

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 AUGUST 2017



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

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

REFERENCE AND ADMINISTRATION DETAILS

Members	Mrs Caroline Baynes Nigel Crawshay Jones Peter McGuigan Ms Jane Newton
Directors/Trustees	<p>Peter McGuigan ‡, Chair Mrs Caroline Baynes # ‡, Vice Chair Ms Jane Newton ‡ (parent) Chris Fawdry # (parent) Mrs Karen Shields # Nigel Crawshay Jones Mrs Katrina Ellis (parent) Mrs Nicola Gilbert, Executive Head & Accounting Officer Lee Jeffery (staff) Jon Carter (staff) Mrs Laura Smithers (parent) (appointed 3 March 2017)</p> <p>‡ Indicates also members of the Staff Pay and Performance Committee # Indicates also members of the Audit Committee</p> <p>Mrs Carrie-Anne Pollock served as a Director/Trustee from 1 September 2016 until 10 October 2016 Mrs Josie Davenport served as a Director/Trustee from 1 September 2016 until 12 October 2016</p>
Company Registered Number	08853971
Registered Office	Pewsey Primary School Wilcot Road Pewsey Wiltshire SN9 5EJ
Accounting Officer	Mrs N Gilbert
Senior Leadership Team	<p>Mrs N Gilbert – Executive Head Mrs S Kemp - Deputy Head Teacher and KS1 Leader Mr J Carter – KS2 Leader Mrs V Spanswick – Leader of Learning Mrs J Wren – School Business Manager – Responsible Officer</p>
Auditors	MHA Monahans 38-42 Newport Street Swindon Wiltshire SN1 3DR
Bankers	Lloyds Bank High Street Pewsey Wiltshire SN9 5AL
Solicitors	Wilsons 4 Lincoln's Inn Fields London WC2A 3AA
Company Secretary	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 2017. 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 other appointments upon consideration of their skills and experience, and the mix of existing Trustees to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

**KING ALFRED TRUST
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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 in a category of Trustees, 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 Leadership Team (SLT) as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by SLT personnel for their services to the academy trust was £277,210.

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 the costs of Mr McGuigan carrying out an external role on behalf of the National College for Teaching and Leadership as a National Leader of Governance.

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 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 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 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

Pewsey Primary School was inspected by OFSTED on 24 January as a Section 8 Inspection: the school remains graded "Good"

Objectives, Strategies and Activities

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

Area Improvement 1 A greater proportion of the middle attaining and the most able pupils, including those who are disadvantaged, gain a greater understanding of what they have read so that more pupils exceed the expected standards in every year group.
Priority Target: <ul style="list-style-type: none">i. Higher order reading skillsii. Identification and tracking of groups from starting pointsiii. Using AFL to match planning & teaching to pupils needs
Area Improvement 2 Ensure assessment in the Early Years is precise so that the proportion of children making consistently high rates of progress and any gaps between disadvantaged children's attainment and that of others diminishes quickly, particularly in speech and language development.
Priority Target: <ul style="list-style-type: none">i. Assessment –<ul style="list-style-type: none">a. AFLb. Tracking individuals and groups – ensuring no gapsii. Planningiii. Enabling environment & Provision
Area Improvement 3 To further develop systematic approaches to planning, teaching, assessing and tracking phonics, spelling and grammar across the school to secure at least good outcomes for all pupils.
Priority Target: <ul style="list-style-type: none">i. Consistent planning across phases.ii. Quality first teaching for all pupils.iii. Using AFL to match planning & teaching to pupils needs.
Area Improvement 4 To ensure that work in maths challenges every pupil at their level, clearly matched to ensure rapid progress for all pupils.
Priority Target: <ul style="list-style-type: none">i. Consistent planning across phases.ii. Quality first teaching for all pupils.iii. Using AFL to match planning & teaching to pupils needs.

TRUSTEES' REPORT - continued

OFSTED Key priorities identified - January 2017

Leaders and those responsible for governance should ensure that:

- A greater proportion of the middle-attaining and the most able pupils, including those who are disadvantaged, gain a greater understanding of what they read so that more pupils exceed the expected standards in every year group.
- Ensure assessment in the early years is precise so that the proportion of children making consistently high rates of progress increases and any gaps between disadvantaged children's attainment and that of others diminishes quickly, particularly in speech and language development.

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; but without prejudice to the generality of the foregoing, by maintaining, managing and developing the Academy and offering a broad and balanced curriculum. The Executive Head is a National Leader of Education and the Chair is a National Leader of Governance and both have supported other schools in the current period. The school is a National Support School and also joined Collaborative Schools Ltd, a Teaching School Alliance, in October 2016

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 good or better progress from their starting points.

The Ofsted inspectors on 24th January 2017 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 2017 shows that the Academy has a total average point score for boys and girls combined of 32.3, and 65% of the children achieved a Good Level of Development.

Key Stage One assessments are above the national average. With the % of children reaching Age Related Expectations (ARE) as: Reading (82%) Writing (82%) Maths (85%).

In the Year 1 phonics screening the cohort achieved 73%.

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 5 years.

TRUSTEES' REPORT – continued

Attainment End of KS2 2017 31 children	At Age Related Expectation	Average Scaled Score
Reading	87%	107.2
Writing	90%	-
GPS	90%	105
Maths	94%	106
RWM combined	84%	-

Progress End of KS2 2017 31 children	Progress Measures
Reading	2.2
Writing	1.3
Maths	0.7

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!

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 ESFA in the form of recurrent grants, the use of which is restricted to specific purposes. The grants received from the DfE during the year ended 31 August 2017 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.

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TRUSTEES' REPORT - continued

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 £360,000 and continue to monitor the situation with a view to increasing contributions at a later date in order to reduce the deficit.

Total income for the 12-month year was £981,024. Total expenditure for the year was £1,020,471.

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 have 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.

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 2017 (being total funds less restricted general funds and restricted fixed asset funds) were £166,580

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 and, in particular, those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk 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.

**KING ALFRED TRUST
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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 can 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 ESFA. 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.

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.

**KING ALFRED TRUST
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TRUSTEES' REPORT – continued

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 22.11.17 and signed on its behalf by:



**Peter McGuigan
Chair of Trustees**

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

GOVERNANCE STATEMENT

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 2016 – 31st August 2017. 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 2016 – 31 August 2017

	Meetings Attended	Out of a Possible
Caroline Baynes	3	6
Jon Carter	6	6
Nigel Crawshay Jones	6	6
Laura Smithers (appointed in year)	4	4
Katrina Ellis	4	6
Chris Fawdry	5	6
Nicola Gilbert	6	6
Lee Jeffery	5	6
Peter McGuigan	6	6
Jane Newton	5	6
Karen Shields	5	6
Carrie Anne Pollock - resigned	0	1
Josie Davenport - resigned	0	1

Register of Attendance for Audit Committee Meetings 1 September 2016 – 31 August 2017

	Meetings Attended	Out of a Possible
Caroline Baynes	3	3
Jane Newton	3	3
Karen Shields	3	3
Member of the Audit Committee also visited all other committees to investigate the Risk Register		

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GOVERNANCE STATEMENT - continued

Register of Attendance for Pewsey Primary School's Premises, Health and Safety Committee Meetings 1 September 2016 – 31 August 2017

	Meetings Attended	Out of a Possible
Peter McGuigan	2	3
Laura Smithers	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
- A new cleaning 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 1st September 2016 to 31 August 2017 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 1st September 2016 to 31 August 2017 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.

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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.

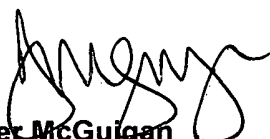
Review of Effectiveness

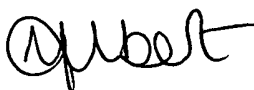
As Accounting Officer, the Executive Head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- 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.
- Regular meeting of Audit Committee

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and the Finance and Staffing committees 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 22.11.17 and signed on its behalf by:


Peter McGuigan
Chair of Trustees


Nicola Gilbert
Executive Head & Accounting Officer

**KING ALFRED TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 ESFA 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 ESFA.



Nicola Gilbert

Executive Head & Accounting Officer

Date: 7/12/17

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

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

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 Skills 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:

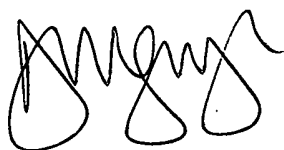
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2015, & Academies Accounts Direction 2016-2017;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards 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 ESFA/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: 22.11.17

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

Opinion

We have audited the financial statements of King Alfred Trust (the 'charitable company') for the year ended 31 August 2017 on pages twenty one to forty one. 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 and Skills Funding Agency (ESFA).

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.

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 2017 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 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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.

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

Responsibilities of trustees


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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.



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

Date: 15th December 2011

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

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 ESFA 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 ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 13th December 2017

King Alfred Trust

**Statement of Financial Activities
for the Year Ended 31 August 2017**

		Unrestricted funds £	Restricted funds £	Fixed asset fund £	2017 Total funds £	2016 Total funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	12,192	-	6,280	18,472	12,939
Charitable activities						
Funding for the academy's educational operations	3	15,754	938,000	-	953,754	953,963
Other trading activities	4	8,630	-	-	8,630	10,511
Investment income	5	168	-	-	168	278
Total		36,744	938,000	6,280	981,024	977,691
EXPENDITURE ON Charitable activities						
Academy's educational operations		25,280	951,165	44,026	1,020,471	994,438
NET INCOME/(EXPENDITURE)		11,464	(13,165)	(37,746)	(39,447)	(16,747)
Transfers between funds	19	-	(621)	621	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	54,000	-	54,000	(156,000)
Net movement in funds		11,464	40,214	(37,125)	14,553	(172,747)
RECONCILIATION OF FUNDS						
Total funds brought forward		155,116	(318,914)	1,941,663	1,777,865	1,950,612
TOTAL FUNDS CARRIED FORWARD		166,580	(278,700)	1,904,538	1,792,418	1,777,865

The notes form part of these financial statements

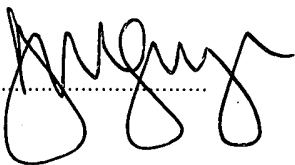
King Alfred Trust

Balance Sheet
At 31 August 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	12	1,904,538	1,941,663
CURRENT ASSETS			
Stocks	13	1,076	1,650
Debtors	14	30,735	35,229
Cash at bank and in hand		<u>266,234</u>	<u>220,144</u>
		298,045	257,023
CREDITORS			
Amounts falling due within one year	15	(50,165)	(47,821)
NET CURRENT ASSETS		<u>247,880</u>	<u>209,202</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,152,418	2,150,865
PENSION LIABILITY	20	(360,000)	(373,000)
NET ASSETS		<u>1,792,418</u>	<u>1,777,865</u>
FUNDS	19		
Unrestricted funds		166,580	155,116
Restricted funds		<u>1,625,838</u>	<u>1,622,749</u>
TOTAL FUNDS		<u>1,792,418</u>	<u>1,777,865</u>

The financial statements were approved by the Board of Trustees on 22.11.17 and were signed on its behalf by:

.....
Trustee



PETER MCGUIGAN

The notes form part of these financial statements

King Alfred Trust
Cash Flow Statement
for the Year Ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	22	<u>46,543</u>	<u>40,783</u>
Net cash provided by (used in) operating activities		<u>46,543</u>	<u>40,783</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(6,901)	(28,482)
Capital grants from DfE/ESFA		6,280	6,130
Interest received		<u>168</u>	<u>278</u>
Net cash provided by (used in) investing activities		<u>(453)</u>	<u>(22,074)</u>
Change in cash and cash equivalents in the reporting period		<u>46,090</u>	<u>18,709</u>
Cash and cash equivalents at the beginning of the reporting period		<u>220,144</u>	<u>201,435</u>
Cash and cash equivalents at the end of the reporting period		<u><u>266,234</u></u>	<u><u>220,144</u></u>

The notes form part of these financial statements

King Alfred Trust

Notes to the Financial Statements **for the Year Ended 31 August 2017**

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 2016 to 2017 issued by the ESFA, 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.

Going concern

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

The trustees believe there are no material uncertainties and that the going concern basis is appropriate.

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

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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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 2017

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

Stocks are valued at the lower of cost and net realisable value.

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.

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 funders where the asset acquired or created is held for a specific purpose.

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

King Alfred Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

Leasing commitments

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

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and overdrafts and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Donations	12,192	-	12,192	6,809
Grants	-	6,280	6,280	6,130
	<u>12,192</u>	<u>6,280</u>	<u>18,472</u>	<u>12,939</u>

Grants received, included in the above, are as follows:

	2017 £	2016 £
DfE/ESFA capital grants	<u>6,280</u>	<u>6,130</u>

King Alfred Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Grants	-	934,784	934,784	925,313
School trips	-	9,496	9,496	15,259
Catering	<u>15,754</u>	-	<u>15,754</u>	<u>13,391</u>
	<u>15,754</u>	<u>944,280</u>	<u>960,034</u>	<u>953,963</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	798,992	798,992	788,725
Other DfE/ESFA Grants	<u>-</u>	<u>103,050</u>	<u>103,050</u>	<u>110,329</u>
	-	902,042	902,042	899,054
Other government grant				
Special educational projects	<u>-</u>	<u>26,462</u>	<u>26,462</u>	<u>26,259</u>
	<u>-</u>	<u>928,504</u>	<u>928,504</u>	<u>925,313</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Other income	<u>8,630</u>	-	<u>8,630</u>	<u>10,511</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Deposit account interest	<u>168</u>	-	<u>168</u>	<u>278</u>

King Alfred Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

6. EXPENDITURE

				2017	2016
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises £	Other costs £	£	£
Charitable activities					
Academies educational operations					
Direct costs	646,203	-	96,843	743,046	729,406
Allocated support costs	<u>110,396</u>	<u>90,573</u>	<u>76,456</u>	<u>277,425</u>	<u>265,032</u>
	<u>756,599</u>	<u>90,573</u>	<u>173,299</u>	<u>1,020,471</u>	<u>994,438</u>

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

	2017	2016
	£	£
Auditors' remuneration	6,645	5,570
Depreciation - owned assets	44,026	43,307
Other operating leases	573	1,342
Operating leases - equipment	<u>-</u>	<u>3,079</u>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total	Individual items above £5,000	
		Amount	Reason
Ex-gratia/compensation payments	-	-	-
Gifts made by the trust	-	-	-
Fixed asset losses	-	-	-
Stock losses	-	-	-
Unrecoverable debts	-	-	-
Cash losses	-	-	-

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£	£	£	£
Direct costs	8,753	734,293	743,046	729,406
Support costs	<u>16,527</u>	<u>260,898</u>	<u>277,425</u>	<u>265,032</u>
	<u>25,280</u>	<u>995,191</u>	<u>1,020,471</u>	<u>994,438</u>

	2017 Total	2016 Total
	£	£
Analysis of support costs		
Support staff costs	110,396	84,762
Technology costs	8,634	8,942
Premises costs	82,165	91,534
Other support costs	61,177	66,363
Governance costs	<u>15,053</u>	<u>13,431</u>
Total support costs	<u>277,425</u>	<u>265,032</u>

King Alfred Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

8. 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 (2016: £65,000 - £70,000)

Employer's pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000)

J Carter (staff trustee)

Remuneration £35,000 - £40,000 (2016: £35,000 - £40,000)

Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

L Jeffery (staff trustee)

Remuneration £10,000 - £15,000 (2016: £10,000 - £15,000)

Employer's pension contributions £0 - £5,000 (2016: £0 - £5,000)

Trustees' expenses

During the year ended 31 August 2017, travel and subsistence expenses totalling £1,199 (2016 £490) were reimbursed to 3 (2016: 2) 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 2017

9. STAFF COSTS

	2017 £	2016 £
Wages and salaries	575,828	559,767
Social security costs	42,041	33,953
Operating costs of defined benefit pension schemes	<u>138,730</u>	<u>111,631</u>
	756,599	705,351
Supply teacher costs	<u>-</u>	<u>299</u>
	<u>756,599</u>	<u>705,650</u>

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

	2017	2016
Teachers and teaching assistants	16	19
Administration and support	3	3
Management	<u>1</u>	<u>1</u>
	<u>20</u>	<u>23</u>

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

	2017	2016
£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 2017, employer's pension contributions for the staff amounted to £11,039 (2016 - £10,728).

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

	2017 Number	2016 Number
Teachers and teaching assistants	25	30
Administration and support	10	15
Management	<u>1</u>	<u>1</u>
	<u>36</u>	<u>46</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 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 £277,210 (2016: £262,313).

10. 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 2017**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Fixed asset fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	6,809	-	6,130	12,939
Charitable activities				
Funding for the academy's educational operations	13,391	940,572	-	953,963
Other trading activities	10,511	-	-	10,511
Investment income	278	-	-	278
Total	30,989	940,572	6,130	977,691
EXPENDITURE ON Charitable activities				
Academy's educational operations	14,564	936,568	43,306	994,438
NET INCOME/(EXPENDITURE)	16,425	4,004	(37,176)	(16,747)
Transfers between funds	-	(16,342)	16,342	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	(156,000)	-	(156,000)
Net movement in funds	16,425	(168,338)	(20,834)	(172,747)
RECONCILIATION OF FUNDS				
Total funds brought forward	138,691	(150,576)	1,962,497	1,950,612
TOTAL FUNDS CARRIED FORWARD	155,116	(318,914)	1,941,663	1,777,865

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2016	1,950,000	45,337	40,084	2,035,421
Additions	-	4,432	2,469	6,901
At 31 August 2017	1,950,000	49,769	42,553	2,042,322
DEPRECIATION				
At 1 September 2016	62,833	9,929	20,996	93,758
Charge for year	26,000	8,844	9,182	44,026
At 31 August 2017	88,833	18,773	30,178	137,784
NET BOOK VALUE				
At 31 August 2017	1,861,167	30,996	12,375	1,904,538
At 31 August 2016	1,887,167	35,408	19,088	1,941,663

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

King Alfred Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

13. STOCKS

	2017	2016
	£	£
Stationery	<u>1,076</u>	<u>1,650</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
VAT	2,205	9,707
Prepayments and accrued income	<u>28,530</u>	<u>25,522</u>
	<u>30,735</u>	<u>35,229</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	1,771	-
Social security and other taxes	9,897	10,477
Accruals and deferred income	<u>38,497</u>	<u>37,344</u>
	<u>50,165</u>	<u>47,821</u>

Deferred income

	£
Deferred income at 1 September 2016	23,155
Resources deferred in the year	24,711
Amounts released from previous years	<u>(23,155)</u>
Deferred Income at 31 August 2017	<u>24,711</u>

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

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	2,047	2,047
Between one and five years	<u>1,024</u>	<u>3,071</u>
	<u>3,071</u>	<u>5,118</u>

17. 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.

King Alfred Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Fixed asset fund	2017 Total funds	2016 Total funds
	£	£	£	£	£
Fixed assets	-	-	1,904,538	1,904,538	1,941,663
Current assets	166,580	131,465	-	298,045	257,023
Current liabilities	-	(50,165)	-	(50,165)	(47,821)
Pension liability	-	(360,000)	-	(360,000)	(373,000)
	<u>166,580</u>	<u>(278,700)</u>	<u>1,904,538</u>	<u>1,792,418</u>	<u>1,777,865</u>

19. MOVEMENT IN FUNDS

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.17 £
Unrestricted funds				
Unrestricted	155,116	11,464	-	166,580
Restricted funds				
Pension reserve	(373,000)	13,000	-	(360,000)
Fixed assets on conversion	1,891,849	(27,286)	-	1,864,563
DfE/ESFA capital grants	11,828	1,988	-	13,816
General Annual Grant	50,821	25,236	(621)	75,436
DfE/ESFA grants	3,265	2,599	-	5,864
Other capital donations	2,076	(655)	-	1,421
Capital expenditure from GAG	35,910	(11,793)	621	24,738
	<u>1,622,749</u>	<u>3,089</u>	<u>-</u>	<u>1,625,838</u>
TOTAL FUNDS	<u>1,777,865</u>	<u>14,553</u>	<u>-</u>	<u>1,792,418</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	36,744	(25,280)	-	11,464
Restricted funds				
DfE/ESFA capital grants	6,280	(4,292)	-	1,988
General Annual Grant	798,992	(773,756)	-	25,236
DfE/ESFA grants	103,050	(100,451)	-	2,599
Other government grants	26,462	(26,462)	-	-
Other restricted income	9,496	(9,496)	-	-
Pension reserve	-	(41,000)	54,000	13,000
Fixed assets on conversion	-	(27,286)	-	(27,286)
Other capital donations	-	(655)	-	(655)
Capital expenditure from GAG	-	(11,793)	-	(11,793)
	<u>944,280</u>	<u>(995,191)</u>	<u>54,000</u>	<u>3,089</u>
TOTAL FUNDS	<u>981,024</u>	<u>(1,020,471)</u>	<u>54,000</u>	<u>14,553</u>

King Alfred Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

19. 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 2017.

Other DfE/ESFA 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/ESFA 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:

£621 transferred from the 'GAG' to 'Capital expenditure from GAG' being the cost of capital additions in the period funded by the GAG.

20. 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 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010 and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other benefits are set out in regulations made under the Superannuation Act (1972) and Public Services Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

King Alfred Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Valuation of the Teachers' Pension Scheme

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 results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015. The employer's pension costs paid to TPS in the period amounted to £60,000 (2016: £57,000).

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.

Scheme Changes

Lord Hutton, who chaired the independent public service pensions commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussion with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the department published a Proposed Final Agreement, setting out the decision for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 to be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his infirm report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased on since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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 2017 was £58,000 (2016: £52,000), of which employer's contributions totalled £46,000 (2016: £40,000) and employees' contributions totalled £12,000 (2016: £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 2017

20. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Present value of funded obligations	(465,000)	(734,000)
Fair value of plan assets	<u>105,000</u>	<u>361,000</u>
	<u>(360,000)</u>	<u>(373,000)</u>
Deficit	<u>(360,000)</u>	<u>(373,000)</u>
Liability	<u>(360,000)</u>	<u>(373,000)</u>

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

	Defined benefit pension plans	
	2017	2016
	£	£
Current service cost	79,000	53,000
Net interest from net defined benefit asset/liability	<u>16,000</u>	<u>7,000</u>
	<u>95,000</u>	<u>60,000</u>
Interest income on plan assets	<u>8,000</u>	<u>24,000</u>

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

	Defined benefit pension plans	
	2017	2016
	£	£
Opening defined benefit obligation	734,000	480,000
Current service cost	79,000	53,000
Contributions by scheme participants	12,000	11,000
Interest cost	16,000	19,000
Benefits paid	(13,000)	(7,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(11,000)	-
Actuarial (gains)/losses from changes in financial assumptions	(109,000)	178,000
Other experience	<u>118,000</u>	<u>-</u>
	<u>826,000</u>	<u>734,000</u>

King Alfred Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

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

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

	Defined benefit pension plans	
	2017	2016
	£	£
Opening fair value of scheme assets	361,000	283,000
Contributions by employer	46,000	40,000
Contributions by scheme participants	12,000	11,000
Interest income on plan assets	8,000	-
Expected return	-	12,000
Benefits paid	(13,000)	(7,000)
Return on plan assets (excluding interest income)	<u>52,000</u>	<u>22,000</u>
	<u>466,000</u>	<u>361,000</u>

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

	Defined benefit pension plans	
	2017	2016
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	11,000	-
Actuarial (gains)/losses from changes in financial assumptions	109,000	(178,000)
Oblig other experience	(118,000)	-
Return on plan assets (excluding interest income)	<u>52,000</u>	<u>22,000</u>
	<u>54,000</u>	<u>(156,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2017	2016
Equities	71%	72%
Bonds	14%	15%
Property	13%	12%
Cash	2%	1%

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

	2017	2016
Discount rate	2.4%	2.1%
Future salary increases	2.7%	4.1%
Future pension increases	2.5%	2.1%
Inflation (CPI)	2.4%	2.1%
Commutation of pensions to lump sums	50%	50%

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 2017	At 31 August 2016
Current pensioners		
Males	22.5 years	22.3 years
Females	24.9 years	24.5 years
Future pensioners*		
Males	24.1 years	24.1 years
Females	26.7 years	26.9 years

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

20. PENSION AND SIMILAR OBLIGATIONS
- continued

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

Change in assumption at 31 August 2017	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14%	115
0.5% increase in the Salary Increase Rate	3%	23
0.5% increase in the Pension Increase Rate	11%	90

21. 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.

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

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(39,447)	(16,747)
Adjustments for:		
Depreciation	44,026	43,306
Capital grants from DfE/ESFA	(6,280)	(6,130)
Interest received	(168)	(278)
Pension finance adjustments	95,000	67,000
Decrease/(increase) in stocks	574	(205)
Decrease/(increase) in debtors	4,494	(3,916)
Increase in creditors	2,344	4,753
Difference between pension charge and cash contributions	<u>(54,000)</u>	<u>(47,000)</u>
Net cash provided by (used in) operating activities	<u>46,543</u>	<u>40,783</u>

