
- other Academies whether with or without a designated Church of England religious character;

but in relation to each of the Academies to recognise and support their individual character and respect the different background of each and its links to the local community which it serves;

and

(b) to promote for the benefit of the inhabitants of the areas in which the Academies are situated and the surrounding areas the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Our mission at Esher Church of England High School is that every student will grow in character, spirit, knowledge and skills, mindful of their part in God's creation. We strive for excellence in all that we do, in academic performance as well as personal development, in order that students and staff will fulfil their potential and be ready for future opportunities.

We will provide an environment that enables everyone to work together in an atmosphere of mutual respect, openness and trust.

Our four core values, underpinning life and learning at the school, are:

- A Love of Learning
- Care and Respect for Ourselves and Others
- Success and its Celebration
- Strive to Achieve through Effort and Determination

ESHER LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The following priorities are designed to help us to achieve our vision:

- Maximise student progress: Identify all underachievement at an early stage and ensure that strategies are put in place to prevent children falling behind in their learning.
- Focus on teaching and learning: Develop excellent practice and ensure that it is shared with others whilst supporting colleagues who need to improve.
- Maximise Leadership potential within the school, specifically at middle leadership level through evaluation and distributed leadership.
- Remove barriers to literacy: Improve standards of literacy across the school with special attention to boys, PP and SEN children.
- Ensure that our curriculum is fit for purpose and that it recognises the needs of our students and maximises their choice.
- Secure outstanding behaviour for learning.

Objectives, strategies and activities

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.

Admissions Criteria

Admissions to the school are the responsibility of the Directors of the trust.

The school has an admissions policy which can be found on the school website <http://www.eshershigh.surrey.sch.uk>. Details can also be requested from the school.

Strategic report

Achievements and performance

In summer 2016 the Academy achieved a significant improvement in public examination results using the threshold measure of 5+ A*-C grades including English and Mathematics. Our results on this measure were 62% (50% 2015) and were above the national average, with a cohort of a very similar ability to the national average.

By entry our A* grades were above national average at 7.45% (6.4% nationally) and A*- C by entry was above the national average at 68.1% (66.9 nationally).

Our progress 8 score is estimated to be -0.21 and our attainment 8 score is 5.01, average grade C. This is an improvement of 0.25 of a grade over 2015.

69% of students achieved a good GCSE (C or above) in English and Maths.

English:

In 2016 68% of students achieved A*- C for English Language which is 8% above national levels.

74% of students achieved A*-C for English Literature.

75% of students made expected progress, an improvement of 18% on last year.

Maths:

In 2016 77% of students achieved a A*-C grade, an improvement of 15% on last year and 16% above the national average.

75% of students made expected progress which is a 13% improvement on 2015.

Attendance has improved this year with whole school attendance at 96% (94% 2015).

The Academy was inspected by Ofsted in June 2013 and September 2013. In this 'no notice' inspection the school achieved a 'good judgement overall with an 'outstanding' judgement for behaviour

ESHER LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key performance indicators

KPI's	Target	Actual
Attainment 8	C+	C
Progress 8	0 (minimum)	-0.21
English Maths %	75%	69%
A* - A % entries	20%	21.6%
5 A*-C (inc English and Maths)	68%	62.7%
3 levels progress English	83%	75.2%
3 levels progress Maths	80%	75.6%
Attendance	95%	96%

Going concern

After making appropriate enquiries, the Governing Body 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 school's income is obtained from the Education Funding Agency (EFA) 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 2016 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 2015), 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 2016, total expenditure of £7,226k (2015: £6,825k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £161k (2014: £61k expenditure over income).

At 31 August 2016 the net book value of fixed assets was £28,972k (2015: £29,249k). Movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the school's.

The Surrey County Council Pension Fund, in which the Academy participates, showed a deficit of £2,474k at 31 August 2016 (2015: £1,807k).

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 four weeks' expenditure, approximately £526k (2015: £558k).

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 £678k (2015: £592k) (total funds less the amount held in fixed assets and restricted funds), the Directors expect to utilise the additional reserves in the coming years.

ESHER LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Academy's funding for 2016/17 includes a minimum funding guarantee of £131k. This is transitional relief and along with the Extended Services Grant will be removed in future years. In an effort to reduce costs the Academy has consulted on staff restructuring and will utilise the additional reserves to cover re-structuring costs.

The Academy held fund balances at 31 August 2016 of £27,633k (2015: £28,327k) comprising £26,955 (2015: £27,735k) of restricted funds and £678k (2015: £592k) of unrestricted general funds. Of the restricted funds, £28,972k (2015: £29,249k) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £2,474k (2015: £1,807k) in deficit.

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 Directors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Financial And Risk Management Objectives And Policies

The financial risks to which Esher Learning Trust is exposed 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 £2,474k (2015: £1,807k).

Principal risks and uncertainties

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 10.

The main teaching and facilities risks identified include a fall in student numbers and the lack of warranties for the sports hall due to contractor insolvency. These risks are minimised with the school increasing to 8 forms of entry and strategies to achieve improved academic results. The Academy has earmarked a contingency fund to cover any costs relating to the sports hall.

The principal risks and uncertainties that Esher Learning Trust faces are mitigated by the risk management process that the Academy Trust has in place.

Financial and risk management objectives and policies

The main financial risks to which Esher Learning Trust is exposed, taking account of the mitigations in place, relate the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant. A risk also arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £2,474k (2015: £1,807k).

ESHER LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

Esher Church of England High School will continue to focus on improving the outcomes for our students and ensure that children of all abilities and backgrounds are challenged appropriately, succeed in their studies and are able to move on to suitable education or training.

At Esher Church of England School we take a broad view of our curriculum to ensure that it is appropriate for all our students, and have reviewed the provision to ensure that it is ready for the new GCSE curriculum. We deliberately balance an academic curriculum that enables good outcomes for many of our students, yet also have more vocational pathways that suit other members of our community.

We work closely with the local primary schools through curriculum content and support as well as the Sixth Form college that many of our students go on to attend.

In order to deliver our commitment to students we provide a wide range of staff development and training. This builds on in-school, local and regional expertise to support all our staff in their learning journey.

Our facilities are excellent and we benefit from having had substantial investment in recent years including a new Sports Hall Complex, refurbished MFL, English, ICT and Geography classrooms, a Learning Hub and a dedicated Science block. We believe that all this will support excellent teaching in a first class environment.

Auditor

So far as the Directors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trusts auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make them aware of any audit information and to establish that the academy trusts auditors are aware of that information.



H Coulson
Chair

5/12/16

ESHER LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Esher Learning 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 has delegated the day-to-day responsibility to the CEO of the Trust, 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 Esher Learning Trust and the Secretary of State for Education. The CEO of the Trust is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Directors and in the Statement of Directors Responsibilities. The Board of Directors has formally met 3 times during the period. Attendance during the period at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
H Coulson (Chair)	3	3
M Boddington (Accounting officer)	3	3
C Duke (Appointed 1 September 2015)	3	3
P Price	3	3
L Beighton	3	3

Following the review of governance undertaken during the first year of the Trust and subsequent updates, we have sought to consolidate and strengthen our governance structure within the Trust and within our Academy, Esher Church of England High School.

The Trust has appointed Mr Chris Duke as a Director. He has knowledge of the school and the progress the school has made recently, having previously served as a Governor of Esher Church of England High School and brings his business experience together with his knowledge and skills from serving on the Independent Monitoring Board (IMB) for prisons.

The nominated Trustee from the Guildford Diocesan Educational Trust is now Mr Leonard Beighton, Helen Coulson having stepped down from this role. Mr Beighton has a longstanding association with the Diocese and is a strong advocate of the Christian ethos of the school.

ESHER LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

During the year the Trust has consolidated and strengthened its governance structure following the review undertaken in its first year. A skills audit undertaken in October 2015 identified the need for additional support with regard to financial understanding and training was undertaken to address this need. Governor visits are focussed on specific areas of improvement for the school, e.g. behaviour for learning, with feedback discussed after the visit between governors and members of the SLT.

Directors and the SLT team carried out termly reviews of the school improvement plan priorities and evaluated the impact of the work being carried out during the year via questioning during committee meetings, data analysis, school visits and whole school feedback.

As part of our continued response to the outcome of the SIAS report the Christian ethos and character of the school has been supported and enhanced. This has involved additional support from school staff and local and diocesan clergy.

A key area of focus during the latter part of our financial year 2016 was to address the financial challenge presented by the change in school funding. A major staffing restructure review and consultation was initiated to ensure that the school support areas work efficiently and within the budgetary constraints. This structure will be implemented from January 2017.

The Provision Committee is a subcommittee of the Governing Body. The committee also fulfils the role of the Audit committee and reports to the Local Governing Body and the Board of Directors. The Board of Directors intends to set up an Audit Committee. The Provision Committee's terms of reference are as follows:

- Monitor and Evaluate progress in achieving School Development Plan targets relevant to the work of the committee.
- Review and monitor those areas of Self Evaluation related to the work of the committee.
- Review and monitor the implementation of policies listed in the Provision Policy Review Schedule.
- Review in detail the Schools performance data related to the work of the committee eg Financial Benchmarking, absence and staff turnover, accidents reported, maintenance and ICT response times.
- Review stakeholder feedback related to work of this committee.
- Prepare and review financial policy statements, including consideration of long term planning and resourcing in accordance with the School Development Plan.
- Consider each year's annual management plan priorities, as defined in one year work plan.
- Set and present annual revenue and capital budgets to the Governing Body for approval.
- Monitor income and expenditure against budgets and formally report to the Governing Body at least once per term.
- Review annually the level of delegation to the Headteacher for the day-to-day financial management of the School.
- Monitor School financial controls including procedures for the placing of contracts, in line with guidance provided by the DfE for procurement in Academies 'Buying Goods and Services – schools'
- Receive and, where appropriate, respond to the periodic audit reports of all funds.(the provision committee will fulfil the functions of an audit committee until Esher learning Trust set up a separate audit committee)
- To review the staffing structure and job profiles in line with the needs of the school on a regular basis.
- To convene if necessary as a Redundancy Committee to draft, in consultation with staff, trades unions and professional associations, criteria for redundancy for approval by the Governing Body.
- Review Strategic Premises Planning and ensure that the school has a current Asset Management Plan in line with DfE guidance.
- To ensure the School provides a safe and secure environment.
- To ensure the School meets the statutory Health and Safety regulations and complies with statutory fire regulations.

ESHER LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
H Coulson	1	3
G Manickam	3	3
N Eggar	2	3
P Price	3	3
T Correia	2	3
M Boddington	3	3

Review of value for money

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

The accounting officer considers how the Academy 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 Academy Trust has delivered improved value for money during the year by:

- Carrying out a whole school organisational restructure to ensure that all posts and their contracts are in line with delivering the Academy's aims and objectives. This restructure is designed to reduce costs and provide a more efficient staffing structure which aids communication and student achievement.
- Reviewing current service contracts to ensure they deliver value for money. This has resulted in a change of supplier for energy, after school transport and the provision of our key link workers.
- Marketing the schools facilities to increase income from lettings. This year the facilities were hired out for a film location and a summer camp.
- Charging for staff on a consultancy basis to other educational establishments generating additional revenue.
- Reviewing how we use pupil premium and other funds for disadvantaged students to ensure initiatives are targeted at raising attainment.

The purpose of the system of internal control

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

Capacity to handle risk

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

ESHER LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The risk and control framework

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

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

The Directors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Provision Committee have appointed CEFM, to complete the work programme for the internal auditor. CEFM's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

The role includes performing a range of checks on the Academy Trust's financial systems.

On a termly basis, the Internal Auditor reports to the Board on the operation of the systems of control and on the discharge of the Board's financial responsibilities. All small areas were reviewed and action taken as suggested by the Internal Auditor.

The internal auditor has delivered their schedule of work as planned and no material control issues were found.

Review of effectiveness

As Accounting Officer, (the Executive Headteacher) has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:-

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 5/12/16 and signed on its behalf by:



H Coulson
Chair



M Boddington
Accounting officer



ESHER LEARNING TRUST

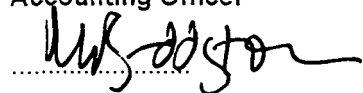
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Esher Learning Trust I have considered my responsibility to notify the academy 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 academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

M Boddington
Accounting Officer



5/12/16

ESHER LEARNING TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Directors (who act as trustees of Esher Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Directors 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 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 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 EFA/DfE have been applied for the purposes intended.

Approved by order of the board of directors on 5/12/16 and signed on its behalf by:



H Coulson
Chair

ESHER LEARNING TRUST

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

We have audited the accounts of Esher Learning Trust for the year ended 31 August 2016 set out on pages 19 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 14, the directors, who also act as trustees for the charitable activities of Esher Learning 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' Report including the incorporated strategic 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

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

ESHER LEARNING TRUST

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

Matters on which we are required to report by exception

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

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

Wilkins Kennedy LLP

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: 12/12/16.

ESHER LEARNING TRUST

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

In accordance with the terms of our engagement letter dated 22 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Esher Learning Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Esher Learning Trust's funding agreement with the Secretary of State for Education dated 28 February 2014 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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.

ESHER LEARNING TRUST

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

Conclusion

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

Wilkins Kennedy LLP

Reporting Accountant

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

Dated: 12/12/16.

ESHER LEARNING TRUST

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

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	2	228	15	245	240
Donations - transfer from local authority on conversion		-	-	-	-	5,000
Charitable activities:						
- Funding for educational operations	3	-	6,597	-	6,597	5,942
Other trading activities	4	227	-	-	227	263
Investments	5	5	-	-	5	2
Total income and endowments		<u>234</u>	<u>6,825</u>	<u>15</u>	<u>7,074</u>	<u>11,447</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	<u>148</u>	<u>6,750</u>	<u>328</u>	<u>7,226</u>	<u>6,825</u>
Total expenditure	6	<u>148</u>	<u>6,750</u>	<u>328</u>	<u>7,226</u>	<u>6,825</u>
Net income/(expenditure)		86	75	(313)	(152)	4,622
Transfers between funds		-	(36)	36	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	<u>-</u>	<u>(542)</u>	<u>-</u>	<u>(542)</u>	<u>(6)</u>
Net movement in funds		86	(503)	(277)	(694)	4,616
Reconciliation of funds						
Total funds brought forward		<u>592</u>	<u>(1,514)</u>	<u>29,249</u>	<u>28,327</u>	<u>23,711</u>
Total funds carried forward		<u>678</u>	<u>(2,017)</u>	<u>28,972</u>	<u>27,633</u>	<u>28,327</u>

ESHER LEARNING TRUST

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

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2015		Funds	General	Fixed asset	2015
	Notes	£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	2	1	239	-	240
Donations - transfer from local authority on conversion		-	-	5,000	5,000
Charitable activities:					
- Funding for educational operations	3	-	5,942	-	5,942
Other trading activities	4	263	-	-	263
Investments	5	2	-	-	2
Total income and endowments		<u>266</u>	<u>6,181</u>	<u>5,000</u>	<u>11,447</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	50	6,458	317	6,825
Total expenditure	6	<u>50</u>	<u>6,458</u>	<u>317</u>	<u>6,825</u>
Net income/(expenditure)		216	(277)	4,683	4,622
Transfers between funds		(436)	379	57	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(6)	-	(6)
Net movement in funds		<u>(220)</u>	<u>96</u>	<u>4,740</u>	<u>4,616</u>
Reconciliation of funds					
Total funds brought forward		812	(1,610)	24,509	23,711
Total funds carried forward		<u>592</u>	<u>(1,514)</u>	<u>29,249</u>	<u>28,327</u>

ESHER LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £'000	2015 £
Fixed assets			
Tangible assets	12	28,972	29,249
Current assets			
Stocks	13	11	16
Debtors	14	217	138
Cash at bank and in hand		1,735	1,127
		<u>1,963</u>	<u>1,281</u>
Current liabilities			
Creditors: amounts falling due within one year	15	<u>(828)</u>	<u>(396)</u>
Net current assets		<u>1,135</u>	<u>885</u>
Net assets excluding pension liability		<u>30,107</u>	<u>30,134</u>
Defined benefit pension liability	19	<u>(2,474)</u>	<u>(1,807)</u>
Net assets		<u><u>27,633</u></u>	<u><u>28,327</u></u>
Funds of the Academy Trust:			
Restricted funds	17		
- Fixed asset funds		28,972	29,249
- Restricted income funds		457	293
- Pension reserve		<u>(2,474)</u>	<u>(1,807)</u>
Total restricted funds		<u>26,955</u>	<u>27,735</u>
Unrestricted income funds	17	<u>678</u>	<u>592</u>
Total funds		<u><u>27,633</u></u>	<u><u>28,327</u></u>

The accounts set out on pages 19 to 40 were approved by the board of directors and authorised for issue on 5/12/16 and are signed on its behalf by:

Heleen M. Coulson
 H Coulson
 Chair

Company Number 08812257

ESHER LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	639	381
Cash flows from investing activities			
Dividends, interest and rents from investments		5	2
Capital funding from sponsors and others		15	-
Payments to acquire tangible fixed assets		(51)	(57)
		(31)	(55)
Change in cash and cash equivalents in the reporting period		608	326
Cash and cash equivalents at 1 September 2015		1,127	801
Cash and cash equivalents at 31 August 2016		1,735	1,127

ESHER LEARNING TRUST

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

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

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

These accounts for the year ended 31 August 2016 are the first accounts of Esher Learning Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26.

1.2 Going concern

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

1.3 Income

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

Grants receivable

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

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

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

Donations

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

ESHER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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.

Interest receivable

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

ESHER LEARNING TRUST

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

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing less than £2,000 or group of the same assets amounting to £3,000 are written off in the year of acquisition. All other assets are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds the costs is transferred to the restricted fixed asset fund, depreciation on such assets is charged to the restricted fixed asset fund.

In accordance with the accounting treatment set out by the Academies accounts direction the land and buildings have been included as an asset in the financial statements.

The land and buildings have been included at the valuation provided by the EFA when completing their desktop valuation.

The academy has a legal arrangement for the use of the land and buildings under a church supplemental agreement. This is a rolling agreement with a minimum two years written notice period for termination, no such notice has been given at the date of signing the accounts.

The academy also has a 125 year lease from conversion with Surrey County Council on the land used as playing fields.

Depreciation

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
ICT equipment	33.3%
Fixtures, fittings & equipment	25%
Motor vehicles	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.

1.6 Liabilities

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

1.7 Leasing commitments

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

ESHER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

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 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.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

ESHER LEARNING TRUST

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

1 Accounting policies

(Continued)

1.12 Consolidation

In the opinion of the Directors, the Academy and its subsidiary undertakings comprise a small group. The Academy has applied the exemption provided by S.398 of the Companies Act 2006 and has not prepared consolidated financial statements.

The Academy has also applied the exemption conferred by FRS102 paragraph 9 on the grounds that the subsidiary undertaking, Track Education Limited, results are not material to the group.

1.13 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ESHER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £
Other donations	2	243	245	240

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	5,454	5,454	5,371
Start up grants	-	25	25	-
Other DfE / EFA grants	-	721	721	390
	-	6,200	6,200	5,761
Other government grants				
Local authority grants	-	397	397	181
Total funding	-	6,597	6,597	5,942

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £
Hire of facilities	36	-	36	22
Catering income	27	-	27	25
Other income	164	-	164	216
	227	-	227	263

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £
Short term deposits	5	-	5	2

ESHER LEARNING TRUST

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

6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £
Academy's educational operations					
- Direct costs	3,303	266	617	4,186	4,140
- Allocated support costs	1,860	648	532	3,040	2,685
	<u>5,163</u>	<u>914</u>	<u>1,149</u>	<u>7,226</u>	<u>6,825</u>
Total expenditure	<u>5,163</u>	<u>914</u>	<u>1,149</u>	<u>7,226</u>	<u>6,825</u>

Net income/(expenditure) for the year includes:

	2016 £'000	2015 £
Fees payable to auditor for:		
- Audit	9	9
- Other services	2	4
Operating lease rentals	-	3
Depreciation of tangible fixed assets	328	317
	<u>339</u>	<u>333</u>

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £
Direct costs - educational operations	99	4,087	4,186	4,140
Support costs - educational operations	49	2,991	3,040	2,685
	<u>148</u>	<u>7,078</u>	<u>7,226</u>	<u>6,825</u>

	2016 £'000	2015 £
Analysis of support costs		
Support staff costs	1,860	1,856
Depreciation and amortisation	62	51
Technology costs	45	31
Premises costs	736	327
Other support costs	316	404
Governance costs	21	16
	<u>3,040</u>	<u>2,685</u>

ESHER LEARNING TRUST

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

8 Governance costs

	Total 2016 £'000	Total 2015 £
All from restricted funds:		
Amounts included in support costs		
Legal and professional fees	10	3
Auditor's remuneration		
- Audit of financial statements	9	9
- Other audit costs	2	4
	<u>21</u>	<u>16</u>

9 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	3,753	3,888
Social security costs	273	273
Operating costs of defined benefit pension schemes	706	672
Staff costs	<u>4,732</u>	<u>4,833</u>
Supply staff costs	390	233
Staff restructuring costs	27	13
Staff development and other staff costs	14	48
Total staff expenditure	<u>5,163</u>	<u>5,127</u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	56	59
Administration and support	93	103
Management	9	9
	<u>158</u>	<u>171</u>

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	2	2
£80,001 - £90,000	1	1
	<u></u>	<u></u>

ESHER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Staff costs

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are two non contractual severance payments amounting to £12k and £15k (2015: one payment of £13k).

Key management personnel

The key management personnel of the Academy Trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £599k (2015: £579k)

10 Directors' remuneration and expenses

The Headteacher and other staff directors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as directors. Other directors did not receive any payments.

The value of directors' remuneration was as follows:

M Boddington - Headteacher

Remuneration £85,000 - £90,000 (2015: £80,000 - £85,000)

Employers Pension Contributions £10,000 - £15,000 (2015: £10,000 - £15,000)

During the year, hospitality payments totalling £nil (2015: £89) were reimbursed (2015: one director).

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

11 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.

ESHER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

12 Tangible fixed assets

	Land and buildings	ICT equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2015	29,589	104	54	-	29,747
Additions	-	14	22	15	51
At 31 August 2016	29,589	118	76	15	29,798
Depreciation					
At 1 September 2015	432	46	20	-	498
Charge for the year	266	39	19	4	328
At 31 August 2016	698	85	39	4	826
Net book value					
At 31 August 2016	28,891	33	37	11	28,972
At 31 August 2015	29,157	58	34	-	29,249

Included within land and buildings is land valued at £16,283,000 which is not depreciated.

13	Stocks	2016 £'000	2015 £
	Goods for resale	11	16
14	Debtors	2016 £'000	2015 £
	Trade debtors	13	18
	VAT recoverable	70	30
	Other debtors	4	-
	Prepayments and accrued income	130	90
		217	138

ESHER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15	Creditors: amounts falling due within one year	2016	2015
		£'000	£
	Trade creditors	481	105
	Other taxation and social security	92	79
	Other creditors	78	75
	Accruals and deferred income	177	137
		<u>828</u>	<u>396</u>
		<u><u>828</u></u>	<u><u>396</u></u>
16	Deferred income	2016	2015
		£'000	£
	Deferred income is included within:		
	Creditors due within one year	67	57
		<u>67</u>	<u>57</u>
	Deferred income at 1 September 2015	57	37
	Released from previous years	(57)	(37)
	Amounts deferred in the year	67	57
		<u>67</u>	<u>57</u>
	Deferred income at 31 August 2016	<u><u>67</u></u>	<u><u>57</u></u>

At the balance sheet date, the Academy Trust was holding funds received in advance for trips occurring after the year end and rate rebates relating to 2016/17.

ESHER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Funds

	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	-	5,454	(5,418)	(36)	-
Start up grants	-	25	(10)	-	15
Other DfE / EFA grants	171	721	(545)	-	347
Other government grants	122	397	(424)	-	95
Other restricted funds	-	228	(228)	-	-
	<u>293</u>	<u>6,825</u>	<u>(6,625)</u>	<u>(36)</u>	<u>457</u>
Funds excluding pensions	293	6,825	(6,625)	(36)	457
Pension reserve	(1,807)	-	(125)	(542)	(2,474)
	<u>(1,514)</u>	<u>6,825</u>	<u>(6,750)</u>	<u>(578)</u>	<u>(2,017)</u>
Restricted fixed asset funds					
General fixed asset fund	29,249	15	(328)	36	28,972
	<u>29,249</u>	<u>15</u>	<u>(328)</u>	<u>36</u>	<u>28,972</u>
Total restricted funds	<u>27,735</u>	<u>6,840</u>	<u>(7,078)</u>	<u>(542)</u>	<u>26,955</u>
Unrestricted funds					
General funds	592	234	(148)	-	678
	<u>592</u>	<u>234</u>	<u>(148)</u>	<u>-</u>	<u>678</u>
Total funds	<u>28,327</u>	<u>7,074</u>	<u>(7,226)</u>	<u>(542)</u>	<u>27,633</u>

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 2016.

Other DfE/EFA grants: This includes the pupil premium, rates relief, Yr 7 catch up and the devolved formula capital grant.

Other government grants: This includes SEN funding and roof repair funding, refurbishment of English Bock and Pedestrian Entrance Project funding received from the Local Authority.

Other restricted funds: This includes contributions to school trips.

The transfer of funds relate to the purchase of fixed assets during the period.

ESHER LEARNING TRUST

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

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	28,972	28,972
Current assets	678	1,285	-	1,963
Creditors falling due within one year	-	(828)	-	(828)
Defined benefit pension liability	-	(2,474)	-	(2,474)
	<u>678</u>	<u>(2,017)</u>	<u>28,972</u>	<u>27,633</u>

19 Pensions and similar obligations

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

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

There were outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

ESHER LEARNING TRUST

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

19 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £363k (2015: £315k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 26.4% for employers and 5.5-12.8% for employees. The estimated value of employer contributions for the forthcoming year is £288k.

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

Total contributions made	2016 £'000	2015 £
Employer's contributions	295	284
Employees' contributions	80	77
Total contributions	375	361
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	2.4	4.1
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
Inflation assumption (CPI)	3.0	3.0

ESHER LEARNING TRUST

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

19 Pensions and similar obligations

(Continued)

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

	2016 Years	2015 Years
Retiring today		
- Males	22.5	22.5
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.5	24.5
- Females	26.9	26.9

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

	2016 Fair value £'000	2015 Fair value £
Equities	1,583	1,083
Bonds	359	249
Cash	42	29
Property	127	102
Total market value of assets	2,111	1,463
Actual return on scheme assets - gain/(loss)	273	(38)

Amounts recognised in the statement of financial activities

	2016 £'000	2015 £
Current service cost (net of employee contributions)	351	357
Net interest cost	69	21
Total operating charge	420	378

Changes in the present value of defined benefit obligations

	2016 £'000	2015 £'000
Obligations at 1 September 2015	3,270	2,771
Current service cost	351	357
Interest cost	132	110
Employee contributions	80	77
Actuarial loss	752	(50)
Plan introductions, benefit changes, curtailments and settlements	-	5
At 31 August 2016	4,585	3,270

ESHER LEARNING TRUST

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

19 Pensions and similar obligations

(Continued)

Changes in the fair value of the Academy Trust's share of scheme assets	2016	2015
	£'000	£'000
Assets at 1 September 2015	1,463	1,064
Interest income	63	46
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	210	(8)
Employer contributions	295	284
Employee contributions	80	77
At 31 August 2016	2,111	1,463

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

	2016	2015
	£'000	£
Net income/(expenditure) for the reporting period	(152)	4,622
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(5,000)
Capital grants from DfE/EFA and other capital income	(15)	-
Investment income	(5)	(2)
Defined benefit pension costs less contributions payable	56	73
Defined benefit pension net finance cost/(income)	69	21
Depreciation of tangible fixed assets	328	317
(Increase)/decrease in stocks	5	(10)
(Increase)/decrease in debtors	(79)	467
Increase/(decrease) in creditors	432	(107)
Net cash provided by operating activities	639	381

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.

ESHER LEARNING TRUST

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

22 Commitments under operating leases

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

	2016 £'000	2015 £
Amounts due within one year	-	3

23 Capital commitments

	2016 £'000	2015 £
Expenditure contracted for but not provided in the accounts	20	-

24 Related party transactions

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 may take place with organisations in which a member of the Board of Directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the previous year the academy invoiced £nil (2015: £17,945), for services provided to run training courses and for completion of the finance and administrative role to Track Ed an 100% owned subsidiary. At the year end the subsidiary owed the academy £7,945 (2015: £7,945).

Last year the Academy invoiced £13,000 to and was invoiced £1,532 from Surrey Teaching Schools Network (STSN) as S Morris and A Edwards, were directors of the academy and were also directors of STSN. STSN is no longer a related party as the directors have resigned from both the Academy Trust and STSN.

During the year the academy invoiced £5,250 (2015: £nil) for leadership training courses delivered to the Guildford Diocese. There were no amounts due at the year end.

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.

ESHER LEARNING TRUST

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

26 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September 2014 £'000	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	23,711	28,327
	<u> </u>	<u> </u>

Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income as reported under previous UK GAAP		4,598
Adjustments arising from transition to FRS 102:		
Changes in recognition of LGPS interest	i	24
Net income reported under FRS 102		<u>4,622</u>

Notes to reconciliations on adoption of FRS 102

i) Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 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 to income by £24K and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.