

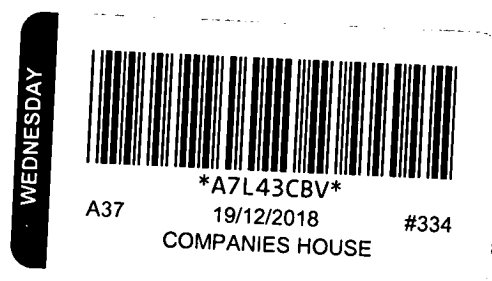
Floreat Education Academies Trust

Annual Report and Financial Statements

Year ended 31 August 2018

(A Company Limited by Guarantee)

Company Registration Number: 09007740 (England and Wales)



Floreat Education Academies Trust

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Floreat Education Academies Trust

Reference and Administrative Details

Members	Floreat Education Sam Freedman (resigned July 2018) James O'Shaughnessy (appointed July 2018) Martyn Rose
Trust Directors (Trustees)	Chris Benson Colin Brereton (Vice-chairman) Richard Briance Camilla Brough (appointed July 2018) Olivia Deighton (resigned September 2017) Sam Freedman (resigned July 2018) Janet Hilary James O'Shaughnessy Martyn Rose (Chairman) Ed Venables (appointed July 2018)
Company Secretary	Lucy Devine (née Carter)
Executive Management Team <ul style="list-style-type: none">• Chief Executive Officer• Finance Manager• Operations Manager	Janet Hilary Warsame Khalif Shaheen Hirji
Company Name	Floreat Education Academies Trust
Principal and Registered Office	Floreat Wandsworth Primary School 305 Garratt Lane London SW18 4EQ
Company Registration Number	09007740
Independent Auditor	Mazars LLP Times House, Throwley Way Sutton SM1 4JQ
Bankers	Lloyds Bank Plc 3 rd Floor Queens Square Wolverhampton WV1 1TF
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU

Floreat Education Academies Trust

Reference and Administrative Details (continued)

Directory of Academies

Floreat Brentford Primary School

Address	Ground Floor Trico House Brentford TW8 0GD
Chair of Governors Headteacher	Catherine Edwards Jo Williams

Floreat Wandsworth Primary School

Address	305 Garratt Lane London SW18 4EQ
Chair of Governors Headteacher	Camilla Brough Matthew Custance

Floreat Montague Park Primary School

Address	William Heelas Way Wokingham RG40 1RE
Chair of Governors Headteacher	Ed Venables Kate Harper-Cole

Floreat Education Academies Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditors' report of Floreat Education Academies Trust (the Trust) for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the year, the academy trust operated three primary academies in Wandsworth, Brentford and Wokingham. Its academies had a combined pupil capacity of 360 and had a roll of 316 in the school census of January 2018. The combined pupil capacity in Nursery was 66. The combined number of pupils on roll in Nursery was 65.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees are also the directors of the charitable company for the purposes of company law.

Details of trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Trust undertakes to contribute to the assets of the Trust in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice, the company has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on company business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by nomination of the Members.

In accordance with the Memorandum and Articles of Association, the Trust has appointed a strong Board with a range of experience and expertise to enforce accountability.

Policies and Procedures adopted for the Induction and Training of Trustees

Trustees bring a variety of experience from a number of different backgrounds in education, industry and commerce. Where necessary, additional training is provided on charity, educational, legal and financial matters. All Trustees are routinely involved with meetings, accounts, reports, budgets, plans and other information necessary to enable them to carry out their roles. Assistance and advice is always available from Trust staff or professional advisors.

Organisation Structure

The Trustees have overall responsibility and ultimate decision making for all the work of the Trust, including the establishment and running of schools. This is largely exercised through strategic planning and the setting of policy guidance. It is managed through business planning, monitoring of budgets, performance management, the setting of standards and the implementation of quality management processes. The Trustees delegate the day-to-day responsibility for running the Trust to the senior management team led by the Chief Executive Officer. The day-to-day running of individual schools is delegated by the Chief Executive Officer to the senior leadership team of each school, led by the respective Headteacher. The Chief Executive Officer is the Accounting Officer.

Floreat Education Academies Trust

Trustees' Report (continued)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The pay of teaching staff in schools is set with reference to the National Pay Scales. The pay of the key management of the Trust is agreed by the Board of Trustees in consultation with the Chief Executive Officer. The pay of all other staff is agreed by the Chief Executive Officer.

Related Parties and other Connected Charities and Organisations

Floreat Education Limited, which raises funds for the Trust, is a registered charity with the registered company number 08643692. Related party transactions involving Trustees are set out in notes 11 and 23 to the financial statements.

Objectives and Activities

Objects and Aims

The Trust aims to:

- Provide education for pupils within the age range of 4-11 under a clear and specific educational ethos that develops pupils' character virtues and provides them with a knowledge-rich academic education.
- Ensure that every child accesses and enjoys the same high standard of education within Floreat's fully inclusive schools.
- Seek to raise standards and opportunities for pupils by effectively deploying assigned funds and ring-fenced grants such as the Pupil Premium and Sports Premium.
- Keep the curriculum under continual review and comply with the appropriate statutory curriculum requirements.
- Monitor the attainment and progress of pupils against individual targets and national/local benchmarks.
- Monitor the performance of staff via approved systems of appraisal, with a view to maintaining excellent pupil outcomes and providing high quality professional development.
- Provide value for money and deploy finances within a fair and transparent framework in order to achieve the highest educational standards.

The Trust seeks to enable children to flourish in school by giving them a knowledge-rich academic education and developing their character strengths and virtues. Our pupils learn, think and express themselves effectively, conduct themselves in a dignified way, and serve others. This ensures they are motivated in school and equipped for a future of success and wellbeing.

The Trust has designed, and is now continuing to develop, a complete and scalable educational model for use in Floreat's schools: the Virtue and Knowledge School Model. Our model is based on the classical ideal of education: it introduces children to the best that has been thought and said, whilst preparing them to seek a good life for themselves and others.

Virtue and Knowledge Curriculum

Our curriculum helps pupils develop a sophisticated understanding of the world in which they live. It starts with rapid development of the core skills of English and Maths and includes subject-based lessons that deepen and broaden pupils' knowledge. The curriculum is infused with opportunities for children to develop their intellectual curiosity and regular opportunities are provided for pupils to develop their character virtues through projects that involve adventure learning and service learning in their community.

Floreat Education Academies Trust

Trustees' Report (continued)

Objectives, Strategies and Activities

The main aim of the Trust over the year was to operate three primary schools.

At the start of the year, the Trust had three open schools: Floreat Wandsworth, Floreat Brentford and Floreat Montague Park:

- Floreat Wandsworth: a 420-place primary school in a permanent building located in Earlsfield, London.
- Floreat Montague Park: a 420-place primary school in a permanent building located in Wokingham.
- Floreat Brentford: a 420-place primary school in temporary accommodation located in the Great West Quarter of London.

Floreat Brentford Primary School was approved for closure by the Minister of State for Education in May 2018 and closed on 31 August 2018. In spite of the school's exceptional results in the three years since opening, the lack of a permanent building and unsuitability of temporary accommodation meant that the site was no longer fit for purpose. The school continued to provide a full curriculum for the remainder of the year and all pupils were transferred to good and outstanding local schools.

The Trust also had a school in pre-opening in West Wokingham. The project was successfully completed and ready to open in September 2018, but the slower than projected growth of the housing development that the school was built to serve resulted in very low pupil numbers. The funding agreement for the school was therefore terminated by mutual agreement with Wokingham Borough Council, enabling them to find a new sponsor when pupil numbers reach viability.

Public Benefit

In setting the objectives and planning activities, the Trustees have given careful consideration to ensuring compliance with the Charity Commission's general guidance on public benefit.

Floreat Education Academies Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

Key Performance Indicators

This report marks the end of the third year of operations of the Trust. During the year:

Floreat Wandsworth had a Nursery plus two forms of entry into Reception, Year 1 and Year 2. The school achieved outstanding results, which were published nationally:

82% Good Level of Development in Reception

93% in the Phonics Screening Check in Year 1

81% Expected Standard in Reading, Writing and Maths combined in Year 2 SATS

48% Greater Depth Standard in Reading in Year 2 SATS.

Floreat Wandsworth had an Ofsted inspection in June 2018 and was judged to be a Good school overall. Early Years Provision and Personal Development, Behaviour and Welfare were judged to be Outstanding.

Floreat Montague Park had a Nursery plus two forms of entry into Reception and one form in Year 1. The school achieved outstanding results which were published nationally:

92% Good Level of Development in Reception

97% in the Phonics Screening Check in Year 1

Floreat Brentford began the process of closure from February 2018 and pupils began moving to new schools from this date. As almost all pupils moved to new schools during the summer term, there was no end of year performance data to reflect the school's success in the 2017-18 year. A very pleasing outcome for the Trust was securing a place in a good or outstanding local school for every pupil.

Going Concern

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

Financial Review

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted. The grants received from the ESFA during the year ended 31 August 2018 of £2.3m and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Total funds at the year-end were £6.2m, of which £6.1m related to fixed assets, £0.3m unrestricted general funds and a pension deficit of £0.18m.

Reserves Policy

The Trust aims to set a budget each year that will achieve a cumulative revenue (general funds) surplus after all costs and donations. It is intended that the reserves will be held to allow the Trust in future years to target necessary improvements throughout its property portfolio and its operational and organisational structure that improve the teaching facilities and environment throughout the schools.

On 31 August 2018, the level of reserves held as restricted general funds was nil (31 August 2017: nil) and the level of reserves held as restricted fixed assets, was £6.1m (31 August 2017: £6.5m) as shown on the balance sheet.

Floreat Education Academies Trust

Trustees' Report (continued)

Investment Policy

The Trust manages and holds its bank balances and makes investment decisions with regards to use of those funds which are directed towards the provisions of educational activities in line with the curricula of the Trust.

Principal Risks and Uncertainties

Principal risks are reviewed annually. First is the safeguarding of children in Floreat schools, especially those in temporary accommodation. Second, the importance of maintaining pupil numbers is a key risk, as this directly drives the amount of income the Trust receives. This is particularly significant where schools have opened with one form of entry due to restrictions emanating from temporary accommodation and where numbers are not underwritten. Third, it is also important that the Trust maintains its further sources of funding including private donations, project grants and school pre-opening grants, to support the central services that it provides to the schools of the Trust. Other key risks include the maintenance and protection of key assets; systems and procedures to minimise each of these key risks are reviewed by the Board and its Finance and Audit Committee.

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not hold such funds and does not act as the custodian trustees of any other charity.

Auditor

In so far as the Trustees are aware:

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

This report, incorporating a strategic report, was approved by order of the Board of Trustees on 11 December 2018 and signed on their behalf by:



Martyn Rose
Chair of Board of Trustees

Floreat Education Academies Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Floreat Education Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Director	Meetings attended	Eligible Meetings
Chris Benson	2	3
Colin Brereton	3	3
Richard Briance	3	3
Olivia Deighton (Resigned September 2017)	0	0
Sam Freedman (Resigned July 2018)	1	2
James O'Shaughnessy	3	3
Martyn Rose (Chairman)	2	3

The **Finance and Audit Committee** is a sub-committee of the main Board of Trustees. Its purpose is to hold the Accounting Officer and Finance Manager to account for their financial statements, budgeting and value for money and to monitor, review and evaluate financial propriety. Attendance during the year at meetings was as follows:

Director	Meetings attended	Eligible Meetings
Chris Benson	3	3
Colin Brereton (Chair from October 2017)	3	3
Richard Briance	3	3
Janet Hilary (CEO and Accounting Officer)	3	3

Provisions and Standards are reviewed as the first part of the main Board agenda, having been scrutinised by Local Advisory Committees at school level.

Floreat Education Academies Trust

Governance Statement (continued)

Review of Value for Money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Floreat Education Academies Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered value for money during the year in the following ways:

- The Trust is committed to outstanding education results at each of the schools, and this is at the heart of how spending decisions are made. The Trust tracks the attendance and performance of all pupils and Floreat schools are well above the national average.
- Procurement procedures result in value for money – contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. The Trust always assesses the cost and benefits of options before making long-term decisions. The Trust has been able to make economies and savings as a result of being able to share resources between schools and through our combined purchases. The Trust has robust procedures in place for assessing need and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost.
- The Trust has used its facilities efficiently by generating extra income from the premises. The Trust has let out unused rooms in its buildings to educational and community groups. The Trust plans to increase the income its buildings facilities can generate.

Trustees and school leaders have applied the principles of best value when making decisions about:

- The allocation of resources best to promote the aims and values of our schools;
- The targeting of resources best to improve standards and quality of provision;
- The use of resources best to support the learning needs of all pupils, staff, parents and Trustees; and,
- Arranging service contracts.

This demonstrates that we have provided excellent value for money and our children make rapid progress and succeed at our schools.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives. The Trust evaluates the likelihood of risks manifesting and the impact should they do so, and seeks to manage risk efficiently and effectively. The system of internal control has been in place in Floreat Education Academies Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is

Floreat Education Academies Trust

Governance Statement (continued)

of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Trustees appointed Mazars LLP to carry out the internal audit function. The Finance and Audit Committee are satisfied that Mazars LLP have put in place sufficient internal separation between their external audit team and their internal audit team.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current year included:

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/bank reconciliations.

The auditor reports to the Board of Trustees, through the Finance and Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

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

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

The Accounting Officer has advised the Finance and Audit Committee of their findings and proposed a plan to address weaknesses and ensure continuous improvement of the systems.

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on its behalf by:



Martyn Rose
Chair of Board of Trustees



Janet Hilary
Accounting Officer

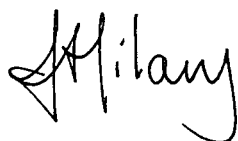
Floreat Education Academies Trust

Statement on Regularity, Propriety and Compliance

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

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

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



Janet Hilary
Accounting Officer

Floreat Education Academies Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/Department for Education have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Trust'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 on 11 December 2018 and signed on its behalf by:



Martyn Rose
Chair of Board of Trustees

Floreat Education Academies Trust

Independent Auditor's Report to the Members of Floreat Education Academies Trust

We have audited the financial statements of Floreat Education Academies Trust ("the 'trust'") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31 August 2018 and of 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 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditors' reports thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report including the incorporated strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Floreat Education Academies Trust

Independent Auditor's Report to the Members of Floreat Education Academies Trust (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the incorporated strategic report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 12, the Trustees (who are directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

N J Wakefield

Nicola Wakefield

(Senior statutory auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditors

Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date: 19 December 2018

Floreat Education Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Floreat Education Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Floreat Education Academies Trust during the period 1 September 2017 to 31 August 2018 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 Floreat Education Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Floreat Education Academies Trust and the ESFA those matters we are required to state to it 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 Floreat Education Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Floreat Education Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Floreat Education Academies Trust's funding agreement with the Secretary of State for Education dated 20 March 2015 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluded on procedures carried out.

Floreat Education Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Floreat Education Academies Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars LLP

Reporting Accountants
Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Date: *19 December 2018*

Floreat Education Academies Trust
Statement of Financial Activities for the Year Ended 31 August 2018
(including Income and Expenditure Account)

	Note	Un- restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	17,000	27,470	106,761	151,231	440,888
<i>Charitable Activities:</i>						
• Funding for the Academy's educational operations	4	150,168	2,701,809	-	2,851,977	2,059,260
Other trading activity	5	115,397	-	-	115,397	93,258
Investment income	6	309	-	-	309	232
Total income		282,874	2,729,279	106,761	3,118,914	2,593,638
Expenditure on:						
<i>Charitable activities:</i>						
• Academy's educational operations	8	-	2,862,578	520,172	3,382,750	2,624,724
Total expenditure		-	2,862,578	520,172	3,382,750	2,624,724
Net income (expenditure) before transfers		282,874	(133,299)	(413,411)	(263,836)	(31,086)
Gross transfers between funds	16	(133,299)	133,299	-	-	-
Net income / (expenditure) for the year		149,575	-	(413,411)	(263,836)	(31,086)
Other recognised gains and losses						
Actuarial (losses) on defined benefit pension schemes	16	-	(33,000)	-	(33,000)	(117,000)
Net movement in funds		149,575	(33,000)	(413,411)	(296,836)	(148,086)
Reconciliation of funds						
Funds brought forward at 1 September 2017		151,103	(145,000)	6,496,853	6,502,956	6,651,042
Funds carried forward at 31 August 2018	16	300,678	(178,000)	6,083,442	6,206,120	6,502,956

Floreat Education Academies Trust
Balance Sheet as at 31 August 2018
Company Number 09007740

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	13	6,083,442	6,496,853
Current assets			
Debtors	14	129,659	210,603
Cash at bank and in hand		777,458	340,115
		<u>907,117</u>	<u>550,718</u>
Liabilities			
Creditors: Amounts falling due within one year	15	(606,439)	(399,615)
		<u>300,678</u>	<u>151,103</u>
Net current assets			
		<u>6,384,120</u>	<u>6,647,956</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	22	(178,000)	(145,000)
		<u>6,206,120</u>	<u>6,502,956</u>
Total net assets including pension liability			
		<u>6,206,120</u>	<u>6,502,956</u>
Funds of the Academy:			
Restricted income funds			
• Fixed asset fund	16	6,083,442	6,496,853
• Restricted Income fund	16	-	-
• Pension reserve	16	(178,000)	(145,000)
		<u>5,905,442</u>	<u>6,351,853</u>
Total restricted funds			
		<u>5,905,442</u>	<u>6,351,853</u>
Unrestricted income funds	16	300,678	151,103
		<u>6,206,120</u>	<u>6,502,956</u>
Total funds			
		<u>6,206,120</u>	<u>6,502,956</u>

The financial statements on pages 17 to 35 were approved by the Trustees, and authorised for issue on 11 December 2018, and are signed on their behalf by:



Martyn Rose
Chair of Trustees

Floreat Education Academies Trust **Statement of Cash Flows for the Year Ended 31 August 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	18	437,034	159,862
Cash flows from investing activities	19	309	232
Change in cash and cash equivalents in the reporting period		<u>437,343</u>	<u>160,094</u>
Cash and cash equivalents 1 September 2017		<u>340,115</u>	<u>180,021</u>
Cash and cash equivalents 31 August 2018	20	<u>777,458</u>	<u>340,115</u>

Floreat Education Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1. Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by the Education Funding Agency, the Charities Act 2011 and the Companies Act 2006.

Floreat Education Academies Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees have reviewed the budgeted income including pledged donations. The budgeted expenditure has also been reviewed and is considered to be sustainable and allows a margin for contingencies. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

■ Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes, but not expended during the year, 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. Its recognition is then included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

■ 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 Trust has provided the goods or services.

Floreast Education Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

(continued)

1. Statement of Accounting Policies (continued)

Income (continued)

▪ 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 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 Trust's accounting policies.

Expenditure

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

▪ Expenditure on Raising Funds

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Floreat Education Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

(continued)

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets (continued)

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

Long Leasehold buildings	2% (50 years)
Fixtures and Fittings	25% (4 years)
Computer equipment	20% (5 years)

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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 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 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.

Leased Assets

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

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

Floreat Education Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

(continued)

1. Statement of Accounting Policies (continued)

Pensions Benefits (continued)

The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 22, 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 recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and 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.

Fund Accounting

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

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

Critical accounting estimates and areas of judgment

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2015. 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.

Floreat Education Academies Trust **Notes to the Financial Statements for the Year Ended 31 August 2018** **(continued)**

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Trust has not exceeded these limits during the year ended 31 August 2018.

3. Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Capital Grants	-	106,761	106,761	289,541
Other donations	17,000	27,470	44,470	151,347
Total	<u>17,000</u>	<u>134,231</u>	<u>151,231</u>	<u>440,888</u>
Total 2017	<u>151,347</u>	<u>289,541</u>	<u>-</u>	<u>440,888</u>

4. Funding for the Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
DfE/ESFA revenue grant				
General Annual Grant (GAG)	-	1,735,187	1,735,187	1,260,476
Start-up grants	-	44,400	44,400	-
Other DfE / ESFA grants	-	471,570	471,570	266,852
	<u>-</u>	<u>2,251,157</u>	<u>2,251,157</u>	<u>1,527,327</u>
Other Government grants				
Local Authority grants	<u>-</u>	<u>450,652</u>	<u>450,652</u>	<u>405,364</u>
Other Income from the Trust's educational operations	150,168	-	150,168	126,568
	<u>150,168</u>	<u>2,701,809</u>	<u>2,851,977</u>	<u>2,059,260</u>
Total 2017	<u>126,568</u>	<u>1,932,692</u>	<u>-</u>	<u>2,059,260</u>

Floreat Education Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2018
(continued)

5. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
School trips	11,723	-	11,723	4,623
Lettings income	98,953	-	98,953	82,193
Other income	4,721	-	4,721	6,442
	<u>115,397</u>	<u>-</u>	<u>115,397</u>	<u>93,258</u>
Total 2017	<u>93,258</u>	<u>-</u>	<u>-</u>	<u>93,258</u>

6. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Bank interest	<u>309</u>	<u>-</u>	<u>309</u>	<u>232</u>
Total 2017	<u>232</u>	<u>-</u>	<u>-</u>	<u>232</u>

7. Expenditure

	Staff Costs £	Premises £	Non Pay Expenditure Other Costs £	Total 2018 £	Total 2017 £
Direct costs	1,440,811	727,596	333,807	2,502,214	2,010,956
Support costs	397,298	218,037	265,201	880,536	613,768
	<u>1,838,109</u>	<u>945,633</u>	<u>599,008</u>	<u>3,382,750</u>	<u>2,624,724</u>
Total 2017	<u>1,402,719</u>	<u>706,053</u>	<u>515,952</u>	<u>-</u>	<u>2,624,724</u>

**Net income / (expenditure) for
the period includes:**

	2018 £	2017 £
Depreciation	520,172	362,375
Fees payable to the auditor for Audit	<u>12,250</u>	<u>11,950</u>

Floreat Education Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2018
(continued)

8. Charitable Activities - Academy's educational operations

	Total 2018 £	Total 2017 £
Direct costs	2,502,214	2,010,956
Support costs	880,536	613,768
Total direct and support costs	<u>3,382,750</u>	<u>2,624,724</u>
	Total 2018 £	Total 2017 £
Analysis of support costs		
Support staff costs	397,298	188,021
Technology costs	15,874	18,309
Premises costs	218,037	164,246
Other support costs	237,077	231,242
Governance costs	12,250	11,950
Total Support Costs	<u>880,536</u>	<u>613,768</u>

All expenditure relates to the restricted general funds with the exception of the depreciation charge of £520,172 (2017: £411,901) which has been allocated to the restricted fixed asset fund.

Floreat Education Academies Trust **Notes to the Financial Statements for the Year Ended 31 August 2018** **(continued)**

9. Staff

a. Staff costs

	2018 £	2017 £
Wages and salaries	1,371,621	1,088,307
Social security costs	131,274	102,510
Operating costs of defined benefit pension schemes	190,658	156,388
	<u>1,693,553</u>	<u>1,347,205</u>
Supply staff costs	144,556	55,514
	<u>1,838,109</u>	<u>1,402,719</u>

b. Staff numbers

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

	2018 Number	2017 Number
Teachers	13	9
Administration and support	34	20
Management	6	6
	<u>53</u>	<u>35</u>

c. Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	-	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£120,001 - £130,000	1	1

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the executive management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by 3 (2017: 3) key management personnel for their services to the Trust was £244,391 (2017: £303,495).

Floreat Education Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

(continued)

10. Central Services

The Trust has provided the following central services to its academies during the year: project management, human resources support, financial services, legal services and educational support. The Trust charges for these services on the following basis: 8% charge of income

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Floreat Wandsworth	73,023	55,506
Floreat Brentford	36,920	30,358
Floreat Montague Park	41,635	35,232
	151,578	121,096

11. Related Party Transactions - Trustees' Remuneration & Expenses

There was one Director of FEAT who is also a Trustee in receipt of remuneration in respect of services they provide for undertaking the role of Accounting Officer and CEO under a contract of employment and not in respect of their services as Trustee. Other Trustees did not receive any payments from the Academy Trust in respect of their role as trustees. Other related party transactions involving the Trustees are set out in note 23.

The Director who received remuneration was:

J Hilary	2018	2017
	£	£
Salary	128,768	126,583
NI	15,379	16,346
Pension	21,221	20,861
	165,367	163,790

12. Trustees' and Officers' Insurance

The academy trust 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 trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

Floreat Education Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

(continued)

13. Tangible Fixed Assets

	Leasehold Land & buildings	Fixtures and fittings	Computer Equipment	Total
	£	£	£	£
Cost				
At 1 September	6,679,422	230,482	259,240	7,169,144
Additions	-	80,270	26,491	106,761
Disposals	(379,422)	-	-	(379,422)
At 31 August	6,300,000	310,751	285,731	6,896,483
Depreciation				
At 1 September	504,948	94,179	73,164	672,291
Charged in year	252,474	144,838	122,860	520,172
Disposals	(379,422)	-	-	(379,422)
At 31 August	378,000	239,017	196,024	813,041
Net book values				
At 31 August 2018	5,922,000	71,735	89,707	6,083,442
At 31 August 2017	6,174,474	136,303	186,076	6,496,853

14. Debtors

	2018 £	2017 £
Trade debtors	167	7,919
VAT Recoverable	28,794	65,490
Other debtors	-	6,608
Prepayments and accrued income	100,698	130,586
	129,659	210,603

15. Creditors: Amounts Falling Due within one Year

	2018 £	2017 £
Trade Creditors	56,339	41,592
Other taxation and social security	34,165	26,762
ESFA creditor: abatement of General Annual Grant	85,782	37,192
Other creditors	20,294	26,291
Accruals	103,335	129,482
Deferred income	306,524	138,296
	606,439	399,615

	2018 £	2017 £
Deferred income		
As at 1 September 2017	138,296	78,299
Released from previous years	(138,296)	(78,299)
Resources deferred in the year	306,524	138,296
Deferred income at 31 August 2018	306,524	138,296

Deferred income at the year-end is in relation to Universal Infant Free School Meal payments from the ESFA and "Post Opening Grants" from Wandsworth Local Authority.

Floreat Education Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

(continued)

16. Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	1,735,187	(1,868,486)	133,299	-
Start Up Grant	-	44,400	(44,400)	-	-
Pupil Premium	-	61,471	(61,471)	-	-
Other Grants	-	860,751	(860,751)	-	-
Pension Reserve	(145,000)	-	-	(33,000)	(178,000)
	<u>(145,000)</u>	<u>2,701,809</u>	<u>(2,835,108)</u>	<u>100,299</u>	<u>(178,000)</u>
Restricted fixed asset funds					
Transfer on conversion	6,049,939	-	-	-	6,049,939
DfE / ESFA capital grants	446,914	106,761	(520,172)	-	33,503
	<u>6,496,853</u>	<u>106,761</u>	<u>(520,172)</u>	<u>-</u>	<u>6,083,442</u>
Other	-	27,470	(27,470)	-	-
Total restricted funds	<u>6,351,853</u>	<u>2,836,040</u>	<u>(3,382,750)</u>	<u>100,299</u>	<u>5,905,442</u>
Total unrestricted funds	<u>151,103</u>	<u>282,874</u>	<u>-</u>	<u>(133,299)</u>	<u>300,678</u>
Total funds	<u>6,502,956</u>	<u>3,118,914</u>	<u>(3,382,750)</u>	<u>(33,000)</u>	<u>6,206,120</u>

The transfer of £133,299 (2017: £280,131) from unrestricted general funds to restricted funds has been made to offset the deficit for the year on the restricted general fund.

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

Pupil Premium income is included within restricted funds and relates to the funding provided by the Education and Skills Funding Agency for the relevant schools to provide additional support to pupils from low income families.

Analysis of Academies by Fund balance

Funds at 31 August 2018 were allocated as follows:

	Balance at 31 August 2018 £
Trust	300,678
Total before fixed assets and pension reserve	<u>300,678</u>
Restricted fixed asset fund	6,083,442
Pension reserve	(178,000)
Total	<u>6,206,120</u>

Floreat Education Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

(continued)

16. Funds (continued)

Total cost analysis by academy

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

	Teaching and Educational support staff costs	Other Support staff costs	Educational supplies	Other costs (exc. Dep)	Total
	£	£	£	£	£
Floreat Wandsworth	679,823	120,000	61,064	344,036	1,204,922
Floreat Brentford	245,899	54,015	22,551	261,326	583,791
Floreat Montague Park	342,095	134,672	26,573	203,608	706,949
Central Services	-	273,383	-	93,530	366,912
Trust	1,267,817	582,070	110,188	902,500	2,862,574

17. Analysis of Net Assets between Funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	6,083,442	6,083,442
Current assets	907,117	-	-	907,117
Current liabilities	(606,439)	-	-	(606,439)
Pension Scheme liability	-	(178,000)	-	(178,000)
Total net assets	300,678	(178,000)	6,083,442	6,206,120

18. Reconciliation of Net (Expenditure)/Income to Net Cash Inflow from Operating Activities

	2018 £	2017 £
Net (expenditure) for year (as per SoFA)	(263,836)	(31,086)
Adjusted for:		
Depreciation charges (note 13)	520,172	362,375
Purchase of fixed assets	(106,761)	(240,015)
Interest receivable (note 6)	(309)	(232)
Decrease in debtors	80,944	33,358
Increase in creditors	206,824	35,462
Net cash provided by operating activities	437,034	159,862

Floreat Education Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

(continued)

19. Cash flows from investing activities

	2018	2017
	£	£
Bank interest	309	232
Purchase of tangible fixed assets	(106,761)	(240,015)
Capital grants from DfE/ESFA	106,761	240,015
Net cash provided by investing activities	309	232

20. Analysis of cash and cash equivalents

	At 1 September 2017	Cash flows	At 31 August 2018
	£	£	£
Cash in hand and at bank	340,115	437,343	777,458

21. Members' Liability

Each member of the Trust 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.

22. Pension and Similar Obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

There were outstanding contributions at 31 August 2018 of £9,088, (2017: £21,702).

Teachers' Pension Scheme

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.

Floreat Education Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

(continued)

22. Pension and Similar Obligations (continued)

Valuation of the Teachers' Pension Scheme

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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £68,658 (2017: £76,773).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2018 was £122,000 (2017: £84,000), of which employer's contributions totalled £91,000 (2017: £60,000) and employees' contributions totalled £31,000 (2017: £24,000). The agreed contribution rates for current years are 19% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions	At 31 August 2018 Wandsworth	At 31 August 2018 Brentford	At 31 August 2018 Berkshire
Rate of increase for pensions in payment / inflation	2.3%	2.3%	2.3%
Rate of increase in salaries	3.8%	3.8%	3.8%
Discount rate for scheme liabilities	2.7%	2.7%	2.7%

Floreat Education Academies Trust **Notes to the Financial Statements for the Year Ended 31 August 2018** **(continued)**

22. Pension and Similar Obligations (continued)

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

	At 31 August 2018 Wandsworth	At 31 August 2018 Brentford	At 31 August 2018 Berkshire
<i>Retiring today</i>			
Males	24.5	21.5	23.1
Females	26.1	25.2	25.2
<i>Retiring in 20 years</i>			
Males	26.8	23.7	25.3
Females	28.5	27.5	27.5

The Trust's share of the assets and liabilities in the schemes were:

	At 31 August 2018 Wandsworth £	At 31 August 2018 Brentford £	At 31 August 2018 Berkshire £
Equities	130,000	14,000	32,000
Bonds	20,000	2,000	10,000
Gilts	8,000	1,000	-
Property	7,000	1,000	9,000
Cash	1,000	1,000	10,000
Other	29,000	4,000	7,000
Total market value of assets	195,000	23,000	68,000

The actual return on scheme assets was £8,000 (2017: £9,000).

Changes in the present value of defined benefit obligations were as follows:

	Wandsworth £	Brentford £	Berkshire £
As at 1 September 2017	217,000	35,000	28,000
Current service cost	157,000	17,000	68,000
Interest cost	6,000	1,000	1,000
Employee contributions	20,000	2,000	9,000
Changes in financial assumptions	(87,000)	(8,000)	(18,000)
Benefits paid	-	-	16,000
At 31 August 2018	313,000	47,000	104,000

Floreat Education Academies Trust **Notes to the Financial Statements for the Year Ended 31 August 2018** **(continued)**

22. Pension and Similar Obligations (continued)

Changes in the fair value of academy's share of scheme assets:			
	Wandsworth £	Brentford £	Berkshire £
As at 1 September 2017	107,000	14,000	14,000
Interest income	4,000	-	1,000
Return on assets	6,000	1,000	1,000
Employer contributions	58,000	6,000	27,000
Contributions by scheme participants	20,000	2,000	9,000
Plan introductions, benefit changes, curtailments and settlements	-	-	16,000
At 31 August 2018	195,000	23,000	68,000

23. Related Party Transactions

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

The following related party transactions took place in the period:

During the year ended 31 August 2018 the Floreat Education Academies Trust received donations totaling £nil (2017: £81,999) from Floreat Education Limited, a company and registered charity that shares common Trustees with Floreat Education Academies Trust. In addition, Floreat Education Academies Trust paid independent examination fees of £1,000 (2016 £nil) on behalf of Floreat Education Limited. At 31 August 2018 £nil (2017: £6,608) was due to Floreat Education Academies Trust.

24. Operating lease commitments

At 31 August 2018, the Trust commitments under non-cancellable operating leases as follows:

	Land and buildings 2018 £	Land and Buildings 2017 £
Less than 1 year	13,750	140,866
Total commitment	13,750	140,866