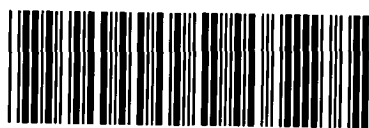


REGISTERED COMPANY NUMBER: 08878604 (England and Wales)

**Report of the Trustees and
Financial Statements For The Year Ended 31st August 2016
for**

WHITEFIELD ACADEMY TRUST

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COMPANIES HOUSE

Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

WHITEFIELD ACADEMY TRUST

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WHITEFIELD ACADEMY TRUST

Reference and Administrative Details For The Year Ended 31st August 2016

MEMBERS

J L Meyer
J C Hogan (appointed 10/10/2016)
C D B Sheppard
O D O'Regan

DIRECTORS

C D B Sheppard
O D O'Regan
J L Meyer
J Hogan
E Colquhoun OBE
P J Sams
R Kramer
L Hutchinson (appointed 13/07/2015)

SENIOR LEADERSHIP TEAM

E Colquhoun OBE - Executive Principal/CEO of
Whitefield Academy Trust (from 01/02/2016)
L Pease - Vice Principal/Principal of Whitefield Schools
(from 01/02/2016)
I Burnside - Head of Margaret Brearley School (until
01/01/2016)
M Lawson - Head of Margaret Brearley School (from
01/06/2016)
M Duncan - Headteacher - Joseph Clarke School (until
31/12/2015)
I Cox - Acting Deputy Headteacher - Joseph Clarke
School/Headteacher (from 01/05/2016)
J Sweeney - Head of Peter Turner Primary School
E Smith - Head of Niels Chapman Secondary School
G O'Grady - Director of Teaching School
G Ansong - Chief Financial Officer - Whitefield Academy
Trust
U Austin - Head of Administration
J O'Reilly - Site Services Manager
L Robinson - Human Resource Manager

COMPANY SECRETARY

G Ansong

REGISTERED OFFICE

MacDonald Road
Walthamstow
London
E17 4AZ

REGISTERED COMPANY NUMBER

08878604 (England and Wales)

WHITEFIELD ACADEMY TRUST

**Reference and Administrative Details
For The Year Ended 31st August 2016**

AUDITORS

Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

WHITEFIELD ACADEMY TRUST

Report of the Trustees For The Year Ended 31st August 2016

The Directors present their report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustee report and a director's report under company law.

The Trust operates an academy for pupils aged 3 to 19 servicing a catchment area in Waltham Forest. It has a pupil capacity of 451 and had a roll of 442 in the school census on January 2016

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

- to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by i) establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 Academies offering a curriculum appropriate to the needs of its students or schools specially organised to make special educational provision for pupils with Special Educational Needs; and ii) providing child care facilities and adult training to develop the capacity and skills of parents-to-be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children;
- promoting in the areas served by the Academies the physical, intellectual and social development of primarily but not exclusively children under five especially those who are socially and economically disadvantaged;
- developing the capacity and skills of those inhabitants of the areas served by the Academies who are socially and economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- relieving poverty among the inhabitants of the areas served by the Academies;
- relieving unemployment in the areas served by the Academies for the benefit of the public in such ways as may be thought fit, including assistance to find employment;
- advancing the health of the inhabitants of the areas served by the Academies; and
- providing recreational and leisure time facilities in the interests of social welfare for the inhabitants of the areas served by the Academies especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of said inhabitants.

Disabled persons

The Trust complies fully with the Equality Act 2010 regulations and is equipped to welcome and/or teach any child or adult with a disability where possible. The Directors have adopted an updated Equality policy in light of recommendations related to the 2010 Act.

Public benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set. The 2 schools within the Academy Trust admit pupils from the London Borough of Waltham Forest and approximately 15 other London boroughs.

Equal opportunities policy

The Trust recognises that equal opportunities should be an integral part of good practice within the workplace. It will not discriminate against adults applying for a job at the school or treat staff less favourably in terms of conditions, promotions, transfers, dismissals, training and other employment practices on grounds of gender, gender reassignment, race, disability, sexual orientation, religion, age, pregnancy/maternity or marriage/civil partnership

STRATEGIC REPORT

Achievement and performance

Whitefield Schools continues to be rated outstanding from three previous Ofsted inspections. The sponsored school, Joseph Clarke, is rated as good.

WHITEFIELD ACADEMY TRUST

Report of the Trustees For The Year Ended 31st August 2016

STRATEGIC REPORT

Achievement and performance

At Whitefield Schools, leadership was seen as outstanding by Ofsted and a key factor in the success of the organisation in 2011. At Joseph Clarke School, leadership was seen as good by Ofsted in 2013. Leadership at both schools included both governing bodies.

Since 1st April 2014, directors of the Academy were drawn from the governing bodies of both schools and two local governing bodies were created from former previous governors of the schools, with the exception of a few new governors and one new director. The composition of these groups provides prior knowledge about the schools and collectively provides very strong leadership of the Academy and the separate schools.

The post of Headteacher at Joseph Clarke School is now secure as from the Spring term 2016 with a permanent appointment. This will facilitate the continuing improvement of the school from a good school to outstanding.

The post of Executive Principal and Company Secretary for the Academy was fully in place for the beginning of the Academy on 1st April 2014. The post of Executive Principal has now been developed into the role of a Chief Executive Officer reflecting the expansion of the Academy's work. The existing Executive Principal was appointed as Chief Executive Officer in February 2016. A new Principal of Whitefield Schools was appointed in February 2016.

Whitefield Academy is commissioned to provide an Outreach Service on behalf of Waltham Forest Council and 3 other local councils. The Outreach service provides education and guidance to schools for visual and hearing impairment, global delay and autism. Pupils in mainstream settings are benefitting from the service with 2016 Local Authority results for SEN population being in line with national data.

The latest progress data 2016 from Whitefield Schools shows, overall, pupils made outstanding progress. Progress data 2016 from Joseph Clarke School demonstrates good progress overall.

The Whitefield Teaching School has increased its number of Alliance Partners to 10 with many other schools having involvement. The activities of the Teaching School have steadily increased and by the end of the academic year 2016 had provided 33 places for the Schools Direct programme. There is an increase in its school-to-school support service. The Teaching School is fully engaged in a number of research and development activities including Early Year Foundation Stage and closing the gap, funded by the Department for Education.

The Academy is developing plans to consider provision for 0-3 years through a three year research programme based around early intervention. This commenced in September 2016.

The Academy is working in collaboration with Waltham Forest College, Sense, Hornbeam Academy and the Waltham Forest Local Authority to develop a 19-25 provision for those students who have severe and complex needs. This is proposed to open in September 2017.

The directors have commissioned a feasibility study (2016) into developing the Academy's international links in partnership with NASEN (National Association of Special Educational Needs). This aims to further widen the reach of training in SEN through the Teaching School and provide additional finance to further develop the work of the Academy.

The Academy has submitted an application (September 2016) to open a Free School. If successful the John Meyer Free School will cater for pupils with autism. This reflects the need for additional places required for this group of pupils at Whitefield Academy Trust.

The Academy has developed a direct route to employment through partnership with the NHS since 2013 via Project Search. This project has gained two international awards as a high achieving project which has successfully placed 80% of participating students into full time permanent employment with a 100% retention level. The project has developed three sites: Whips Cross Hospital, Mile End and Royal London which opens in September 2016.

WHITEFIELD ACADEMY TRUST

Report of the Trustees For The Year Ended 31st August 2016

STRATEGIC REPORT

Financial review

Financial report for the year

Most of the Academy Trust's income is obtained from the Education Funding Agency (EFA) in the form of re-current grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2016, total expenditure of £13,631k (2015: £12,250k) was met by recurrent grant funding of £13,503k (2015: £12,976k) from the EFA together with other incoming funds from other sources. The excess of income over expenditure of the year (excluding restricted fixed assets and transfers to restricted fixed assets funds) was £912k (2015: £1,839k).

The Academy Trust also received grants for fixed assets from the Waltham Forest Council under the Targeted Basic Needs Programme. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

Under the SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in total funds of the Academy Trust. It should be noted that this does not present the Whitefield Academy Trust with any current liquidity problem. However the employer contributions have been assessed and have increased and it is expected that this will bring further increases in the pension deficit in future.

The Local Government Pension Fund, which the Academy Trust participates through the London Borough of Waltham Forest, showed a deficit of £10,406k as at 31 August 2016 (2015: £6,877k).

Investment policy and objectives

The trustees have powers under the Articles of Association of the Academy Trust to invest funds not immediately required for its own purposes, in any way that the trustees see fit. In the current year, the trustees reviewed the banking facilities and concentrated on investing the positive cash balances not required immediately in a savings account or in a treasury deposit.

Reserves policy

It is the policy of the Trustees to keep the level of reserves under review annually. The level of reserves held takes into account the nature of income and expenditure streams. Any unspent General Annual Grant (GAG) fund and funds inherited on conversion to academy will be used to offset any predicted future shortfalls. The Trustees have determined that the appropriate level of free reserves should be equivalent to four weeks expenditure which is approximately £1,100k (2015: £950k). This will help provide sufficient working capital to cover delays between spending and receipts of grants, and to provide a cushion to respond to unexpected financial demands. The current level of free reserves is £3,097k (2015: £2,774k), £1,997k more than the reserves policy. £450k out of this is earmarked for the extension of the school's medical and administration offices from October 2016 to May 2017. £1,000k of the remainder is to provide a cushion against the anticipated 10% reduction in school funding in future.

The remaining £487k will also be used as cushion against future unexpected costs arising from:

- increases in employer national insurance and pension contributions. Employer contribution to teachers' pension is expected to increase from 16.4% to between 19% and 20% in 2019.
- incremental drift in teaching staff salaries
- periods of 3% or more increase in staff salaries due to inflation.
- capital expenditure for ICT and Equipment in the academy trust yearly budgets

WHITEFIELD ACADEMY TRUST

Report of the Trustees For The Year Ended 31st August 2016

STRATEGIC REPORT

Financial review

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.

Principal risks and uncertainties

The principal risks and uncertainties that Whitefield Academy Trust faces are mitigated by the risk management process that the academy trust has in place by constantly reviewing and updating the Risk Register.

During the period under review the Academy Trust assessed and identified the risks which it is exposed to relate primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow due to reduction in student numbers and the reduction in future funding
- Current governance arrangements to deliver 5 year plans
- Key Management Personnel succession

Risk management and dealing with the principal risks

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and educational visits) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The directors have put in place a reserve policy that has ring-fenced £2.1m as a cushion against reduced funding and cashflow shortfalls in future. A review of governance is currently underway so as to ensure a robust governance structure that will help implement the five year plans of the academy trust. There has been a review of leadership and management to address Key Management succession plans. Where significant financial risk still remains they have ensured they have adequate insurance cover through the Risk Protection Agreement covers and Non-Risk Protection Agreement covers. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 10.

Policy on setting pay and conditions of Key Management Personnel

It is the policy of the directors that the process of setting pay and conditions of Key Management Personnel will be transparent and for teachers, in line with the national pay scales and conditions. The process of determining and setting the pay and conditions of all other Key Management Personnel will involve independent consultants and will be in line with pay and conditions of similar posts in the academy setting.

Plans for future periods

- To maintain and develop outstanding education, care and opportunities for children and young people at Whitefield Schools.
- To further promote direct employment opportunities for pupils within and outside of the Trust through Project Search.
- To move Joseph Clarke School towards becoming an outstanding provision
- To complete the extension and refurbishment of Joseph Clarke School using the Targeted Basic Need Programme awarded to the Academy in order to increase pupil numbers at both sites.
- To provide further opportunities to enhance professional practice and research.
- To develop the academy's national and international profile.
- To undergo a review of governance in 2016/17.

WHITEFIELD ACADEMY TRUST

Report of the Trustees For The Year Ended 31st August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08878604) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Directors act as the Trustees' for the charitable activities of Whitefield Academy Trust. The charitable company is known as Whitefield Academy Trust. Details of the Directors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Whitefield Academy Trust was incorporated on 6 February 2014 and is made up of two academies. The Academies kept their original names, Whitefield Schools and Joseph Clarke School. The Academies obtained academy status from 1 April 2014.

Members' liability

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

Principal activities

The principal activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools and settings offering a broad and balanced curriculum to children with special educational needs.

Recruitment and appointment of new Directors

The members of the Academy Trust shall comprise the signatories to the Memorandum, the chairman of the Directors, the vice chairman of the Directors, the Academy Directors appointed pursuant to Article 51 and any person appointed under Article 16.

The number of Directors shall be not less than three, but shall not be subject to any maximum. The Academy Trust shall have the following: Directors appointed under Article 50; any Staff Directors or Principals, appointed under Article 50A; Academy Directors appointed under Article 51; the Chief Executive Officer, Parent Directors if appointed under Articles 53-56. The Academy may also have any Co-opted Directors appointed under Article 58.

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

The term of office for any Director shall be four years, and Academy Directors (chair of the Local Governing Bodies), one year save that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

WHITEFIELD ACADEMY TRUST

Report of the Trustees For The Year Ended 31st August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The structure consists of four management levels: the Strategic Board of Directors, the two Local Governing Bodies, the Senior Leadership Team and the Management Development Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Strategic Board of Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. They also constitute the Audit Committee which receives and reviews the statutory audit reports and the internal audit reports.

The Senior Leadership Team consists of the Chief Executive Officer, Principal, Heads of Schools and the Director of Teaching School. The Management Development Team consists of the Chief Executive Officer, Principal, Head Teacher- Joseph Clarke School, Heads of Schools, the Chief Financial Officer, Head of Administration and the Site Services Manager. These leaders control the Academy at a school level implementing the policies laid down by the Strategic Board of Directors and reporting back to the Directors. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff where authorised by the Chief Executive Officer. Appointments of senior leadership posts will require Directors' authorisation for existing vacancies and authorisation from the Strategic Board of Directors for new posts.

The Local Governing Bodies provide advisory services to the Strategic Board of Directors. They also attend Focus Groups, which are groups created to work on key curriculum initiatives, to have input into the groups and to maintain close links between the schools, the Local Governing Bodies and the Strategic Board of Directors.

Induction and training of new Directors

During the year under review the Strategic Board of Directors held seven meetings. The training and induction provided for new Directors will depend on their existing experience. All new Directors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Directors are provided with copies of the constitution, policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. Directors are experienced in relevant skills needed to contribute to the management of the Academy.

Connected organisations

Whitefield Schools is sponsor to Joseph Clarke School, operating across two main sites and three satellite sites- Waltham Forest College, Whips Cross Hospital and Highams Park Academy, all within the London Borough of Waltham Forest.

The Teaching School is an integral part of Whitefield Academy Trust with its own separate building. The Teaching School is in partnership with the East London University and Kingston University to provide Post-Graduate courses to Masters Qualification level. The Teaching School is also in partnership with East London University and the National College for Teaching and Leadership (NCTL) under the School Direct - Initial Teacher Training Programme. Participating alliance schools within the School Direct - Initial Teacher Training Programme include William Morris School, Joseph Clarke School, Treehouse School, Belmont Park School, Chingford Foundation School, Heathcote School, Highams Park School, Hillingdon Manor School, Brookfield House School and many other associated schools.

Whitefield Development Trust is a charitable company which provides substantial financial support for the Academy Trust in terms of grants for capital projects and courses.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

WHITEFIELD ACADEMY TRUST

**Report of the Trustees
For The Year Ended 31st August 2016**

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 28/11/2016 and signed on the board's behalf by:


.....
J L Meyer - Director

WHITEFIELD ACADEMY TRUST

Governance Statement For The Year Ended 31st August 2016

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Whitefield Academy 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 Strategic Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform to 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 Whitefield Academy Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Strategic Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors report and in the Statement of Directors' Responsibilities. The Strategic Board of Directors has formally met 6 times during the period.

Attendance at meetings of the Strategic Board during the period was as follows:

Strategic Board of Directors	Meetings attended	Out of a possible
C Sheppard	6	6
J Hogan	6	6
J Meyer	5	6
O O'Regan	5	6
E Colquhoun OBE	6	6
R Kramer	5	6
P Sams	5	6
L Hutchinson	5	6

Each school also has its own Governing Body

Attendance at meetings of the Whitefield Schools Governing Body during the period was as follows:

Governor	Meetings attended	Out of a possible
C Sheppard - Chair of Directors	2	3
D Malcolm - Vice Chair	2	3
A MacLaren - Community Governor	2	3
M Sweeney - Community Governor	3	3
S Unwin - Community Governor	2	3
K Paik - Parent Governor	3	3
J Paik - Parent Governor	3	3
V Dyett - Parent Governor	1	3
C Filali- Moutei - Staff Governor	2	2
H Ferreira - Staff Governor	3	3
E Colquhoun OBE - CEO	1	3
A Rangoonwala - Associate	0	3

Attendance at meetings of the Joseph Clarke School Governing Body during the period was as follows:

Governor	Meetings attended	Out of a possible
O O'Regan - Chair of Governors	1	3
D Weaver - Community Governor	1	3
C Prechter - Community Governor	2	3
L Hutchinson - Community Governor	0	3
J Willes - Parent Governor	3	3
C Gavnigan - Parent Governor	1	3

WHITEFIELD ACADEMY TRUST

Governance Statement For The Year Ended 31st August 2016

B Carter - Staff Governor	2	3
D King - Staff Governor	2	3
M Duncan - Staff Governor	1	1
E Colquhoun OBE - CEO	2	3

The entire Board of Directors constitute the Finance Committee whose purpose is to provide guidance to the Governing Body and Chief Executive Officer on all matters relating to finance as outlined in the Financial Regulations. The entire Board of Directors also constitute the Audit Committee whose purpose is to assist the Trust in fulfilling its oversight responsibilities with particular reference to financial reporting, internal control, risk management and external audit. It also makes appropriate comments and recommendations on such matters, to the Trust on a regular basis, referring major issues for ratification.

Attendances at meetings in the year were as follows:

Strategic Board	Meetings attended	Out of a possible
C Sheppard	6	6
J Hogan	6	6
J Meyer	5	6
O O'Regan	5	6
E Colquhoun OBE	6	6
R Kramer	5	6
P Sams	5	6
L Hutchinson	5	6

Review of Value for Money

Teaching and learning

The core business of the Whitefield Academy Trust is set out in its Mission Statement - 'Enjoyment, Achievement and Wellbeing for all'. The Trust seeks to ensure that all children and young people at Whitefield Schools and Joseph Clarke School take part in educational activities which are interesting and enjoyable, make significant progress from their starting points and are supported to have good mental health and emotional wellbeing.

The Trust's financial planning for teaching and learning focuses on:

- meeting individual needs
- developing staff expertise
- enriching the learning environment

Meeting individual needs

The Trust spends £10.5m of its budget on staffing, reflecting the importance of individual support for the children and young people attending its schools. Staffing levels are linked to individual needs as set out in Statements and Education, Health and Care Plans. The Trust has developed differentiated curriculum pathways so that all children and young people are motivated to learn and given appropriate challenges. The Trust delegates budgets so that senior and middle leaders can identify appropriate resources for each pathway. Pupil premium is used in a targeted way to buy resources and support for individual pupils - for example, technology and speech and language therapy - or to provide motivating activities such as the opportunity to take part in expressive arts workshops.

Developing staff expertise

The Trust makes a significant investment in staff development so that all staff can deliver an appropriate curriculum and also have the confidence and knowledge to shape that curriculum for the children and young people in their care. Professional development is a key factor in the recruitment and retention of skilled and committed staff.

All staff have opportunities to follow courses in SEN from induction to degree and Diploma level. Senior and middle leaders undertake nationally recognised courses in school leadership.

WHITEFIELD ACADEMY TRUST

Governance Statement For The Year Ended 31st August 2016

Review of Value for Money

During 2015-16 staff at Whitefield Schools have been trained in promoting mental health and emotional wellbeing to further develop their expertise in supporting children and young people. Staff at Joseph Clarke School have developed their expertise in Braille and newly appointed learning support assistants record professional development within the Trust's progression scheme.

Enriching the learning environment

Children and young people with SEN require tailor made learning environments and the Trust uses its core budget, augmented by grants and fundraising, to provide good quality classrooms and additional facilities.

Throughout 2015-16 the Trust has been involved in an ambitious project to make the Joseph Clarke School building fit for purpose, refurbishing part of the site and extending the building to provide space for 140 pupils in state of the art facilities.

At Whitefield Schools there has been investment in a refurbished therapy pool, modern sensory rooms and improved play spaces in line with the emphasis on mental health and emotional wellbeing.

The Trust has continued to invest in ICT and has made more efficient use of funding by bringing the schools together under one managed ICT service.

The success of teaching and learning is evaluated by the senior leadership teams of both schools, Governors, Directors and Ofsted. In 2015-16, progress at Whitefield Schools was evaluated as outstanding, with ongoing improvements in key areas for development; progress at Joseph Clarke School was evaluated as good and improving. The achievements recognised by Ofsted at both schools have been maintained and developed further.

Financial governance and oversight

As accounting officer, I have responsibility for reviewing the effectiveness of the system of internal control. During the year in question and the period to approving the accounts, the review has been informed by:

- The work of the internal auditor, Price Bailey LLP who carried out termly reviews;
- the work of the external auditor, Wilkins Kennedy LLP in the auditing and preparation of the consolidated accounts;
- the work of the finance and audit committee of the board of directors, the Senior Leadership Team and the Management Development Team of the academy trust who have responsibility for the development and maintenance of the internal control framework

I have received monthly budget monitoring reports. The finance committee of the board of directors meets each school term to review quarterly budget reports and forecasts for the rest of the year and agree any actions to be taken.

The academy trust's internal financial control system is based on administrative procedures that include delegation of budgets and accountability, segregation of duties, and a system where budget holders get regular up-to-date budget monitoring information.

Purchasing decisions

During the period, we have reviewed contract for cleaning and have put the contracts for both schools under one supplier which has resulted in a mix of quality and effectiveness. We have also reviewed purchasing decisions with respect to printing and photocopying and have entered into a lease of printers and photocopiers contract with Ricoh which will potentially reduce photocopying and printing costs by £23,000.

Benchmarking

The trust intends to benchmark its costs against similar academies both at the local and national levels by using finance and HR forums when the academy trust has operated for a specified period. We continue to use Internal benchmark exercise for the two schools in the academy trust which has resulted in the identification of areas where cost savings can be made by pooling resources together or using the same service provider.

Options appraisal

Best value principles are applied to all the procurement decisions by the directors and staff. All contracts over £5,000 require three competitive quotations. All contracts over £75,000 require a competitive tendering process.

WHITEFIELD ACADEMY TRUST

Governance Statement For The Year Ended 31st August 2016

Review of Value for Money

Income generation

We continue to explore ways of enhancing our income generation using the trading subsidiary. The number of students offered places for both foundation and post graduate courses have increased, bringing in more revenue. The trust won a competitive tender by the London Borough of Waltham Forest to continue to provide Outreach Services for autism and global delay, learning difficulties, hearing and visual impairment for the next three years with the option to renew for a further two years. This will bring in income of £906k every year. The Academy has developed a direct route to employment through partnership with the NHS since 2013 via Project Search. The project generated £122k in the year under review and forecast to generate £288k in the coming financial year.

Reviewing Controls and Managing Risks

The academy trust's Audit Committee has oversight of reviewing internal controls and managing risks. They receive the internal audit reports and ensure that audit findings are considered and recommendations fully implemented. The external auditors also provide financial advice and guidance as part of their service.

The trust's Board of Directors reviews the level of insurance cover annually.

The Board of Directors reviews the reserve levels annually. The directors have determined that an appropriate level of free reserves should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as fluctuations in pupil numbers. In order to counteract the effects of reduction in future funding levels, the trust will maintain higher levels of free reserves as planned contingency.

Lessons learned

- Sharing budgetary information at a strategic level with senior leaders and managers has led to more informed discussions about financial priorities and planning
- Providing more timely information for budget holders has led to a more efficient use of resources
- Sharper systems for monitoring pupil progress involving senior and middle leaders has improved self-evaluation and will further develop informed financial decisions

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;

WHITEFIELD ACADEMY TRUST

Governance Statement For The Year Ended 31st August 2016

The Risk and Control Framework

- 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 which is provided by Price Bailey LLP as internal auditor.

All planned procedures were carried out during the year and up to the date of approval of the annual report and financial statements and no significant issues were found.

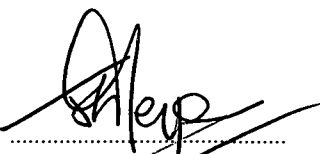
Review of Effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, and up to the date of approval of the annual report and financial statements the review has been informed by:-

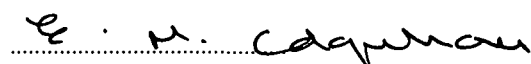
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the internal auditor
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 28/11/2016 and signed on its behalf by:



.....
J L Meyer - Director



.....
E M Colquhoun OBE - Accounting Officer

WHITEFIELD ACADEMY TRUST

**Statement on Regularity, Propriety and Compliance
For The Year Ended 31st August 2016**

As accounting officer of Whitefield Academy Trust I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2015.

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

E. U. Colquhoun

.....
Ms E Colquhoun OBE - Accounting Officer

Date: 28/11/2016
.....

WHITEFIELD ACADEMY TRUST

Statement of Trustees Responsibilities For The Year Ended 31st August 2016

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

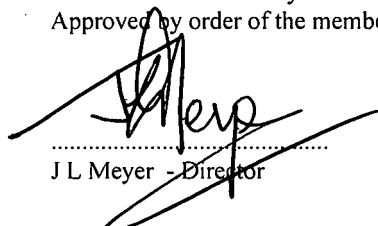
Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy and of the incoming resources and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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

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

Approved by order of the members of the board of trustees on28/11/2016..... and signed on its behalf by:


.....
J L Meyer - Director

Report of the Independent Auditors to the Members of Whitefield Academy Trust

We have audited the financial statements of Whitefield Academy Trust for the year ended 31st August 2016 on pages twenty one to forty nine. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
WHITEFIELD ACADEMY TRUST**

Matters on which we are required to report by exception

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

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

Wilkins Kennedy LLP

Mandy Wilson (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

Date: *20th December 2016*

Independent Reporting Auditor's Assurance Report on Regularity to Whitefield Academy Trust and the Education Funding Agency

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

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

Respective responsibilities of Whitefield Academy Trust's accounting officer and the reporting auditor

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

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

Approach

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

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

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

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

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

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

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 1st September 2015 to 31st August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy LLP

Reporting Accountant
Wilkins Kennedy LLP
1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

Date: *20th December 2016*

WHITEFIELD ACADEMY TRUST

**Statement of Financial Activities
For The Year Ended 31st August 2016**

		Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Restricted £'000	2016 Total funds £'000	2015 Total funds £'000
	Notes					
INCOME AND						
ENDOWMENTS FROM						
Donations and capital grants	3	24	-	1,136	1,160	818
Charitable activities						
Funding for the academy's educational operations	4	-	13,503	7	13,510	12,998
Other trading activities	5	258	-	209	467	342
Total		282	13,503	1,352	15,137	14,158
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		162	12,711	758	13,631	12,249
NET INCOME		120	792	594	1,506	1,909
Transfers between funds	19	-	(671)	671	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(3,447)	-	(3,447)	(220)
Net movement in funds		120	(3,326)	1,265	(1,941)	1,689
RECONCILIATION OF FUNDS						
Total funds brought forward		505	(4,608)	24,522	20,419	18,730
TOTAL FUNDS CARRIED FORWARD		625	(7,934)	25,787	18,478	20,419

The notes form part of these financial statements

WHITEFIELD ACADEMY TRUST

**Balance Sheet
At 31st August 2016**

	Notes	2016 £'000	2015 £'000
FIXED ASSETS			
Tangible assets	13	25,787	24,522
CURRENT ASSETS			
Debtors	14	808	1,296
Cash at bank		5,280	3,472
		<u>6,088</u>	<u>4,768</u>
CREDITORS			
Amounts falling due within one year	15	(2,991)	(1,994)
NET CURRENT ASSETS		<u>3,097</u>	<u>2,774</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		28,884	27,296
PENSION LIABILITY	20	(10,406)	(6,877)
NET ASSETS		<u>18,478</u>	<u>20,419</u>
FUNDS	19		
Unrestricted funds:			
General fund		625	505
Restricted funds:			
Restricted Fund		2,472	2,269
Fixed Asset Restricted		25,787	24,522
Pension		(10,406)	(6,877)
		<u>17,853</u>	<u>19,914</u>
TOTAL FUNDS		<u>18,478</u>	<u>20,419</u>


The notes form part of these financial statements


WHITEFIELD ACADEMY TRUST

Balance Sheet - continued
At 31st August 2016

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 28/11/2016 and were signed on its behalf by:


.....
J L Meyer - Director


.....
E M Colquhoun OBE-Accounting Officer

The notes form part of these financial statements

WHITEFIELD ACADEMY TRUST

Cash Flow Statement For The Year Ended 31st August 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities:			
Cash generated from operations	1	<u>3,809</u>	<u>3,092</u>
Net cash provided by (used in) operating activities		<u>3,809</u>	<u>3,092</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,023)	(1,423)
Capital grants from DfE/EFA		<u>22</u>	<u>22</u>
Net cash provided by (used in) investing activities		<u>(2,001)</u>	<u>(1,401)</u>
Change in cash and cash equivalents in the reporting period		<u>1,808</u>	<u>1,691</u>
Cash and cash equivalents at the beginning of the reporting period		<u>3,472</u>	<u>1,781</u>
Cash and cash equivalents at the end of the reporting period		<u><u>5,280</u></u>	<u><u>3,472</u></u>

The notes form part of these financial statements

WHITEFIELD ACADEMY TRUST

**Notes to the Cash Flow Statement
For The Year Ended 31st August 2016**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£'000	£'000
Net income for the reporting period (as per the statement of financial activities)	1,506	1,909
Adjustments for:		
Depreciation	689	495
Capital grants from DfE/EFA	(22)	(22)
Transfer from Local Authority on conversion	-	(1)
Loss on disposal of fixed assets	69	-
LGPS costs excl employer's contributions	(173)	(225)
LGPS net finance cost	255	247
Decrease/(increase) in debtors	488	(557)
Increase in creditors	997	1,246
Net cash provided by (used in) operating activities	<u>3,809</u>	<u>3,092</u>

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements For The Year Ended 31st August 2016

1. STATUTORY INFORMATION

Whitefield Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Whitefield Academy Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

Going concern

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

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

2. ACCOUNTING POLICIES - continued

Income

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

Grants receivable

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

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

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Transfer of lease

On conversion to Academy status the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at the date of transfer. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

2. ACCOUNTING POLICIES - continued

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing £5,000 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 trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation

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

Buildings	Useful economic life
Furniture and science equip	20% straight line
ICT equipment	33% straight line
Plant & machinery	20% straight line
Motor vehicles	25% straight line

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.

Liabilities

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

Provisions

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

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

Taxation

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

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

2. ACCOUNTING POLICIES - continued

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

2. ACCOUNTING POLICIES - continued

Critical accounting estimates and area of judgement

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

Critical accounting estimates and assumptions

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

Leased Assets

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

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Other voluntary income	24	-	24	17
Donations	-	-	-	259
Capital grant	-	1,136	1,136	542
	<u>24</u>	<u>1,136</u>	<u>1,160</u>	<u>818</u>

WHITEFIELD ACADEMY TRUST

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	4,935	4,935	4,768
Other DfE/EFA Grant	-	8,553	8,553	8,208
	-	13,488	13,488	12,976
DfE/EFA capital grant				
Devolved Formula Capital Allocation	-	22	22	22
	-	13,510	13,510	12,998

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Sales of goods and services	248	-	248	187
Other non-trading income	10	209	219	155
	258	209	467	342

6. EXPENDITURE

	Staff costs £'000	Non-pay expenditure		2016 Total £'000	2015 Total £'000
		Premises £'000	Other costs £'000		
Charitable activities					
Academies educational operations					
Direct costs	7,750	689	873	9,312	8,982
Allocated support costs	2,579	552	1,188	4,319	3,267
	10,329	1,241	2,061	13,631	12,249

WHITEFIELD ACADEMY TRUST

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

6. EXPENDITURE - continued

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

	2016	2015
	£'000	£'000
Auditors' remuneration: audit	12	15
Depreciation - owned assets	688	495
Deficit on disposal of fixed asset	69	-
Auditors' remuneration: non audit	3	3
	<u> </u>	<u> </u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted	Restricted	2016	2015
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
Direct costs	5	9,307	9,312	8,982
Support costs	157	4,162	4,319	3,267
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	162	13,469	13,631	12,249
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	2016	2015
	Total	Total
	£'000	£'000
Analysis of support costs		
Support staff costs	2,579	1,676
Depreciation	69	-
Utilities	164	285
Premises costs	552	471
Other support costs	940	817
Governance costs	15	18
	<u> </u>	<u> </u>
Total support costs	4,319	3,267
	<u> </u>	<u> </u>

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

8. TRUSTEES' REMUNERATION AND BENEFITS

The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The six Governors who received remuneration are:

E Colquhoun OBE (Chief Executive Officer)

Remuneration £135,001 - £140,000 (2015: £130,000 - £135,000)

Employers Pension Contributions £nil (2015: £5,000 - £10,000)

B Carter, D King, C Filali-Moutei, H Ferreira and K Paik

Remuneration £163,437 (2015: £162,117)

Employers Pension Contributions £30,663 (2015: £25,257)

The staff Governors listed above only received remuneration for their role as a member of staff and the salaries for staff other than Headteachers/CEO have been aggregated as the Governors believe that any further detailed breakdown would be prejudicial to the structure of the Governing Board.

Trustees' expenses

During the period ended 31 August 2016, travel and subsistence expenses totalling £1,183 (2015: £nil) were reimbursed or paid directly to 3 trustees.

Related party transactions involving Directors/Governors are disclosed in note 22.

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

9. STAFF COSTS

	2016 £'000	2015 £'000
Wages and salaries	7,551	7,278
Social security costs	469	587
Other pension costs	1,324	927
	<u>9,344</u>	<u>8,792</u>
Supply teacher costs	985	649
	<u>10,329</u>	<u>9,441</u>

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

	2016	2015
Teachers	56	57
Admin and support	273	268
Management	37	35
	<u>366</u>	<u>360</u>

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

	2016	2015
£60,001 - £70,000	2	3
£70,001 - £80,000	3	2
£80,001 - £90,000	-	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£130,001 - £140,000	1	1
	<u>7</u>	<u>8</u>

The average number of persons employed by the academy as a full time equivalent during the year was as follows:-

	2016	2015
Teachers	59	56
Admin and Support	181	172
Management	<u>33</u>	<u>32</u>
	273	260

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £587,792 (2015: £519,717).

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

10. EX GRATIA PAYMENTS

There was one settlement payment of £45,507 paid to one member of staff in the period ended 31st August 2016.

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2015, being delegated authority or approval from the Education Funding Agency.

11. TRUSTEES' AND OFFICERS' INSURANCE

The Academy has opted into the Department for 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 Governors and officers indemnity element from the overall cost of the RPA scheme.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Restricted £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	276	-	-	276
Charitable activities				
Funding for the academy's educational operations	-	12,976	565	13,541
Other trading activities	342	-	-	342
Total	618	12,976	565	14,159
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	163	11,592	495	12,250
NET INCOME	455	1,384	70	1,909
Transfers between funds	-	(859)	859	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	(220)	-	(220)
Net movement in funds	455	305	929	1,689
RECONCILIATION OF FUNDS				
Total funds brought forward	50	(4,913)	23,593	18,730
TOTAL FUNDS CARRIED FORWARD	505	(4,608)	24,522	20,419

WHITEFIELD ACADEMY TRUST

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

13. TANGIBLE FIXED ASSETS

	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000	
COST				
At 1st September 2015	20,099	4,647	49	
Additions	114	1,791	33	
Disposals	-	(73)	-	
At 31st August 2016	<u>20,213</u>	<u>6,365</u>	<u>82</u>	
DEPRECIATION				
At 1st September 2015	506	70	7	
Charge for year	379	132	11	
Eliminated on disposal	-	(3)	-	
At 31st August 2016	<u>885</u>	<u>199</u>	<u>18</u>	
NET BOOK VALUE				
At 31st August 2016	<u>19,328</u>	<u>6,166</u>	<u>64</u>	
At 31st August 2015	<u>19,593</u>	<u>4,577</u>	<u>42</u>	
	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST				
At 1st September 2015	136	31	261	25,223
Additions	-	-	85	2,023
Disposals	-	-	-	(73)
At 31st August 2016	<u>136</u>	<u>31</u>	<u>346</u>	<u>27,173</u>
DEPRECIATION				
At 1st September 2015	35	16	67	701
Charge for year	37	12	117	688
Eliminated on disposal	-	-	-	(3)
At 31st August 2016	<u>72</u>	<u>28</u>	<u>184</u>	<u>1,386</u>
NET BOOK VALUE				
At 31st August 2016	<u>64</u>	<u>3</u>	<u>162</u>	<u>25,787</u>
At 31st August 2015	<u>101</u>	<u>15</u>	<u>194</u>	<u>24,522</u>

WHITEFIELD ACADEMY TRUST

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£'000	£'000
Amounts owed by group undertakings	64	22
Other debtors	388	954
VAT	258	218
Prepayments and accrued income	98	102
	<u>808</u>	<u>1,296</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£'000	£'000
Trade creditors	1,102	394
Other creditors	193	243
Accruals and deferred income	1,696	1,357
	<u>2,991</u>	<u>1,994</u>

Deferred income

	2015
	£'000
Deferred income as at 1st April 2016	1,186
Resources deferred in year	1,604
Amounts released from previous years	(1,186)
Deferred income as at 31st August 2016	<u>1,604</u>

At the balance sheet date the Multi-Academy Trust was holding funds received in advance for capital funding and FSM funding.

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2016	2015
	£'000	£'000
Expiring:		
Within one year	33	14
Between one and five years	62	8
	<u>95</u>	<u>22</u>

Joseph Clarke School's land and buildings were transferred on conversion to an academy on a 125 year lease with peppercorn rent.

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

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.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Restricted £'000	2016 Total funds £'000	2015 Total funds £'000
Fixed assets	-	-	25,787	25,787	24,522
Current assets	625	5,462	1	6,088	4,768
Current liabilities	-	(2,990)	(1)	(2,991)	(1,994)
Pension liability	-	(10,406)	-	(10,406)	(6,877)
	<u>625</u>	<u>(7,934)</u>	<u>25,787</u>	<u>18,478</u>	<u>20,419</u>

19. MOVEMENT IN FUNDS

	At 1/9/15 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31/8/16 £'000
Unrestricted funds				
General fund	505	120	-	625
Restricted funds				
Restricted Fund	2,269	874	(671)	2,472
Fixed Asset Restricted	24,522	594	671	25,787
Pension	(6,877)	(3,529)	-	(10,406)
	<u>19,914</u>	<u>(2,061)</u>	<u>-</u>	<u>17,853</u>
TOTAL FUNDS	<u>20,419</u>	<u>(1,941)</u>	<u>-</u>	<u>18,478</u>

WHITEFIELD ACADEMY TRUST

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	282	(162)	-	120
Restricted funds				
Restricted Fund	13,503	(12,629)	-	874
Fixed Asset Restricted	1,352	(758)	-	594
Pension	-	(82)	(3,447)	(3,529)
	<u>14,855</u>	<u>(13,469)</u>	<u>(3,447)</u>	<u>(2,061)</u>
TOTAL FUNDS	<u><u>15,137</u></u>	<u><u>(13,631)</u></u>	<u><u>(3,447)</u></u>	<u><u>(1,941)</u></u>

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

19. MOVEMENT IN FUNDS - continued

Analysis of Academies by fund balance

Fund balances at 31st August 2016 were allocated as follows:

	2016 £'000
Whitefield Schools	1,969
Joseph Clarke School	1,128
Total before fixed assets and pension reserve	3,097
Pension reserve	(10,406)
Restricted Fixed Asset fund	25,787
Total	18,478

Analysis of Academies by cost

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

	Teaching & educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding) depreciation £'000	Total £'000
Whitefield Schools	7,410	1,640	109	1,677	10,836
Joseph Clarke School	704	385	25	429	1,543
Whitefield Research & Development Centre Ltd	166	23	7	366	562
Academy trust	8,280	2,048	141	2,472	12,941

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

General Annual Grant

General funding provided by EFA to support running of the school

Pupil premium

Funding provided to the support underachieving children within the school

National College of Leadership (NCL)

Funding to support the costs of the head teacher visiting other schools and attending recognised NCL courses to give support and advice to help other schools improve

Project Search

Funding to support young people with disabilities to a direct employment route

Targeted Basic Needs

Capital funding for expansion and new build extension for Joseph Clarke School and expansion of Whitefield Schools

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

19. MOVEMENT IN FUNDS - continued

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

20. PENSION COMMITMENTS

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 The London Borough of Havering. Both are multi-employer defined benefit schemes

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

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

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

20. PENSION COMMITMENTS - continued

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £603,630 (2015: £505,059).

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.

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

20. PENSION COMMITMENTS - continued

Local government pension scheme

London Borough of Waltham Forest Pension Fund - Whitefield Schools

The Academy is one of several employing bodies included within the Waltham Forest County Council Pension Fund.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The estimated value of employer contributions for the year ended 31 August 2017 is £715k.

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

Principal actuarial assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.4%	3.8%
Rate of increase for pensions in payment/inflation	2.0%	2.3%
Discount rate for scheme liabilities	2.2%	4.0%
Inflation assumption (CPI)	1.9%	2.3%

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	23.2	23.1
Females	25.6	25.5
Retiring in 20 years		
Males	25.5	25.4
Females	28.0	27.9

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were:-

	Long-term rate of return expected at 31 August 2016	Value at 31 August 2016 £'000s	Long-term rate of return expected at 31 August 2015	Value at 31 August 2015 £'000s
Equities	65.0%	876	66.0%	396
Other Bonds	15.0%	202	14.0%	84
Property	7.0%	94	6.0%	36
Cash	2.0%	27	4.0%	24
Alternative assets	11.0%	148	10.0%	60
Total fair value of assets		1,347		600
Present value of scheme liabilities		(8,934)		(5,484)
Net pension liability		(7,587)		(4,884)

Changes to the present value of the Scheme liabilities during the period:

	2016 £000s	2015 £000s
Value of Scheme liabilities at 1 September 2015	5,484	4,815
Past service cost	-	-
Current service cost	543	493
Interest cost	219	190
Contributions by Scheme participants	150	138
Actuarial loss / (gain) on Scheme liabilities	2,716	116

WHITEFIELD ACADEMY TRUST

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

20. PENSION COMMITMENTS
- continued

Local government pension scheme

Estimated benefits paid (net of transfers in)	(178)	(268)
Business combinations	-	-
Value of Scheme liabilities at 31 August 2016	<u>8,934</u>	<u>5,484</u>

	2016	2015
	£000s	£000s
Fair value Scheme assets at 1 September 2015	600	91
Expected return on Scheme assets	38	60
Actuarial gain/(loss) on Scheme assets	46	(68)
Administration expenses	(17)	-
Contributions by the employer	708	647
Contributions by Scheme participants	150	138
Estimated benefits paid (net of transfers in)	(178)	(268)
Fair value of Scheme assets at 31 August 2016	<u>1,347</u>	<u>600</u>

The amounts recognised in net incoming resources are as follows:

	2016	2015
	£000s	£000s
Current service cost	543	484
Past service cost	-	-
Interest cost	219	199
Expected return on Scheme assets	(38)	(60)
Expense recognised in net incoming resources	<u>724</u>	<u>623</u>

Reconciliation of opening and closing balances of the net pension asset

	2016	2015
	£000s	£000s
Deficit at 1 September 2015	(4,884)	(4,724)
Expected return on plan assets	38	60
Service cost	(543)	(484)
Employer contributions	708	647
Interest cost	(219)	(199)
Settlements and curtailments	-	-
Actuarial gain/(loss)	(2,670)	(184)
Deficit at 31 August 2016	<u>(7,587)</u>	<u>(4,884)</u>

Amounts for the current period:

	2016	2015
	£000s	£000s
Defined Benefit Obligation	(8,934)	(5,484)
Scheme assets	1,347	600
Net liability	(7,587)	(4,884)
Experience adjustments on scheme liabilities	-	-
Experience adjustments on Scheme assets	-	-

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

20. PENSION COMMITMENTS - continued

Local government pension scheme

London Borough of Waltham Forest Pension Fund - Joseph Clarke

The Academy is one of several employing bodies included within the Waltham Forest County Council Pension Fund.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The estimated value of employer contributions for the year ended 31 August 2017 is £187k.

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.

The major assumptions used by the actuary were:

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.3%	3.7%
Rate of increase for pensions in payment/inflation	1.9%	2.2%
Discount rate for scheme liabilities	2.1%	3.9%
Inflation assumption (CPI)	1.8%	2.2%

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

	At 31 August 2016	At 31 August 2015
Retiring in 20 periods		
Males	25.5	25.4
Females	28.0	27.9
Retiring today		
Males	23.2	23.1
Females	25.6	25.5

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were:-

	Long-term rate of return expected at 31 August 2016	Value at 31 August 2016 £000's	Long-term rate of return expected at 31 August 2015	Value at 31 August 2015 £'000s
Equities	65.0%	64	66.0%	(13)
Other Bonds	15.0%	15	14.0%	(3)
Property	7.0%	7	6.0%	(1)
Cash	2.0%	2	4.0%	(1)
Alternative assets	11.0%	11	10.0%	(2)
Total fair value of assets		99		(20)
Present value of scheme liabilities		(2,918)		(1,973)
Net pension liability		(2,819)		(1,993)

Changes to the present value of the Scheme liabilities during the period:

	2016 £000s	2015 £000s
Value of Scheme liabilities at 1 September 2015	1,973	1,943
Past service cost	-	-
Current service cost	155	134
Interest cost	76	74

WHITEFIELD ACADEMY TRUST

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

20. PENSION COMMITMENTS
- continued

Local government pension scheme		
Contributions by Scheme participants	39	35
Actuarial loss / (gain) on Scheme liabilities	779	34
Estimated benefits paid (net of transfers in)	(104)	(247)
Business combinations	-	-
Value of Scheme liabilities at 31 August 2016	<u>2,918</u>	<u>1,973</u>
	2016	2015
	£000s	£000s
Fair value Scheme assets at 1 September 2015	(20)	32
Settlement prices received / (paid)	-	-
Expected return on Scheme assets	2	(3)
Actuarial gain/(loss) on Scheme assets	2	(2)
Administration expenses	(5)	-
Contributions by the employer	185	165
Contributions by Scheme participants	39	35
Estimated benefits paid (net of transfers in)	(104)	(247)
Fair value of Scheme assets at 31 August 2016	<u>99</u>	<u>(20)</u>

The amounts recognised in net incoming resources are as follows:

	2016	2015
	£000s	£000s
Current service cost	155	134
Past service cost	-	-
Interest cost	76	74
Expected return on Scheme assets	(2)	3
Expense recognised in net incoming resources	<u>229</u>	<u>211</u>

Reconciliation of opening and closing balances of the net pension asset

	2016	2015
	£000s	£000s
Deficit at 1 September 2015	(1,993)	(1,911)
Service cost	(155)	(134)
Employer contributions	185	165
Interest cost	(76)	(74)
Expected return on scheme assets	2	(3)
Administration expenses	5	-
Settlements and curtailments	-	-
Actuarial gain/(loss)	(777)	(36)
Deficit at 31 August 2016	<u>(2,819)</u>	<u>(1,993)</u>

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

20. PENSION COMMITMENTS - continued

Local government pension scheme

Amounts for the current period:	2016	2015
	£000s	£000s
Defined Benefit Obligation	(2,918)	(1,973)
Scheme assets	99	(20)
Net liability	(2,819)	(1,993)
Experience adjustments on scheme liabilities	-	-
Experience adjustments on Scheme assets	-	-

21. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

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

As no such events have occurred during the year nor are likely to occur in the foreseeable future, the accounts do not contain any provision against contingent liabilities.

22. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

There were no related party transactions in the year under review (2015: £nil).

23. CENTRAL SERVICES

No central services were provided by the Trust to its academies during the period and no central charges arose.

24. FIRST YEAR ADOPTION

This is the first year in respect of which the Academy has prepared its financial statements under FRS 102. The previous financial statements for the year ended 31 August 2016 were prepared under "old UK GAAP". The date of transition to FRS 102 is 1 September 2014.

WHITEFIELD ACADEMY TRUST

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

24. FIRST YEAR ADOPTION - continued

Transitional relief

On transition to FRS 102, the charity has taken advantage of the following transitional relief:

- not to apply the requirements of Section 19 Business Combinations and Goodwill;
- not to apply the requirements of Section 26 Share-based Payment;
- to measure fair value at date of transition to FRS 102 and use as deemed cost on:
 - an item of property, plant and equipment;
 - an investment property;
 - an intangible asset which meets the recognition criteria and criteria for revaluation in Section 18 Intangible Assets other than Goodwill;
- to use a previous GAAP revaluation as deemed cost on:
 - an item of property, plant and equipment;
 - an investment property;
 - an intangible asset which meets the recognition criteria and criteria for revaluation in Section 18 Intangible Assets other than Goodwill;
- to measure investment in subsidiaries, associates and joint ventures at cost determined in accordance with Section 9 Consolidated and Separate Financial Statements, Section 14 Investments in Associates or Section 15 Investments in Joint Ventures;
- not to apply the requirement of paragraph 22.13 in respect of compound financial instruments;
- not to apply the requirement of paragraphs 34.12E to 34.16A in respect of service concession agreements;
- to take elections available for extractive activities;
- to measure carrying amount of deferred development costs at date of transition to FRS 102 as deemed cost;
- to treat date of transition to FRS 102 as date on which capitalisation of borrowing costs commences.

LGPS - Interest on scheme assets

Under previous UK GAAP, the academy recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to expense by £8,000 and decrease the credit in other recognised gains and losses in the SoFA by an equivalent amount.