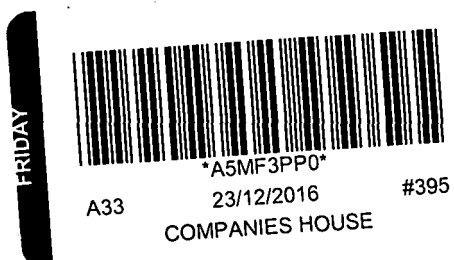


**KING ALFRED TRUST  
(Trading as PEWSEY PRIMARY SCHOOL)  
(A COMPANY LIMITED BY GUARANTEE)**

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



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**KING ALFRED TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATION DETAILS**

<b>Members</b>	Mrs Caroline Baynes Nigel Crawshay Jones Peter McGuigan Ms Jane Newton Richard Tannasee (until 15 November 2015)
<b>Directors/Trustees</b>	<p>Peter McGuigan ‡, Chair Mrs Caroline Baynes # ‡, Vice Chair Ms Jane Newton ‡ (parent) Chris Fawdry # (parent) Mrs Karen Shields # Nigel Crawshay Jones* Mrs Carrie-Anne Pollock* (parent) Mrs Katrina Ellis* (parent) Mrs Josie Davenport* (parent) Mrs Nicola Gilbert, Executive Head &amp; Accounting Officer Lee Jeffery (staff) Jon Carter (staff)</p> <p>‡ Indicates also members of the Staff Pay and Performance Committee # Indicates also members of the Audit Committee • Indicates also members of the Staffing Committee</p> <p>Richard Tannasee served as a Director/Trustee from 1 September 2015 until 15 November 2015</p>
<b>Company Registered Number</b>	08853971
<b>Registered Office</b>	Pewsey Primary School Wilcot Road Pewsey Wiltshire SN9 5EJ
<b>Accounting Officer</b>	Mrs N Gilbert
<b>Senior Leadership Team</b>	<p>Mrs N Gilbert – Executive Head Mrs S Kemp (from 11 April 2016) - Deputy Head Teacher and KS1 Leader Mrs D King (until 10 April 2016)– Assistant Head Teacher Mr J Carter – KS2 Leader Mrs V Spanswick – Leader of Learning Mrs J Wren – School Business Manager – Responsible Officer</p>
<b>Auditors</b>	Monahans 38-42 Newport Street Swindon Wiltshire SN1 3DR
<b>Bankers</b>	Lloyds Bank High Street Pewsey Wiltshire SN9 5AL
<b>Solicitors</b>	Wilsons 4 Lincoln's Inn Fields London WC2A 3AA
<b>Company Secretary</b>	Wilsons 4 Lincoln's Inn Fields London WC2A 3AA

**KING ALFRED TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2016. The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust was incorporated on 21st January 2014 and is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of King Alfred Trust.

The Trustees act as the trustees for the charitable activities of King Alfred Trust and are the directors of the Charitable Company for the purposes of company law. Details of the trustees who served throughout the period except as noted are included in the Reference and Administration Details

In this period, King Alfred Trust, as a Multi-Academy Trust, has continued to operate one academy throughout the period, Pewsey Primary School. During this period the Trust has operated with a model of higher level Board and Local Governing Body for each school. Day to day control of the Trust and its Academy rests with the Executive Head, who is the only Executive Director; a nominated Senior Leadership Team supports her.

**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. This is 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.

**Trustees' Indemnities**

Trustees benefit from an indemnity provided at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. In accordance with normal commercial practice, the Academy has set up Risk Protection Arrangements with the Education Funding Agency to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. This provides cover up to £10,000,000, on any one claim. This indemnity shall not extend to any claim arising from any act or omission which the Trustees knew to be either a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard as to whether it was a breach of trust or breach of duty or not. Any such indemnity shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

**Principal Activity**

The principal activity is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing schools to provide free education for pupils of different abilities between the ages of 4 and 11 offering a broad and balanced curriculum.

**TRUSTEES**

**Method of recruitment and appointment or election of Trustees**

On formation the Members appointed all those Governors that served the predecessor school to be Trustees of the newly formed Academy Trust. They appointed these Trustees on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process. Since then Parent Trustees have been nominated from within the School community as required and the Members have made appointments on consideration of their skills and experience, and the mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

## **TRUSTEES' REPORT - continued**

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

- Up to 6 appointed Trustees who are appointed under Article 50
- Up to 5 Parent Trustees who are appointed under Article 53-58
- Up to 2 staff Trustees if appointed under and subject to Article 50A
- The Executive Head who shall be treated for all purposes as being an ex officio Trustee.

Currently the Board of Trustees has five appointed Trustees, five Parent Trustees, two Staff Trustees and the Executive Head. Trustees' appointments are for a four-year period, except that this time limit does not apply to the Executive Head. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

### **Policies and Procedures adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All trustees receive copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only one or two trustees a year, induction tends to be done informally and is tailored specifically to the individual; an existing Trustee is appointed as a Mentor for the first 3 months. Advantage is taken of specific courses offered by Wiltshire Council and other bodies.

### **Organisational Structure**

The Board of Trustees meets up to 6 times a year – usually once each school term. The Board establishes an overall framework for the governance of the Academies and determines membership, terms of reference and procedures of Local Governing Bodies, Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved to the Board of Trustees; to determine any proposals for changes to the status or constitution of an Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Executive Head and Clerk to the Trustees, to approve the Annual School Improvement Plans and budgets.

The Trust has a leadership structure that consists of the Trustees, the Executive Head and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Trustees and Board of Trustees have devolved responsibility for day-to-day management of the Trust to the Executive Head, Heads of School and Senior Leadership Teams (SLT). The SLT implements the policies laid down by the Trustees and report back to them on performance. The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £132,628 (2015: £128,482).

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academies using budgets and other data, and making major decisions about the direction of the Academies, capital expenditure and staff appointments. Except for full-time employees paid for their education duties the Trustees are unremunerated and receive no allowances. The Trust receives a grant to support Mr McGuigan in carrying out an external role on behalf of the National College for Teaching and Leadership as a National Leader of Governance. In this period the grant received was £2000; Mr McGuigan claimed £252 in travel and subsistence payments and the balance carries forward to the next period.

## **TRUSTEES' REPORT - continued**

The Executive Head is the Accounting Officer. The Executive Head is responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation and Finance Policy. Some spending control is devolved to Budget Holders that must be authorised through the Executive Head. The Executive Head is responsible for the appointment of staff, though appointment panels for teaching posts include a Trustee.

The Trust operates the statutory Admissions Committee, called when necessary, and other Committees are:

- The Audit Committee (which excludes anyone serving on a School's Finance Committee)
- The Staffing Committee
- The Staff Performance and Pay Committee, and
- The Staff Appeals Committee, plus
- Pewsey Primary School has a Premises, Health and Safety Committee

The Staff Performance and Pay Committee has delegated authority for pay awards. It makes awards based on the recommendations of the Executive Head for those staff entitled to be considered for performance pay. The Committee carries out the Executive Head's annual appraisal and Review. In its work it takes into consideration the pay details published in the School Teachers Pay and Conditions Document, it approves specified objectives based on whole school performance; these must be met before any performance pay award is made.

### **Connected Organisations, including Related Party Relationships**

There are no related parties that either control or significantly influence the decisions and operations of the Trust. We have shared the purchase of staff development training with the local primaries in our cluster of schools. In addition, the Academy has links with Pewsey Vale School including sharing of expertise, a comprehensive pupil transition programme and the purchase of specialist staff and School Meals.

### **OBJECTIVES AND ACTIVITIES**

The Company's object 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.

#### **Objects and Aims**

*We work together to create whole school communities focused on raising the aspirations of all, in a supportive and safe environment. We challenge everybody to achieve their full potential: socially, emotionally and academically.*

#### **The Schools' Aims**

- To value, respect and encourage all members of the school community.
- To provide a safe, caring and happy school.
- To provide experiences in a nurturing environment, where mistakes and risks are seen as positive steps to learning.
- To provide a creative, dynamic curriculum allowing children to enjoy learning and achieve success.
- To develop talents and abilities of individuals through working independently and cooperatively.
- To involve all learners in the decision making of the school, enabling them to make a positive contribution now and in the future.
- To challenge and support learners to provide them with skills for a successful future.
- To develop learners' understanding of self and others, enabling everyone to make positive, healthy choices.
- To promote effective working partnerships with parents, carers and the wider community.

**TRUSTEES' REPORT - continued**

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our School Improvement Targets identified for this period include:

<p><b>Area for Improvement 1 - Quality of Leadership &amp; Management</b></p> <p>Leading on Learning: to develop a cohesive learning community and securing effective distributive leadership.</p> <p><i>Key entitlement is that school leadership promotes leadership of learning that impacts on pupil progress and attainment.</i></p>
<p><b>Priority Targets:</b></p> <ol style="list-style-type: none"><li>1. Consolidate distributed leadership throughout the school. To embed the school's vision and promote and support aspirational achievement for the pupils, with a focus on raising the overall quality of teaching from good to outstanding.</li><li>2. To secure the effective accountability for the work of the school, including: the use of target setting; cohort tracking; plus, establishing the roles and responsibilities of staff and Governors for monitoring the achievement and progress of the children across a broad and balanced curriculum.</li><li>3. To ensure that the school's curriculum meets the needs of the learners' at Pewsey Primary School.</li><li>4. To promote the role of the School Council in developing the professional learning community and having an impact on the direction of development of the School.</li></ol>
<p><b>Area for Improvement 2 – Quality of Teaching, Learning &amp; Assessment</b></p> <p><i>Key entitlement is to high-quality teaching and learning that enables <u>all</u> children to make good progress to reach or exceed national expectations</i></p>
<p><b>Priority Target:</b> 100% of learning and teaching in all literacy and numeracy lessons is judged good or better by:</p> <ul style="list-style-type: none"><li>• Ensuring that the 'New Curriculum' is being fully implemented across all year groups by staff.</li><li>• Developing a dynamic curriculum</li><li>• Implement whole school spelling and grammar strategy.</li><li>• Providing appropriate training for key subject leaders to ensure effective implementation.</li><li>• Developing assessment practices and policies to complement new curriculum and life without levels.</li><li>• Sourcing and implementing new electronic tracking package to ensure progress and attainment can be tracked though the new curriculum</li></ul>
<p><b>Area for Improvement 3 - Personal Development, Behaviour &amp; Welfare</b></p> <p><i>Key entitlement is to a high-quality learning environment that supports <u>all</u> children in making good progress to reach or exceed national expectations</i></p>
<p><b>Priority Target:</b> To utilise all aspects of the school to promote the development of the whole child by:</p> <ul style="list-style-type: none"><li>• To build on current outstanding levels of behaviour and attitudes.</li><li>• To promote good attendance (above the national)</li><li>• To ensure that all parents and pupils are fully aware of e-safety.</li><li>• To update Child Protection training for all staff.</li><li>• To train staff in WRAP – Prevent training (preventing Radicalisation)</li><li>• To establish a safe and stimulating environment for pupils rooted in mutual respect.</li></ul> <p>To address pupil mental health and well-being as part of our commitment to prevent mental health difficulties that may start in childhood, but have a greater impact in adult life.</p>

**Area for Improvement 4 – Outcomes for Pupils**

*Key entitlement is to ensure that at least **85% of children** meet their age related expectation at the end of their academic year.*

**Priority Target:**

- Improving standards and raising achievement in Writing across the school – particularly for vulnerable boys.
  - Improving standards in spelling and grammar across the school.
  - To continue to improve standards and raise achievement in KS1 in R, W & M.
  - Continue to improve standards and raise achievement in Reading across the school.
- Increased Parental Involvement at home with children's learning.

What the school should do to improve further (OFSTED – Findings June 2012):

1) Raise the overall quality of teaching from good to outstanding in order to further accelerate progress, particularly in mathematics, by ensuring that:

- Assessment is used rigorously to plan work that consistently challenges all pupils to achieve their best in lessons
- Targets are known, understood and used by all pupils
- Marking consistently gives pupils the next steps in their learning and gives them opportunities to respond
- Pupils increasingly have planned opportunities to practise their mathematical skills in other subjects.

2) Strengthen the effectiveness of leaders and managers by ensuring that agreed improvements to teaching are consistently and effectively applied across the school.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit education in the Academy's designated area. In particular, but without prejudice to the generality of the foregoing by maintaining, managing and developing the Academy and offering a broad and balanced curriculum.

The current Academy provides facilities for recreational and other leisure time occupation mainly for the children in the community in the interests of social welfare and with the interest of improving the life of the said community.

**STRATEGIC REPORT**

**Achievements and Performance**

In the Academy during this period of operation there were 206 pupils on roll at Pewsey Primary School. There is a waiting list operating in four of the year groups. All children at Pewsey Primary School make outstanding progress from their starting points.

The Ofsted inspectors in 2012 judged our school 'good' in all areas.

Parental satisfaction with the school is very high and pupils say that they are happy in school.

Early Years Foundation Stage Profile for 2016 shows that the Academy has a total average point score for boys and girls combined of 34.8, and 71% of the children achieved a Good Level of Development.



**TRUSTEES' REPORT - continued**

Key Stage One assessments are above the national average. With the % of children reaching Age Related Expectations (ARE) as: Reading (82%) Writing (79%) Maths (86%).

In the Year 1 phonics screening the cohort achieved 86%.

We exceed all floor standards and the national averages for attainment and progress at the end of KS2 in Reading, Writing and Maths for pupils attaining ARE (Age Related Expectation). Again, this year the school is celebrating exceptionally high results for attainment and progress; high results have now been consistent over 4 years.

<b>Attainment End of KS2 2016 26 children</b>	<b>At Age Related Expectation</b>	<b>Average Scaled Score</b>
<b>Reading</b>	96%	107.3
<b>Writing</b>	92%	-
<b>GPS</b>	81%	104.7
<b>Maths</b>	96%	105.3
<b>RWM combined</b>	88%	-

<b>Progress End of KS2 2016 26 children</b>	<b>Progress Measures</b>
<b>Reading</b>	<b>5.3 (2.8 – 7.8)</b>
<b>Writing</b>	<b>4.6 (2.1 – 7.1)</b>
<b>Maths</b>	<b>3.0 (0.9 – 5.1)</b>

All children at Pewsey Primary School have the right to a broad, balanced and relevant curriculum that provides continuity and progression and considers individual differences. The Curriculum at our school will provide an overarching framework that translates the values and aims of the school into effective teaching and learning. Our school's curriculum comprises the planned activities that we organise to promote learning, personal growth and development. It includes not only the current formal requirements of the National Curriculum, but also the various extra-curricular activities that the school organises to enrich the children's experience. Many extra-curricular activities and clubs are available, including various sports clubs, homework, dance and choir, Music lessons with peripatetic specialists are offered within the school day: violin, guitar, brass and woodwind.

The curriculum is assessed, planned and delivered to promote the personalised learning of all children. It also includes the 'hidden curriculum' – what the children learn from the way they are treated and expected to behave. We want children to grow into positive, responsible people, who can work and cooperate with others while at the same time developing their knowledge and skills, to achieve their true potential. We value the breadth of the curriculum that we provide. We aim to foster creativity in our children, and to help them become independent learners. Above all, we believe in making learning fun!

**TRUSTEES' REPORT - continued**

**Going Concern**

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

**FINANCIAL REVIEW**

**Financial Review**

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

The land and other assets were transferred to the Trust upon conversion from Wiltshire Council.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in the financial statements. The Trustees acknowledge the pension reserve deficit of £373,000 (2015: £197,000) and continue to monitor the situation with a view to increasing contributions later to reduce the deficit.

Total income for the 12-month year was £977,691. Total expenditure for the year was £994,438.

Key financial policies adopted or reviewed during the year include:

- The Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Executive Head, Senior Leaders, budget holders and other staff, as well as delegated authority for spending.
- The Financial Accounting Policies.
- The Reserves Policy

Trustees have adopted a Responsible Officer Policy and appointed an external advisor who is a member of the Local Authority's Accounting and Budget Support team to undertake a programme of internal checks on financial controls. During the year the Trustees receive quarterly reports that contained no matters of significance.

**Reserves Policy**

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

It is the Trustees' objective to maintain a structure of prudent financial management. The amount that is carried forward is reviewed annually. The Trustees view this as a sufficient amount to allow for fluctuations in future funding or unexpected expenditure as well as planning for future capital expenditure, whilst ensuring that current year funding is expended to maximise provision of education.

**TRUSTEES' REPORT – continued**

The Trustees' policy is to review the reserve levels of the Academy annually with the objective of carrying forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any unforeseen contingencies plus a contribution towards future capital projects.

Reserves at 31 August 2016 (being total funds less restricted general funds and restricted fixed asset funds) were £155,116.

**Investment Policy**

All funds surplus to immediate requirements would be invested to optimal effect. Due to the nature of funding the Academy may at times hold cash balances surplus to its short term requirements.

**Financial and Risk Management Objectives and Policies**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustee's and Premises, Finance and Audit Committee meetings. The Trustees ensure sufficient funds are held to cover all known and anticipated commitments.

**TRUSTEES' REPORT - continued**

At the year-end the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**Risk Management**

The Academy has undertaken a full review of the main areas of risks that it faces. This includes all health and safety and child protection policies and procedures. In addition, a review of all financial risks is undertaken on a regular basis and systems of internal control are checked and improved where possible.

A Risk Register is maintained and reviewed on a regular basis.

**Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Academy has considerable reliance on government funding through the EFA. There is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in Governance and/or Management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**TRUSTEES' REPORT - continued**

**Reputational** - the continuing success of the Academy is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

**Safeguarding and Child Protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

**Staffing** - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mis-management of funds** - The Academy has appointed an external advisor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans are given in our Academy Improvement Plan.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

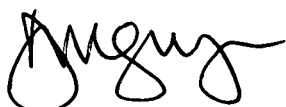
The Academy and its Trustees do not act as the custodian trustees of any other charity.

**AUDITOR**

In so far as the trustees are aware:

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

Trustees report, incorporating a strategic report, approved by order of the members of the Board of Trustees on 23 November 2016 and signed on its behalf by:



**Peter McGuigan  
Chair of Trustees**

## **GOVERNANCE STATEMENT**

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### **Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Head 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 King Alfred Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Trustee's report and in the Trustees' responsibility statement. The Board of Trustees has met six times during the period 1st September 2015 – 31<sup>st</sup> August 2016. Attendance during the year at meetings of the Board of Trustees was as follows:

#### **Register of Attendance for Full Board of Trustees Meetings 1 September 2015 – 31 August 2016**

	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Caroline Baynes	5	6
Jon Carter	5	6
Nigel Crawshay Jones	5	6
Josie Davenport	2	6
Katrina Ellis	6	6
Chris Fawdry	5	6
Nicola Gilbert	6	6
Lee Jeffery	5	6
Peter McGuigan	6	6
Jane Newton	6	6
Carrie-Anne Pollock	1	6
Karen Shields	2	6
Richard Tannasee	0	2

#### **Register of Attendance for Audit Committee Meetings 1 September 2015 – 31 August 2016**

	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Caroline Baynes	1	1
Chris Fawdry	1	1
Karen Shields	1	1
Member of the Audit Committee also visited all other committees to investigate the Risk Register		

**GOVERNANCE STATEMENT - continued**

**Register of Attendance for Pewsey Primary School's Premises, Health and Safety Committee Meetings 1 September 2015 – 31 August 2016**

	Meetings Attended	Out of a Possible
Caroline Baynes	3	3
Chris Fawdry	3	3
Nicola Gilbert	3	3
Lee Jeffrey	3	3

**Review of Value for Money**

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

- Completing the arrangement for the internal delivery of Forest School
- Tendering and completing the refurbishment of 2 classrooms
- A new printer/copier contract delivering lower cost and greater reliability

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 King Alfred Trust for the period 1<sup>st</sup> September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks, which has been in place for the period 1<sup>st</sup> September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. The Board of Trustees regularly reviews this process.

**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.

**GOVERNANCE STATEMENT - continued**

In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Staffing & 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 Board of Trustees has considered the need for a specific internal audit function and has decided to not appoint an internal auditor. However, the trustees have appointed a Financial Controls Assurance Officer from Wiltshire Council and an external advisor, a member of the Local Authority's Accounting and Budget Support team, to carry out a programme of internal checks. The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of cash income systems
- Review of financial planning processes
- Testing of payroll systems
- Testing of purchase systems

The Finance and Staffing Committee receives quarterly reports on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

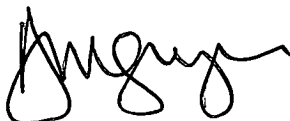
**Review of Effectiveness**

As Accounting Officer, the Executive Head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- Financial controls assurance reports;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the Academy Business Manager who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 23/11/16 and signed on its behalf by:



**Peter McGuigan**  
Chair of Trustees



**Nicola Gilbert**  
Executive Head & Accounting Officer

**KING ALFRED TRUST  
(A COMPANY LIMITED BY GUARANTEE)**


**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of King Alfred Trust, I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have due regard to the requirements of the Academies Financial Handbook.

I confirm that the Academy Board of Trustees and I 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 of funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Board of Trustees and EFA.



**Nicola Gilbert**

Executive Head & Accounting Officer

Date: 7/12/16



**KING ALFRED TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgments 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 financial statement; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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

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



**Peter McGuigan**  
Chair of Trustees:

Date: 23 November 2016

**Report of the Independent Auditors to the Members of  
King Alfred Trust**

We have audited the financial statements of King Alfred Trust for the year ended 31 August 2016 on pages nine to twenty eight. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (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 auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Academies Accounts Direction 2015 to 2016.

**Opinion on other matter prescribed by the Companies Act 2006**


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

**Report of the Independent Auditors to the Members of**  
**King Alfred 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Steven Fraser (Senior Statutory Auditor)  
for and on behalf of Monahans  
Statutory Auditors  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

Date: 12th December 2016

**Independent Reporting Accountant's Assurance Report on Regularity to  
King Alfred Trust and the Education Funding Agency**

In accordance with the terms of our engagement 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 King Alfred 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 King Alfred Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King Alfred 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 King Alfred Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of King Alfred Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of King Alfred Trust's funding agreement with the Secretary of State for Education 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

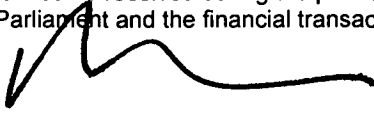

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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 charitable company's income and expenditure.

**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.

Monahans  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

Date: 15th December 2016

**King Alfred Trust**

**Statement of Financial Activities  
for the Year Ended 31 August 2016**

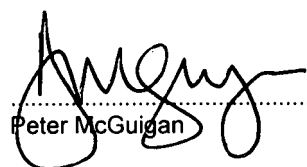
		Unrestricted funds £	Restricted funds £	Fixed asset fund £	2016 Total funds £	2015 Total funds £
	Notes					
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	3	6,809	-	-	6,809	9,650
<b>Charitable activities</b>						
Funding for the academy's educational operations	4	13,391	940,572	6,130	960,093	917,890
Other trading activities	5	10,511	-	-	10,511	13,253
Investment income	6	278	-	-	278	224
<b>Total</b>		<b>30,989</b>	<b>940,572</b>	<b>6,130</b>	<b>977,691</b>	<b>941,017</b>
<b>EXPENDITURE ON</b>						
<b>Charitable activities</b>						
Academy's educational operations	7	14,564	936,568	43,306	994,438	935,286
<b>NET INCOME/(EXPENDITURE)</b>		<b>16,425</b>	<b>4,004</b>	<b>(37,176)</b>	<b>(16,747)</b>	<b>5,731</b>
<b>Transfers between funds</b>	20	-	(16,342)	16,342	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		-	(156,000)	-	(156,000)	2,000
<b>Net movement in funds</b>		<b>16,425</b>	<b>(168,338)</b>	<b>(20,834)</b>	<b>(172,747)</b>	<b>7,731</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>138,691</b>	<b>(150,576)</b>	<b>1,962,497</b>	<b>1,950,612</b>	<b>1,942,881</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>155,116</b>	<b>(318,914)</b>	<b>1,941,663</b>	<b>1,777,865</b>	<b>1,950,612</b>

**King Alfred Trust**

**Balance Sheet**  
**At 31 August 2016**

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	13	1,941,663	1,956,488
<b>CURRENT ASSETS</b>			
Stocks	14	1,650	1,445
Debtors	15	35,229	31,313
Cash at bank and in hand		<u>220,144</u>	<u>201,435</u>
		257,023	234,193
<b>CREDITORS</b>			
Amounts falling due within one year	16	(47,821)	(43,069)
<b>NET CURRENT ASSETS</b>		<u>209,202</u>	<u>191,124</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,150,865	2,147,612
<b>PENSION LIABILITY</b>	21	(373,000)	(197,000)
<b>NET ASSETS</b>		<u>1,777,865</u>	<u>1,950,612</u>
<b>FUNDS</b>	20		
Unrestricted funds		155,116	138,691
Restricted funds		<u>1,622,749</u>	<u>1,811,921</u>
<b>TOTAL FUNDS</b>		<u>1,777,865</u>	<u>1,950,612</u>

The financial statements were approved by the Board of Trustees on 23 November 2016 and were signed on its behalf by:

  
Peter McGuigan

**King Alfred Trust**

**Cash Flow Statement**  
**for the Year Ended 31 August 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	23	<u>40,783</u>	<u>63,254</u>
<b>Net cash provided by (used in) operating activities</b>		<u>40,783</u>	<u>63,254</u>
 <b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(28,482)	(33,952)
Capital grants from DfE/EFA		6,130	6,010
Interest received		<u>278</u>	<u>224</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(22,074)</u>	<u>(27,718)</u>
 <b>Change in cash and cash equivalents in the reporting period</b>		<u>18,709</u>	<u>35,536</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>201,435</u>	<u>165,899</u>
 <b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>220,144</u></u>	<u><u>201,435</u></u>

## **King Alfred Trust**

### **Notes to the Financial Statements** **for the Year Ended 31 August 2016**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

##### ***First time adoption of FRS 102***

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

##### **Reconciliation with previous Generally Accepted Accounting Practice**

In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the change in the measurement of the defined benefit pension scheme as a component of reported income.

Reconciliation of reported net income	£
Net income/(expenditure) as previously stated	10,731
Adjustment for the change in the measurement of the defined benefit pension scheme	<u>(5,000)</u>
2015 net income as restated	<u><u>5,731</u></u>

##### **Going concern**

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

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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



**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**1. ACCOUNTING POLICIES - continued**

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Other income**

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the charity 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 charity's accounting policies.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

**Expenditure on raising funds**

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

**Charitable activities**

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

**Governance costs**

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

## **King Alfred Trust**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 August 2016**

#### **1. ACCOUNTING POLICIES - continued**

##### **Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold buildings	50 years
Fixtures, fittings and equipment	5 years
IT equipment	3 years

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

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.

Upon conversion to academy status, the leasehold land and buildings (being the school building and playing field) were transferred to the academy on a 125 year lease from Wiltshire Council, for no consideration. The property is included at insurance valuation. Other assets on transfer were valued at depreciated cost when purchased shortly prior to the formation of the academy.

##### **Stocks**

Stock consists of purchased goods for resale including uniforms as well as other items held for future use. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

##### **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.

##### **Provisions**

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

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

##### **Leased assets**

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

##### **Taxation**

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

## **King Alfred Trust**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 August 2016**

#### **1. ACCOUNTING POLICIES - continued**

##### **Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/other funders 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.

##### **Pension benefits**

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

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

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

##### **Critical accounting estimates and areas of judgement**

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

##### **Critical accounting estimates and assumptions**

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

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

There are no critical areas of judgement.

#### **2. GENERAL ANNUAL GRANT**

The LLP has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**3. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Donations	6,809	-	6,809	9,650

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Grants	-	931,443	931,443	898,716
School trips	-	15,259	15,259	8,110
Catering	13,391	-	13,391	11,064
	<u>13,391</u>	<u>946,702</u>	<u>960,093</u>	<u>917,890</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	791,668	791,668	740,945
Other DfE/EFA grants	-	107,386	107,386	107,889
	-	899,054	899,054	848,834
<b>DfE/EFA capital grant</b>				
DfE/EFA capital grants	-	6,130	6,130	6,010
<b>Other government grant</b>				
Special educational projects	-	26,259	26,259	43,872
	<u>-</u>	<u>931,443</u>	<u>931,443</u>	<u>898,716</u>

**5. OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Other income	<u>10,511</u>	<u>-</u>	<u>10,511</u>	<u>13,253</u>

**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**6. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Deposit account interest	<u>278</u>	<u>-</u>	<u>278</u>	<u>224</u>

**7. EXPENDITURE**

	Staff costs £	Non-pay expenditure Premises £	Other costs £	2016 Total £	2015 Total £
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	620,888	-	107,768	728,656	685,914
Allocated support costs	84,762	99,647	75,803	260,212	242,059
	<u>705,650</u>	<u>99,647</u>	<u>183,571</u>	<u>988,868</u>	<u>927,973</u>

Net income/(expenditure) is stated after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration	5,570	5,300
Auditor's remuneration for non-audit work	-	2,013
Depreciation - owned assets	43,307	36,470
Operating leases - equipment	<u>3,079</u>	<u>2,740</u>

**King Alfred Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2016**

**8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Direct costs	1,173	727,483	728,656	685,914
Support costs	<u>13,391</u>	<u>226,821</u>	<u>240,212</u>	<u>242,059</u>
	<u>14,564</u>	<u>954,304</u>	<u>968,868</u>	<u>927,973</u>

	2016 Total £	2015 Total £
<b>Analysis of support costs</b>		
Support staff costs	71,762	82,301
Technology costs	8,942	6,467
Premises costs	91,786	78,971
Other support costs	59,861	67,083
Governance costs	<u>13,431</u>	<u>14,550</u>
<b>Total support costs</b>	<u>245,782</u>	<u>249,372</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. The value of trustees' remuneration and other benefits was as follows.

N Gilbert (principal and trustee):

Remuneration £65,000 - £70,000 (2015: £60,000 - £65,000)

Employer's pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000)

J Carter (staff trustee)

Remuneration £35,000 - £40,000 (2015: £35,000 - £40,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

L Jeffery (staff trustee)

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

Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000)

**Trustees' expenses**

During the year ended 31 August 2016, travel and subsistence expenses totalling £490 (2015: £nil) were reimbursed to 2 (2015: nil) trustees. Other related party transactions involving the trustees are set out in note 21.

**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**10. STAFF COSTS**

	2016 £	2015 £
Wages and salaries	559,767	527,065
Social security costs	33,953	30,908
Other pension costs	<u>111,631</u>	<u>101,745</u>
	705,351	659,718
Supply teacher costs	<u>299</u>	<u>11,802</u>
	<u><u>705,650</u></u>	<u><u>671,520</u></u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2016	2015
Teachers and teaching assistants	19	17
Administration and support	3	3
Management	<u>1</u>	<u>1</u>
	<u><u>23</u></u>	<u><u>21</u></u>

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

	2016	2015
£60,001 - £70,000	<u>1</u>	<u>1</u>

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2016 employer's pension contributions for the staff amounted to £10,728 (2015 - £8,955).

The average number of persons employed by the academy trust during the year was:

	2016 Number	2015 Number
Teachers and teaching assistants	30	25
Administration and support	15	15
Management	<u>1</u>	<u>1</u>
	<u><u>46</u></u>	<u><u>41</u></u>

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £Nil

**Key management personnel**

The key management personnel of the academy trust comprise the trustees, the senior management team as listed on page 3 and the finance officer. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £132,628 (2015: £128,482).

**11. TRUSTEES' 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.

**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Fixed asset fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	3,580	2,794	3,276	9,650
<b>Charitable activities</b>				
Funding for the academy's educational operations	11,064	900,816	6,010	917,890
Other trading activities	13,253	-	-	13,253
Investment income	<u>224</u>	<u>-</u>	<u>-</u>	<u>224</u>
<b>Total</b>	<b>28,121</b>	<b>903,610</b>	<b>9,286</b>	<b>941,017</b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	<u>12,006</u>	<u>886,809</u>	<u>36,471</u>	<u>935,286</u>
<b>NET INCOME/(EXPENDITURE)</b>	<b>16,115</b>	<b>16,801</b>	<b>(27,185)</b>	<b>5,731</b>
<b>Transfers between funds</b>	<u>-</u>	<u>(30,677)</u>	<u>30,677</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
<b>Net movement in funds</b>	<b>16,115</b>	<b>(11,876)</b>	<b>3,492</b>	<b>7,731</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>122,575</b>	<b>(138,700)</b>	<b>1,959,006</b>	<b>1,942,881</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b><u>138,690</u></b>	<b><u>(150,576)</u></b>	<b><u>1,962,498</u></b>	<b><u>1,950,612</u></b>



**King Alfred Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2016**

**13. TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2015	1,950,000	25,410	31,529	2,006,939
Additions	-	19,927	8,555	28,482
At 31 August 2016	<u>1,950,000</u>	<u>45,337</u>	<u>40,084</u>	<u>2,035,421</u>
<b>DEPRECIATION</b>				
At 1 September 2015	36,833	4,316	9,302	50,451
Charge for year	<u>26,000</u>	<u>5,613</u>	<u>11,694</u>	<u>43,307</u>
At 31 August 2016	<u>62,833</u>	<u>9,929</u>	<u>20,996</u>	<u>93,758</u>
<b>NET BOOK VALUE</b>				
At 31 August 2016	<u>1,887,167</u>	<u>35,408</u>	<u>19,088</u>	<u>1,941,663</u>
At 31 August 2015	<u>1,913,167</u>	<u>21,094</u>	<u>22,227</u>	<u>1,956,488</u>

Included in long leasehold is £650,000 (2015: £650,000) of land that is not depreciated.

**14. STOCKS**

	2016 £	2015 £
Stationery	<u>1,650</u>	<u>1,445</u>

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
VAT	9,707	3,668
Prepayments and accrued income	<u>25,522</u>	<u>27,645</u>
	<u>35,229</u>	<u>31,313</u>

**King Alfred Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2016**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade creditors	-	3,918
Social security and other taxes	10,477	7,508
Accruals and deferred income	<u>37,344</u>	<u>31,643</u>
	<u>47,821</u>	<u>43,069</u>

Deferred income

	£
Deferred income at 1 September 2014	23,155
Resources deferred in the year	24,711
Amounts released from previous years	<u>(23,155)</u>
Deferred Income at 31 August 2015	<u>24,711</u>

At the balance sheet date the academy trust was holding funds received in advance for the 15/16 school year.

**17. OPERATING LEASE COMMITMENTS**

The total minimum lease payments in respect of operating leases are as follows:

	Other operating leases	
	2016	2015
	£	£
Expiring:		
Within one year	2,048	2,055
Between one and five years	<u>3,071</u>	<u>-</u>
	<u>5,119</u>	<u>2,055</u>

**18. 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.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Restricted funds	Fixed asset fund	2016 Total funds	2015 Total funds
	£	£	£	£	£
Fixed assets	-	-	1,941,663	1,941,663	1,956,488
Current assets	155,116	101,907	-	257,023	234,193
Current liabilities	-	(47,821)	-	(47,821)	(43,069)
Pension liability	-	<u>(373,000)</u>	-	<u>(373,000)</u>	<u>(197,000)</u>
	<u>155,116</u>	<u>(318,914)</u>	<u>1,941,663</u>	<u>1,777,865</u>	<u>1,950,612</u>

**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**20. MOVEMENT IN FUNDS**

	At 1.9.15 £	Net movement in funds £	Transfers between funds £	At 31.8.16 £
<b>Unrestricted funds</b>				
Unrestricted	138,691	16,425	-	155,116
<b>Restricted funds</b>				
Pension reserve	(197,000)	(176,000)	-	(373,000)
Fixed assets on conversion	1,925,315	(33,465)	-	1,891,850
DfE/EFA capital grants	6,010	5,818	-	11,828
General Annual Grant	42,490	24,673	(16,342)	50,821
DfE/EFA grants	3,934	(669)	-	3,265
Other capital donations	2,730	(655)	-	2,075
Capital expenditure from GAG	28,442	(8,874)	16,342	35,910
	1,811,921	(189,172)	-	1,622,749
<b>TOTAL FUNDS</b>	<u>1,950,612</u>	<u>(172,747)</u>	<u>-</u>	<u>1,777,865</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted	30,989	(14,564)	-	16,425
<b>Restricted funds</b>				
DfE/EFA capital grants	6,130	(312)	-	5,818
General Annual Grant	791,668	(766,995)	-	24,673
DfE/EFA grants	107,386	(108,055)	-	(669)
Other government grants	26,259	(26,259)	-	-
Other restricted income	15,259	(15,259)	-	-
Other capital donations	-	(655)	-	(655)
Pension reserve	-	(20,000)	(156,000)	(176,000)
Fixed assets on conversion	-	(33,465)	-	(33,465)
Capital expenditure from GAG	-	(8,874)	-	(8,874)
	946,702	(979,874)	(156,000)	(189,172)
<b>TOTAL FUNDS</b>	<u>977,691</u>	<u>(994,438)</u>	<u>(156,000)</u>	<u>(172,747)</u>

**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**20. MOVEMENT IN FUNDS - continued**

General Annual Grant - the GAG is applied in strict accordance with the terms of the Model Funding Agreement. Under the funding agreement with the Secretary of state, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DfE/EFA grants - these include the pupil premium which is used to assist pupils from low income families, PE sports grant to fund improvements to the provision of PE and sports for primary pupils, and the grant towards the universal free school meals provision.

Other government grants - this is the special educational needs funding from Wiltshire County Council.

Other income - this is the monies received and expended on school trips, plus other donations received for restricted revenue purposes.

Pension reserve - this deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present.

DfE/EFA capital grants - this represents funding specifically provided to support capital expenditure on fixed assets.

Other capital - this represents donations received for capital purposes

Fixed assets on conversion - this represents the value of land, buildings and other assets transferred from the Local Authority to the academy on conversion less depreciation.

Capital expenditure from GAG - this represents the cost less depreciation of assets purchased from the GAG.

The following transfers between funds have been made in the period:

£16,342 transferred from the 'GAG' to 'Capital expenditure from GAG' being the cost of capital additions in the period funded by the GAG.

**21. PENSION 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 Wiltshire Pension Fund. Both are multi-employer defined benefit schemes.

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

There were no 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.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

*Valuation of the Teachers' Pension Scheme*

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

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

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

The employer's pension costs paid to TPS in the period amounted to £57,000 (2015: £47,000).

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

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

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £51,000 (2015: £52,000), of which employer's contributions totalled £40,000 (2015: £41,000) and employees' contributions totalled £11,000 (2015: £11,000). The agreed contribution rates for future years are 17.9% for employers and 5.5% to 10.5% for employees.

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

**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Present value of funded obligations	(451,000)	(480,000)
Fair value of plan assets	<u>78,000</u>	<u>283,000</u>
	<u>(373,000)</u>	<u>(197,000)</u>
Deficit	<u>(373,000)</u>	<u>(197,000)</u>
Liability	<u>(373,000)</u>	<u>(197,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Current service cost	53,000	55,000
Net interest from net defined benefit asset/liability	7,000	7,000
Gains/losses on settlements and curtailments	<u>-</u>	<u>2,000</u>
	<u>60,000</u>	<u>64,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Opening defined benefit obligation	(197,000)	(402,000)
Current service cost	(53,000)	(55,000)
Contributions by scheme participants	(11,000)	(11,000)
Interest cost	(19,000)	(16,000)
Benefits paid	7,000	-
Curtailments	-	(2,000)
Actuarial (gains)/losses from changes in financial assumptions	<u>(178,000)</u>	<u>6,000</u>
	<u>(451,000)</u>	<u>(480,000)</u>

**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Opening fair value of scheme assets	283,000	226,000
Contributions by employer	40,000	41,000
Contributions by scheme participants	11,000	11,000
Interest income on plan assets	-	9,000
Expected return	12,000	-
Benefits paid	(7,000)	-
Return on plan assets (excluding interest income)	<u>22,000</u>	<u>(4,000)</u>
	<u><u>361,000</u></u>	<u><u>283,000</u></u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Actuarial (gains)/losses from changes in financial assumptions	(178,000)	6,000
Return on plan assets (excluding interest income)	<u>22,000</u>	<u>(4,000)</u>
	<u><u>(156,000)</u></u>	<u><u>2,000</u></u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Equities	260,000	201,000
Bonds	54,000	42,000
Property	43,000	34,000
Cash	<u>4,000</u>	<u>6,000</u>
	<u><u>361,000</u></u>	<u><u>283,000</u></u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2016	2015
Discount rate	2.1%	3.8%
Future salary increases	4.1%	4.6%
Future pension increases	2.1%	2.7%
Inflation (CPI)	2.1%	2.7%
Commutation of pensions to lump sums	50%	50%

**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**21. PENSION 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:

	At 31 August 2016	At 31 August 2015
Current pensioners		
Males	22.3 years	22.3 years
Females	24.5 years	24.5 years
Future pensioners*		
Males	24.1 years	24.1 years
Females	26.9 years	26.9 years

\* Figures assume members aged 45 as at the last formal valuation date.

Amounts for the current and previous period are as follows:

	2016 £	2015 £
<b>Defined benefit pension plans</b>		
Opening defined benefit obligation	(451,000)	(480,000)
Opening fair value of scheme assets	56,000	287,000
Deficit	(395,000)	(193,000)
Experience adjustments on scheme assets	-	(9,000)

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
Change in assumption at 31 August 2016		
0.5% decrease in Real Discount Rate	13%	96
1 year increase in member life expectancy	3%	22
0.5% increase in the Salary Increase Rate	5%	35
0.5% increase in the Pension Increase Rate	8%	58

**22. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest.

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



**King Alfred Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**23. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(16,747)</b>	<b>5,731</b>
<b>Adjustments for:</b>		
Depreciation	43,306	36,470
Capital grants from DfE/EFA	(6,130)	(6,010)
Interest received	(278)	(224)
Pension finance adjustments	7,000	6,000
FRS 102 pension adjustment	-	5,000
(Increase)/decrease in stocks	(205)	1,455
(Increase)/decrease in debtors	(3,916)	3,309
Increase/(decrease) in creditors	4,753	(477)
Difference between pension charge and cash contributions	<u>13,000</u>	<u>12,000</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>40,783</u></b>	<b><u>63,254</u></b>

**24. FIRST YEAR ADOPTION**

Please refer to the accounting policies.

**Transitional relief**

No transitional reliefs were taken.

**King Alfred Trust**

**Detailed Statement of Financial Activities**  
**for the Year Ended 31 August 2016**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>INCOME AND ENDOWMENTS</b>				
<b>Donations and capital grants</b>				
Gifts	-	-	-	-
Donations	<u>6,809</u>	<u>-</u>	<u>6,809</u>	<u>9,650</u>
	6,809	-	6,809	9,650
<b>Other trading activities</b>				
Other income	10,511	-	10,511	13,253
<b>Investment income</b>				
Deposit account interest	278	-	278	224
<b>Charitable activities</b>				
Grants	-	931,443	931,443	898,716
School trips	-	15,259	15,259	8,110
Catering	<u>13,391</u>	<u>-</u>	<u>13,391</u>	<u>11,064</u>
	<u>13,391</u>	<u>946,702</u>	<u>960,093</u>	<u>917,890</u>
<b>Total incoming resources</b>	30,989	946,702	977,691	941,017
<b>EXPENDITURE</b>				
<b>Charitable activities</b>				
Wages	-	505,122	505,122	474,627
Social security	-	32,405	32,405	29,820
Pensions	-	83,062	83,062	72,970
Supply staff costs	-	299	299	11,802
Technology costs	-	12,287	12,287	14,521
Educational supplies	1,173	72,912	74,085	64,024
Staff development	-	4,090	4,090	7,680
Fixtures and fittings	-	5,612	5,612	3,398
Computer equipment	<u>-</u>	<u>11,694</u>	<u>11,694</u>	<u>7,072</u>
	1,173	727,483	728,656	685,914
<b>Support costs</b>				
<b>Management</b>				
Wages	-	54,645	54,645	52,438
Social security	-	1,548	1,548	1,088
Pensions	-	28,569	28,569	28,775
Technology costs	-	8,942	8,942	6,467
Recruitment and support	-	1,840	1,840	7,023
Maintenance of premises and equipment	-	19,080	19,080	7,855
Cleaning	-	22,132	22,132	18,351
Rates and water	-	4,040	4,040	4,632
Carried forward	-	140,796	140,796	126,629

**King Alfred Trust**

**Detailed Statement of Financial Activities**  
**for the Year Ended 31 August 2016**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>Management</b>				
Brought forward	-	140,796	140,796	126,629
Energy costs	-	7,785	7,785	8,951
Insurance	-	11,294	11,294	12,326
Catering	13,391	36,263	49,654	41,281
Long leasehold	-	26,000	26,000	26,000
Fixtures and fittings	-	-	-	-
Expected return on pension scheme assets	-	(12,000)	(12,000)	(9,000)
Interest on pension scheme liabilities	-	19,000	19,000	18,000
Other costs	-	8,367	8,367	9,779
	13,391	237,505	250,896	233,966
<b>Finance</b>				
Security and transport	-	1,455	1,455	856
<b>Governance costs</b>				
Other costs	-	7,861	7,861	7,237
Auditors' remuneration	-	5,570	5,570	5,300
Auditors' remuneration for non audit work	-	-	-	2,013
	-	13,431	13,431	14,550
<b>Total resources expended</b>	14,564	979,874	994,438	935,286
<b>Net (expenditure)/income</b>	<u>16,425</u>	<u>(33,172)</u>	<u>(16,747)</u>	<u>5,731</u>