

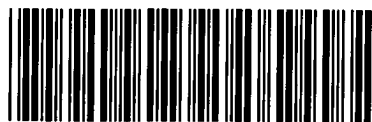
Emerson Park Academy

Annual Report and Financial Statements

Year ended 31 August 2017

Company Limited by Guarantee
Registration Number
07726858 (England and Wales)

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Reference and administrative information

Members	Mr Paul Connew Mr John Luff Mr Martin Tilbury
Directors	Mr John Luff (Chair of Directors) Mrs Victoria O'Connor (Vice Chair of Directors) Mrs Vee Bharaj Mrs Sarah Meacher Mr Daryl Morgan Ms Carol Newton Mr Neil Rebeugeot Mr Martin Tilbury Mr Scott McGuinness (Headteacher) Mr Kevin Westwood
Company secretary	Mr Ian Buckmaster
Senior Leadership Team	
Head Teacher	Scott McGuinness
Deputy Head	Kylie Blaize
Assistant Head	Jennifer Beattie Christine Crawley Michelle Day Mark Hope Joe Macguire Matt Oakins
Business Manager	Peter Wells
Registered address	Wych Elm Road Hornchurch Essex RM11 3AD
Company registration number	07726858 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Natwest Bank Plc 120 – 122 High Street Hornchurch RM12 3UL
Solicitors	Bates, Wells and Braithwaite LLP 2 – 6 Cannon Street London EC4M 6YH

Directors' report Year ended 31 August 2017

The Directors of Emerson Park Academy ('the Academy') present their statutory report together with the financial statements of the charitable company for the year to 31 August 2017. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 34 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Emerson Park Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Directors act as the trustees for the charitable activities of Emerson Park Academy and are also the directors of the charitable company for the purposes of company law.

Details of the Directors who served throughout the year except as noted on page 3.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year 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.

Directors' indemnities

The Academy has opted into the Department of Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects the Directors 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 Directors and officers indemnity element from the overall cost of the RPA scheme.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors

The Directors are trustees of the charitable company for the purposes of charity law. The following Directors were in office at 31 August 2017 and served throughout the period except where shown.

Director	Appointed/Resigned	
Mr John Luff (Chair of Directors)		Member appointed Director
Mrs Victoria O'Connor (Vice Chair of Directors)		Co-opted Director
Mrs Vee Bharaj	Appointed 14 March 2017	Co-opted Director
Mr Paul Connew	Resigned 1 February 2017	Co-opted Director
Mr Mark Cornish	Resigned 1 February 2017	Parent Director
Mrs Pamela Lee	Resigned 1 February 2017	Member appointed Director
Mrs Sarah Meacher	Appointed 8 December 2015	Parent Director
Mr Daryl Morgan	Appointed 6 December 2016	Member appointed Director
Ms Carol Newton		Parent Director
Mr Neil Rebeugeot	Appointed 2 May 2017	Co-opted Director
Mr Martin Tilbury		Co-opted Director
Mr Kevin Westwood	Appointed 14 March 2017	Staff Director
Mr Scott McGuinness (Headteacher)	Appointed 1 September 2016	Ex-Officio Director

Method of Recruitment and appointment or election of Directors

Emerson Park Academy was incorporated as a private limited company on 2nd August 2011. The three founding members of the Academy Trust are Mr Martin Tilbury, Mr John Luff and Mr Paul Connew. A Board of up to 15 Directors are responsible for the Governance of the Academy. In accordance with the Memorandum and Articles of Association, Members may appoint up to three Directors. Up to six Parent Directors may be appointed following an election process of parents/guardians of existing students. Nominees for Parent Director must have a student currently on roll at the Academy. There are positions for up to three Co-Opted Directors who may be appointed by the Board themselves. There may be up to two Staff Director Appointments who may be nominated and appointed following an election process of the respective staff members. The Head Teacher is also an ex-officio member of the Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Directors

Newly appointed Directors will attend Induction courses run by the Local Authority Governing Body Support Unit. In addition, a Directors Handbook containing recent minutes, Academy Development Plan, latest Head Teacher's Report, Committees list and recommendations of courses to attend is also made available in the Academy.

Organisational structure

Organisational Structure

Emerson Park Academy Trust Members			
Founding Members:	Mr P Connew	Mr J Luff	Mr M Tilbury
Board of Directors			
Parent Elected Directors	Mrs Carol Newton Mrs Sarah Meacher		
Co-Opted Directors	Mrs Victoria O'Connor Mr Martin Tilbury Mr Daryl Morgan Mrs Vee Bharaj Mr Neil Rebeugeot		
Staff Directors	Mr Kevin Westwood Mr Scott McGuinness		Head Teacher (ex-officio)
Member Appointed Directors	Mr J Luff		
Company Secretary	Mr Ian Buckmaster		
COMMITTEES (until January 2017*)			
Functions Committee	Learning and Teaching Committee	Student Wellbeing Committee	
Mr J Luff Mrs V O'Connor Mr P Connew Mr S McGuinness Mrs S Meacher Ms C Newton Mr M Tilbury	Mrs V O'Connor (Chair) Mrs S Meacher Mr J Luff Mr M Tilbury Ms C Newton Mr S McGuinness	Mrs V O'Connor (Chair) Mrs S Meacher Mr J Luff Mr M Tilbury Ms C Newton Mr S McGuinness	

*The committee structure, membership and Terms of Reference are reviewed at the first meeting of each Academic year. Changes were introduced in January 2017 removing the committees and implementing more regular Board Meetings.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Academy Trust comprise the Directors together with the Senior Leadership Team as listed on page 1. The Directors receive no remuneration in respect of their services as Directors and the arrangements for setting the remuneration of the Senior Leadership Team are as follows:

- ◆ **Head Teacher** – The Board of Directors assign a five point Individual School Range (ISR) based on the Academy group size. The Head Teacher's objectives are set by the Board of Directors. The Board of Directors will assess the performance of the Head Teacher against the objectives set and determine the appropriate remuneration.
- ◆ **Other Leadership Posts** – The Board of Directors assign a five point range for all other leadership posts. The range for individual posts (Deputy Head Teacher, Assistant Head Teacher) will be determined according to the duties of the post. The Board of Directors ensure there is no overlap of pay points between the Head Teacher and other leadership posts. Objectives will be set by the Head Teacher and following an annual appraisal, the Head Teacher will make recommendations regarding remuneration to the Board for their approval.

Connected Organisations, including related party relationships

Emerson Park Academy currently works in partnership with:

Havering Sports Collective (HSC) – as one of two Sports Specialist Colleges Emerson Park Academy coordinates sports activities, working alongside Coopers' Company & Coborn School, across the borough of Havering for all participating primary and secondary schools.

Emerson Park is a fully active partner within the Havering Educational Partnership (HEP) and the Havering Teacher Training Partnership (HTTP).

OBJECTIVES AND ACTIVITIES

Principal activities

The Academy Trust's objects are specifically restricted to the following:

- (a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy").

Objectives and aims

We aim to support our pupils' educational growth in mind, body and spirit, to build upon their prior learning, develop their potential and prepare them for the future.

We encourage and challenge all of our students to be the best they can be and to make a positive contribution both in school and beyond.

OBJECTIVES AND ACTIVITIES (continued)

Objectives and aims (continued)

- ◆ We strive to offer the highest standards in teaching and learning, in order to maximise the achievements of all pupils.
- ◆ We aim to make learning interesting and enjoyable. Our curriculum aims to offer a broad balance of essential and wider experiences so that each child can find something they can enjoy and in which they can find success.
- ◆ We seek to develop enquiring minds, an appetite for knowledge and the attitudes, values and educational basis necessary for our young people to grow into useful members of society.

We believe that this is best achieved if those involved are happy and working in a friendly, safe and supportive environment which is ordered, calm and purposeful.

Objectives, strategies & activities

Staff selection and training is key to moving the academy towards its stated goal of being 'outstanding'. Emerson Park Academy has been awarded the CPD mark in recognition of excellent Continued Professional Development across all staff and governors.

Emerson Park Academy seeks to enhance learning and accelerate pupil progress by embedding robust targeting and tracking.

The development of innovative strategies and resources (including ICT) is constantly under review.

Public Benefit

The provision of education at Emerson Park Academy is for public benefit. The Directors have complied with their duty to have due regard to the guidance on public benefit, published by the Charity Commission, in exercising their power or duties.

STRATEGIC REPORT

Achievements and performance

Review of activities

Emerson Park Academy is judged to be a 'Good' school – Ofsted September 2016. Two positive visits from Nicola Pruden, a representative from the Regional Schools Commissioner's office, concurred with the Ofsted judgement.

		EPA	National		Difference
English	4+	79.8	74.7		5.1
English	5+	66.0	58.4		7.6
English	7+	23.9	20.2		3.7

Maths	4+	76.1	68.4		7.7
Maths	5+	60.1	46.5		13.6
Maths	7+	22.9	17.0		5.9

English and Maths	4+	70.6	62.2		8.4
English and Maths	5+	55.1	40.1		15.0
English and Maths	7+	16.0	10.4		5.6

5A*-C inc En + Ma	4+	60.1			
5A*-C inc En + Ma	5+	50.5			

Attainment 8		44.6	42.5		2.1
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This year's GCSE results have improved significantly on last year, with notable improvements in the performance of English and Mathematics. Improvements in the performance of disadvantaged students has been masked by the overall improvement, hence the gap between disadvantaged and non-disadvantaged remaining.

As Directors are aware, the accountability measures have changed and therefore 5A*-C including English and Maths is no longer a valid measure of year on year performance.

Trips & visits

2016-17 was another successful year of trips and visits at Emerson Park Academy. Many faculties offered a range of both residential and day visits, in order to offer a broad curriculum of additional opportunities for our students. Highlights included a successful 5 day residential for over 30 Year 9s to the Arbolar Centre in Murcia, Spain for an inaugural language and activities visit led by Craig Deane and accompanied by members of the Modern Foreign Languages Faculty. Modern Foreign Languages also led a second school visit to Nice, in the south of France, for a 4 day Year 11 residential, ahead of their final speaking examinations the following month. These continue to be popular trips with parents and students and are planned to run again in the forthcoming academic year.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Review of activities (continued)

Trips & visits (continued)

PE also continued to offer a wide range of opportunities to students, notably the Ski Trip in February to Jay Peak in the USA. There was also the trip to the "Game of our Own" football camp in April 2017, as well as the many fixtures and clubs offered after-school to our students which have led to sporting successes.

Other faculties led successful visits; English took a group of More Able students to the Guardian newspaper in for an insight into the daily workings of a national newspaper. The Globe Theatre trip in March with Year 8 was also a success, as was the visit to watch The Crucible. Science had a Medical Day in February and a trip to the National Space Centre in March, both of which were popular with our students. Geography led trips to Stratford and Walton-on-the-Naze as part of the coursework element of the GCSE Course and these were supported by teachers volunteering to help with cover on lighter teaching days.

The London Lights trip for Year 7 proved a huge hit yet again. This was an over-subscribed trip and places were quickly taken by the students. Geography GCSE students were able to experience two days of fieldwork in Stratford, London, building the skills required to enable them to tackle the newly developed GCSE next year.

There was a focus this year on establishing more opportunities to extend our "More Able" students, not only with the Guardian newspaper visit, but the Year 7 Challenge at Royal Liberty and the Year 10 Taster Day in June and the Aim Higher Taster day in July 2017, with many more similar trips due to run in 2017/18.

Emerson Park Academy is a licensed independent unit of the Duke of Edinburgh's Award Scheme managed by the staff at the Academy. This year, 45 year 11 students received their awards in March at a Borough wide presentation, attended by the Mayor. Our school continues to enjoy success with the Duke of Edinburgh Bronze Award; there were safe and successful practice and final expeditions led by our dedicated staff.

In short, this was another successful year of a high number of culturally rich and diverse trips and visits which the dedicated staff of Emerson Park Academy continue affording our students. We are grateful also for the support of parents in trusting their children to go on these trips and we aim to build on the successes we've enjoyed so far with more trips to come in 2017-18.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Review of activities (continued)

Sporting activities

PE and School Sport continue to grow at Emerson Park and we have had several individual and team successes over the last academic year.

Athletics: The athletics teams at Emerson Park Academy have improved greatly in recent years, and the school now performs at local, county and national standard in various competitions. The Havering districts athletics competition this year saw the boys' team come an impressive third in the borough for the first time. In the English Schools Track and Field Cup the boys' teams reached their third consecutive regional final in as many years, with the intermediate boys posting a score that broke into the top 18 schools in the country.

In addition, at the Havering school trials many athletes were successful in securing a place to compete at the Essex Schools Championships. Congratulations to the following for their success in competing for Havering: JJ Morris, Joshua Lipyeat, James With, Dylan Vassell, Grace Woolley, Alex Adeniji, Maddie Georgiou, Olivia Purdie, Aurika Pipiriate and Maisie Tymon. We were extremely proud of the dedication and skill our pupils demonstrate when representing our school and borough.

Netball: Our current year 11s are the strongest and most committed Netball team ever to grace the Courts of Emerson Park. They won the London Schools League playing in an U14 league in Year 9 and the following Year came 2nd in the Essex Plate competition as Year 10s. This team are quickly being challenged by the standard and drive of the current Year 7 teams. They have an A, B and C team all competing against local schools in Havering as well as the A team competing in the Essex Schools Cup. Playing against some particularly hard competition unfortunately they did not make it through the final round this year. But there is always next season, especially with the help of our up and coming Netball star Aurika Pipiriate who has recently been selected to join the England Netball pathway by successfully being selected for the South Essex Satellite Academy. Our Year 8, 9 & 10 Netball teams have also had fantastic seasons playing in Havering competitions and in end of season rallies with some stand out performances from the nominated students throughout the season.

Indoor athletics: During the winter months our year 7 & 8 students take part in an indoor athletics competition against other schools in Havering. This year we were successful in achieving the following standings in the borough:

- ◆ Year 7 & 8 boys - 5th
- ◆ Year 7 girls - 6th
- ◆ Year 8 girls - 4th

This is a fantastic opportunity for us to see the potential that our young athletes have looking forward to building strong Athletics Teams for the summer seasons ahead.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Review of activities (continued)

Sporting activities (continued)

Indoor Rowing is a sport that has grown rapidly in profile and success at Emerson Park Academy. Flynn Traenor, Callum Galsworthy, Theo Legrand and Alexandria Adeniji were all winners of their individual races and were amongst the 6 students put forward to compete at the London Youth Games. Emerson Park finished as combined boys & girls Havering Champions for 2017.

Trampolining is a very popular sport at Emerson Park, which has grown in strength and popularity over the last 7 years. All the award winners have been committed to training on a regular basis giving up many hours after school, showing hard work and commitment. Emerson Park now has a tradition of entering the Havering Competition year on year, where we are improving all the time, and giving other schools in the Borough something to fear! Just to highlight some key performances from our trampolinists this year: Alice Hughes 9th, Rebecca Gill 2nd, Imogen Newton-Ford 11th and Billy Sacristan-Smart 8th. We are sure you will agree with over 50 competitors in each age group these are some fantastic results.

Tennis: We have had many ages represented over the summer term including (U13 girls, U13 boys & U15 boys). They have competed in the Havering competitions this year in both boys' and girls' singles and doubles.

- ◆ The U15 boys reached the borough finals in the singles and doubles, winning in emphatic style 6-1 in both competitions.
- ◆ Tommy Smith Havering Singles Champion & Tommy & his partner Matthew Collings-Edwards are doubles champions.
- ◆ First time we've been tennis double winners over our local competitors in ten years which is a fantastic achievement and something the school is extremely proud of.

Cricket: There has been some excellent cricket displayed this year on the wickets. The year 7 response to cricket has been exceptional, with over 20 different students representing the school. Furthermore they have reached the semi-finals which will be played against the Coopers' Company and Coborn School shortly. All other years have shown good commitment, playing regular local fixtures and we have a good link with local clubs, many of which feed our school with players. Our new home grass wicket has added value to our match experience and students enjoy using it.

Rounders: It has been great to notice the continued commitment to rounders this summer from year groups 7-9. Pupils always commit attending rounders at lunch time and after school and their hard work is obvious. Once again, all years performed very well in the end of year Havering rounders rally and throughout the many rounders matches which were held both at Emerson Park Academy and other Havering schools.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Review of activities (continued)

Sporting activities (continued)

Rugby Union has grown in popularity here at Emerson Park over the last 7-8 years and we now have many successful teams that compete at a local and county level and more players that are competing at local clubs than ever before. We have planned a pre-season tour to Leicester Tigers in September where players are sure to have a memorable experience, touring as a side for the first time.

We've had some impressive team performances this season and Emerson Park Academy has progressed well into the final stages of several competitions. Highlights include the Year 7s who won the Havering Shield, The Year 8s for losing narrowly in the Havering Trophy Final and the Year 10s for doing exactly the same in the Havering and Essex Plate Final against the Coopers' Company and Coborn School. This is a fantastic achievement to reach this stage. Furthermore, several of our players have gone on to represent the county through the Essex School of Rugby nominations and congratulations to Freddie Chapman, Joshua Czarnocki, Jack Wood-Murphy, Matthew Collings-Edwards, Bailey Finlayson, Theo Legrand and Charlie Rawlings who were all selected and this is the highest number of country rugby players we have ever had.

Girls' Football: Girls' Football had an outstanding year and the platform of female footballers that we receive every year has grown since we began the club in 2013. This year there have been 3 teams running and playing regularly, the Year 7 side, the U14 side and the U16 side. The U14 side made it to the last 32 of the National Cup (300 teams), made the semi-final of the Essex Cup and were unbeaten in their Havering campaign all season, establishing themselves as the strongest side in the borough. The Year 7 girls were also victorious on their run of Havering matches and eventually won the Havering Final after their round robin event progressed to the final stage at Bower Park and this side didn't concede a single goal all season! We have high hopes for these girls next year and in the future.

Boys' Football: Emerson Park has always been a well-established school for Boys' Football and our teams lived up to their reputation again this year after making 4 out of 5 ages into the schools' borough finals with the Year 7s and 8s becoming crowned as Havering Champions. In their country competitions, the Year 8s made the quarter final stage and the Year 9 & 11s exited in the semi-final stages which is a reasonable finish compared to previous years. The Year 8s made the last 32 of the competition (600 schools) and the Year 11s made the last 64 which are big achievements in such a large competition.

Going beyond school football, this year saw the highest amount of players ever being selected for the Havering District Football sides (approximately 30 boys in year 7-11) and 8 County players across all ages which shows how much footballing talent we have here at this school.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Review of activities (continued)

Sporting activities (continued)

The introduction of the West Ham Foundation Partnership has also started to take effect and we are now seeing development squads training and playing matches on a regular basis which has increased participation levels and has added depth to our teams. This link has generated many other perks including player development pathways, talent ID and further training held after school hours here at Emerson Park. We are confident that this link will continue to grow each year and that the school will reap the benefits of this affiliation

Boys' Basketball: Basketball is another high profile sport with a high uptake here at EPA. We currently have a team in each age group, one of which is very successful and attends their first ever sports tour abroad to Spain next academic year. The Year 11s have been unbeaten as borough champions in 4 Years and they fully intend to make it 5/5 next season. These players have developed through the school link with Essex Leopards that was established in 2012 and as a result has meant that our students attend extra training outside of school.

In other years we saw the Year 9s reach the semi-final stages of their competition and the Year 8s and Year 7s received a full fixture list with some success.

Key performance indicators

The following key performance indicators are considered by the Directors:

- ◆ Staffing
- ◆ Payroll Ratio
- ◆ Pupil Attendance & Behaviour
- ◆ Intervention Programme
- ◆ GCSE 5-9 Analysis
- ◆ GCSE 4-9 Analysis

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Going concern

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

Financial review

Financial report for the year

The Academy's total income for the year to 31 August 2017 amounted to £6,408,733 (2016 – £6,555,273), including £4,967,049 related to the ESFA revenue grant (2016 – £5,017,592).

The Academy held fund balances of £7,153,691 at 31 August 2017 which includes unrestricted funds of £541,205, of which £340,000 is held as a designated fund.

The results for the period are shown on page 27.

Reserves policy

As part of the transfer to academy status, the Directors are in a position to determine an appropriate level of free reserves (total funds less the amount held in tangible fixed assets, restricted funds and designated funds). The minimum level of free reserves to be held has been set at £180,000. The reason for this is to provide sufficient working capital to provide resources to deal with unexpected emergencies such as urgent maintenance and to cover delays between spending and receipts of grants. The School's free reserves at 31 August 2017 were £201,205, which is in line with the reserves policy.

The pension reserve, which represents the Academy's share of the Local Government Pension Scheme's (LGPS) assets and liabilities, is in deficit at £1,152,000 (2016 – £1,843,000) at 31 August 2017. The deficit is not expected to crystallise in the near future and any cash outflows arising from the deficit will occur over a number of years.

Investment policy

The Academy utilises a high interest bearing account for cash balances exceeding £10,000.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors identify, assess and mitigate risk both for the Academy and as a whole and its operations. A Risk Register is in place which is subject to regular review and made available to all staff. Key members of staff and Directors are involved in the preparation of the Risk Register. All members of staff are aware of the risk management policy and the controls in place to limit exposure to risk.

The principal risks the Academy faces are:

- ♦ **Funding** - reduced funding from the DfE for both general expenditure and capital maintenance is resulting in us consuming our 'reserves' in order to set our annual budget. The uncertainty of the impact due to the introduction of the National Funding Formula is also a cause for concern. There are very limited funds to improve the buildings and infrastructure to support the requirements of the changing curriculum. The Academy continues to vigorously pursue grant opportunities to assist in improving the poor condition of many areas of the school. However, the increased dependency on our reserves has resulted in all non-urgent repairs and improvements being curtailed.
- ♦ **Restructuring** – Following the major restructure of support staff posts in 2016 in order to ensure the Academy did not go into deficit, a significant increase in work pressure and a decline in morale has had an impact on the quality of services and support being provided.
- ♦ **Staffing** – with the continuing financial pressure, we are experiencing difficulties recruiting experienced staff, although at present we are fully staffed.
- ♦ **General expenses** – whilst strict controls have been established to minimise controllable expenditure, inflation in addition to significant increase in utility and service costs are reducing funds available to deliver curriculum.
- ♦ **Premises** – the age and condition of many of the teaching areas continues to impact on the delivery of quality teaching and learning. Increasing our PAN (Pupil Admission Number) to 210 per year has had a further impact due to small classrooms and communal areas. We have been requested to consider increasing our PAN to 240 however this will require a significant capital investment to provide additional teaching space and increased communal areas and facilities.
- ♦ **Health & Safety** – the health, safety and security of our students, staff and visitors is of paramount importance with some aspects being addressed through the recent refurbishment of the science laboratories. However, due to the continuing financial constraints, we are unable to address all other issues which have been identified.

FUTURE ACTIVITIES AND PLANS

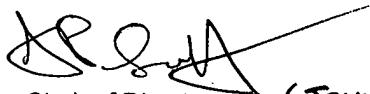
The Academy has increased the Pupil Admission Number (PAN) to 210 and is considering a request from the Local Authority to further increase the PAN to 240. The most significant impact caused by the increase to student numbers are the limited 'shared' facilities such as student washrooms, changing rooms, dining space etc. and the obvious requirement for additional classrooms to enable the school to cope with the increased number of classes to deliver the required changes to curriculum.

AUDITORS

In so far as the Directors are aware:

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

Trustees' report, including a strategic report, approved by order of the members of the Board of Directors on 12th December 2017 and signed on its behalf by:



Chair of Directors (JOHN LUFF)

Date: 12.12.17

Governance statement 31 August 2017

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that the Emerson Park Academy 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 Directors has delegated the day-to-day responsibility to the Headteacher, 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 the Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the 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 Board of Directors has formally met eight times during the period. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Number of meetings attended	Out of a possible
Mrs V Bharaj	3	4
Mr P Connew	2	2
Mr M Cornish	3	3
Mrs P Lee	1	3
Mr J Luff	8	8
Mr S McGuinness	8	8
Mrs S Meacher	6	8
Mr D Morgan	4	7
Ms C Newton	7	8
Mrs V O'Connor	5	8
Mr N Rebeugeot	3	3
Mr M Tilbury	4	8
Mr K Westwood	1	4

Governance (continued)

Until January 2017, the Functions Committee was a sub-committee of the main Board of Directors.

Attendance at meetings in the year was as follows:

Director	Number of meetings attended	Out of a possible
Mr P Connew	0	2
Mr M Cornish	2	2
Mr J Luff	1	2
Mr S McGuinness	2	2
Mrs S Meacher	1	2
Ms C Newton	2	2
Mrs V O'Connor	2	2
Mr M Tilbury	1	2

Governance Reviews

The committee structure, membership and Terms of Reference are reviewed at the first meeting of each Academic year. During the year, the Finance and Revenue, Facilities Management and Human Resources committees were amalgamated to form the Functions Committee.

Review of value for Money

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

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

During the year, a new cleaning services contractor was appointed in collaboration with two other local schools following a successful full EU tender process. This three year contract represents significant savings over the previous supplier whilst requiring the same standards to be met.

The introduction of the cashless operation has seen improvements in efficiency by eliminating the handling of large sums of cash.

The Academy has carried out a full review of our energy suppliers and selected new suppliers who will achieve savings over our current suppliers even taking into account the proposed increases to gas and electricity costs.

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 the Academy's 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 at the Academy for the year ended 31 August 2017 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 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 ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2017 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'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 and Revenue Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks.

The Directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Directors have appointed Buzzacott LLP, the external auditor, to perform a range of compliance checks on the Academy's financial systems and procedures. The external auditor reports to the Directors annually on the operation of the system of control and on the discharge of the Board of Directors' financial responsibilities. The findings from the last visit resulted in some recommendations being made but none were deemed to be significant.

Governance statement 31 August 2017

Review of effectiveness

As Accounting Officer, the Headteacher 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 the external auditor;
- ♦ the financial management and governance self assessment process;
- ♦ the work of the Senior Leadership Team within the Academy 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 and Revenue Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors and signed on their behalf by:



Chair of Directors (JOHN LUFF)



Headteacher and Accounting Officer
(SCOTT MCGUNNESS)

Approved on: 12th December 2017

Statement on regularity, propriety and compliance 31 August 2017

As Accounting Officer of Emerson Park Academy, I have considered my responsibility to notify the Academy's Board of Directors and the Education 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 Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Directors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



Accounting Officer (SCOTT MCGUINNESS)

Date: 12/12/2017

Statement of directors' responsibilities 31 August 2017

The Directors (who act as governors of the Academy) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction published by the Education Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 its income and expenditure for that period. In preparing these financial statements, the Directors are required to:

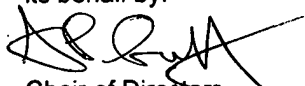
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2016 to 2017;;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 operation.

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

The Directors are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 Directors on 12 DEC 2017 and signed on its behalf by:



Chair of Directors

(JOHN LUFF)

Date: 12/12/2017

Independent auditor's report on the financial statements 31 August 2017

Independent auditor's report to the members of Emerson Park Academy

Opinion

We have audited the financial statements of Emerson Park Academy (the 'charitable company') for the year ended 31 August 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2016 to 2017.

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report 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 directors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the directors' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report including the strategic report.

Matters on which we are required to report by exception (continued)

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 or returns; or
- ◆ certain disclosures of directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

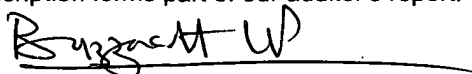
As explained more fully in the directors' responsibilities statement, the directors' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors' are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company 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.



Avnish Savjani (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

15 December 2017

Independent reporting accountant's report on regularity 31 August 2017

Independent reporting accountant's assurance report on regularity to Emerson Park Academy and the Education Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 July 2012 and further to the requirements of the Education Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Emerson Park Academy during the year ended 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Emerson Park Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Emerson Park Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook 2016, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2014 to 2015 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.

Independent reporting accountant's report on regularity 31 August 2017

Approach (continued)

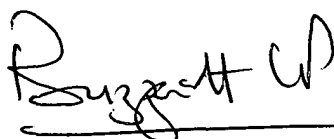
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 year ended 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

15 December 2017

Statement of financial activities Year ended 31 August 2017
(incorporating the income and expenditure account)

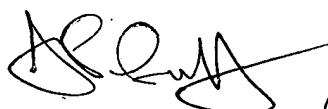
	Notes	Restricted funds			2017 Total funds £	2016 Total funds £
		Unrestricted funds £	General funds £	Fixed assets fund £		
Income from:						
Donations and capital grants	1	4,544	—	506,573	511,117	603,221
Charitable activities:						
· Funding for the Academy's educational operations	2	—	5,312,914	—	5,312,914	5,305,933
Other trading activities	3	584,094	—	—	584,094	643,083
Investments	4	608	—	—	608	3,036
Total income		589,246	5,312,914	506,573	6,408,733	6,555,273
Expenditure on:						
Charitable activities						
· Academy's educational operations	5	359,426	5,469,970	511,155	6,340,551	6,488,916
Total expenditure		359,426	5,469,970	511,155	6,340,551	6,488,916
Net income (expenditure) before transfers		229,820	(157,056)	(4,582)	68,182	66,357
Transfers between funds	14	—	(9,944)	9,944	—	—
Net income (expenditure)		229,820	(167,000)	5,362	68,182	66,357
Other recognised losses						
Actuarial gains (losses) on defined benefit pension scheme	19	—	858,000	—	858,000	(802,000)
Net movement in funds		229,820	691,000	5,362	926,182	(735,643)
Reconciliation of funds						
Fund balances brought forward at 1 September 2016		311,385	(1,843,000)	7,759,124	6,227,509	6,963,152
Fund balances carried forward at 31 August 2017		541,205	(1,152,000)	7,764,486	7,153,691	6,227,509

All of the academy trust's activities derive from continuing operations during the above two financial periods.

Balance sheet 31 August 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible fixed assets	11		7,764,486		7,759,124
Current assets					
Debtors	12	214,680		447,790	
Cash at bank and in hand		681,831		309,121	
		<u>896,511</u>		<u>756,911</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(355,306)		(445,526)	
Net current assets			<u>541,205</u>		<u>311,385</u>
Total assets less current liabilities			<u>8,305,691</u>		<u>8,070,509</u>
Defined benefit pension scheme liability	19		(1,152,000)		(1,843,000)
Total net assets			<u>7,153,691</u>		<u>6,227,509</u>
Funds of the academy trust					
Restricted funds					
General	14		—		—
Fixed assets fund	14		7,764,486		7,759,124
Pension reserve	14		(1,152,000)		(1,843,000)
Total restricted funds			<u>6,612,486</u>		<u>5,916,124</u>
Unrestricted income funds					
General fund	14		201,205		191,385
Designated funds	14		240,000		120,000
Total funds			<u>7,153,691</u>		<u>6,227,509</u>

The financial statements on pages 27 to 48 were approved by the Directors, and authorised for issue on 12/12/17 and are signed on their behalf by:



Chair of Directors

(JOHN LUFF)

Emerson Park Academy

Company Limited by Guarantee

Registration Number: 07726858 (England and Wales)

Statement of cash flows 31 August 2017

		2017 £	2016 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	A	382,046	(429,208)
Cash flows from investing activities	B	(9,336)	25,146
Change in cash and cash equivalents in the year		372,710	(404,062)
Cash and cash equivalents at 1 September 2016		309,121	713,183
Cash and cash equivalents at 31 August 2017	C	681,831	309,121

A Reconciliation of expenditure to net cash flows from operating activities

	2017 £	2016 £
Net income for the year (as per the statement of financial activities)	68,182	66,357
Adjusted for:		
Depreciation charges (note 11)	438,820	405,513
Loss on disposal of tangible fixed assets	72,335	—
Capital grants from DfE and other capital income	(506,573)	(598,634)
Interest receivable (note 4)	(608)	(3,036)
Defined benefit pension scheme cost less contributions payable (note 19)	129,000	19,000
Defined benefit pension scheme finance cost (note 19)	38,000	37,000
Decrease (increase) in debtors	233,110	(293,449)
Increase in creditors	(90,220)	(61,959)
Net cash provided by (used in) operating activities	382,046	(429,208)

B Cash flows from investing activities

	2017 £'000	2016 £'000
Dividends, interest and rents from investments	608	3,036
Purchase of tangible fixed assets	(516,517)	(576,524)
Capital grants from DfE/ESFA	506,573	598,634
Net cash (used in) provided by investing activities	(9,336)	25,146

C Analysis of cash and cash equivalents

	2017 £'000	2016 £'000
Cash at bank and in hand	681,831	309,121
Total cash and cash equivalents	681,831	309,121

Principal accounting policies 31 August 2017

Statement of accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Emerson Park Academy meets the definition of a public benefit entity under FRS 102.

Going concern

The Directors 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 Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised when the academy 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 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.

The 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.

Income (continued)

Grants (continued)

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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where 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.

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.

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.

All resources expended are stated net of recoverable 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. 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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 economic life, as follows:

Leasehold buildings	4% per annum
Leasehold additions	4% per annum
Furniture and equipment	33% per annum
Computer equipment	33% per annum
Motor vehicles	20% per annum

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.

Leased assets

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

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial instruments (continued)

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The Academy 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 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 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 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Pensions benefits (continued)

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

Designated funds comprise those resources which may be used towards meeting the charitable objectives of the academy trust, but which have been set aside out of the general funds and designated for specific purposes by the Directors.

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

Restricted general funds comprise restricted funds received with restrictions imposed by the funder or donor and include grants from the Education Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, the London Borough of Havering.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. This estimate also constitutes the key critical area of judgement by virtue of its significant effect on the financial statements.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Notes to the Financial Statements Year ended 31 August 2017

1 Donations and capital grants

	Unrestricted funds £	Restricted fixed assets funds £	2017 Total funds £	2016 Total funds £
Capital grants	—	506,573	506,573	598,634
Donations	4,544	—	4,544	4,587
	4,544	506,573	511,117	603,221

2 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
DfE / ESFA grants				
General Annual Grant (GAG)	—	4,967,049	4,967,049	5,017,592
Other DfE / ESFA grants	—	296,665	296,665	196,292
	—	5,263,714	5,263,714	5,213,884
Other Government grants				
Local authority grants	—	49,200	49,200	92,049
	—	49,200	49,200	92,049
	—	5,312,914	5,312,914	5,305,933

3 Other trading activities

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Hire of facilities/lettings income	76,236	—	76,236	81,101
Trip income	151,361	—	151,361	208,767
Catering income	294,000	—	294,000	291,416
Miscellaneous income	62,497	—	62,497	61,799
	584,094	—	584,094	643,083

4 Income from investments

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Interest receivable	608	—	608	3,036

Notes to the Financial Statements Year ended 31 August 2017

5 Expenditure

	Staff costs £	Non pay expenditure		2017 Total funds £	2016 Total funds £
		Premises £	Other costs £		
Academy's educational operations					
. Direct costs	3,662,752	438,820	514,478	4,616,050	4,977,487
. Allocated support costs (note 6)	666,301	363,354	694,846	1,724,501	1,511,429
	4,329,053	802,174	1,209,324	6,340,551	6,488,916
Net expenditure for the period includes:				2017 £	2016 £
Operating lease rentals				13,940	4,857
Depreciation				438,820	405,513
Loss on disposal of fixed asset				72,335	—
Fees payable to auditor for:					
. Statutory audit				8,200	8,000
. Other audit services				1,825	1,775
. Other non-audit services				4,675	6,640

6 Support costs

	2017 Total funds £	2016 Total funds £
Support staff costs	666,301	560,630
Depreciation	—	78,982
Technology costs	315,799	327,501
Premises costs	363,354	320,939
Other support costs	320,648	184,268
Governance costs	58,399	39,109
Total support costs	1,724,501	1,511,429

Notes to the Financial Statements Year ended 31 August 2017

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2016 between restricted and unrestricted funds:

		Restricted funds		
	Unrestricted funds £	General funds £	Fixed assets fund £	2016 Total funds £
Income from:				
Donations and capital grants	4,587	—	598,634	603,221
Charitable activities:				
· Funding for the Academy's educational operations	—	5,305,933	—	5,305,933
Other trading activities	643,083	—	—	643,083
Investments	3,036	—	—	3,036
Total income	650,706	5,305,933	598,634	6,555,273
Expenditure on:				
Charitable activities				
· Academy's educational operations	530,148	5,553,255	405,513	6,488,916
Total expenditure	530,148	5,553,255	405,513	6,488,916
Net (expenditure) income before transfers	120,558	(247,322)	193,121	66,357
Transfers between funds	(273,974)	191,322	82,652	—
Net (expenditure) income	(153,416)	(56,000)	257,773	66,357
Other recognised losses				
Actuarial losses on defined benefit pension scheme	—	(802,000)	—	(802,000)
Net movement in funds	(153,416)	(858,000)	275,773	(735,643)
Reconciliation of funds				
Fund balances brought forward at 1 September 2015	464,801	(985,000)	7,483,351	6,963,152
Fund balances carried forward at 31 August 2016	311,385	(1,843,000)	7,759,124	6,227,509

Notes to the Financial Statements Year ended 31 August 2017

8 Staff

(a) Staff costs

Staff costs during the year were:

	2017 Total funds £	2016 Total funds £
Wages and salaries	3,225,620	3,271,021
Social security costs	327,646	281,928
Operating costs of defined benefit pension schemes	691,593	607,373
	4,244,859	4,160,322
Supply teacher costs	84,194	279,662
Staff restructuring costs	—	134,792
	4,329,053	4,574,776

	2017 £	2016 £
Staff restructuring costs comprise		
Redundancy payments	—	134,792
	—	134,792

(b) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2017 (on a headcount basis) was as follows:

Charitable activities	2017 No	2016 No
Teachers	57	54
Administration and support	40	44
Management	9	7
	106	105

(c) Higher paid staff

The number of employees whose emoluments, excluding employer's pension contributions, fell within the following bands was:

	2017 No	2016 No
£60,001 - £70,000	3	3
£80,001 - £90,000	1	—
£90,001 - £100,000	—	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017 pension contributions for these staff amounted to £42,271 (2016 - £46,528).

8 Staff (continued)

(d) Key management personnel

The key management personnel of the academy trust comprise the Directors and the Senior Leadership 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 £528,000 (2016: £492,000).

9 Related party transactions – Directors' remuneration and expenses

Principal and staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Directors. Other Directors did not receive any payments from the Academy in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

	2017 £	2016 £
Scott McGuinness, Headmaster and trustee		
. Remuneration	80,000 – 85,000	—
. Employer's pension contributions	10,000 – 15,000	—
Kevin Walsh, Headmaster and trustee		
. Remuneration	—	90,001 – 95,000
. Employer's pension contributions	—	15,001 – 20,000
Kevin Westwood, Staff Trustee		
. Remuneration	50,000 – 55,000	—
. Employer's pension contributions	5,001 – 10,000	—
Della Jones, Staff Director and trustee		
. Remuneration	—	15,001 – 20,000
. Employer's pension contributions	—	1 – 5,000
Robert Owen, Staff Director and trustee		
. Remuneration	—	45,001 – 50,000
. Employer's pension contributions	—	5,001 – 10,000

Other related party transactions involving the Directors are set out in note 20.

10 Directors' and Officers' insurance

The Academy has opted into the Department of Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects the Directors 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 Directors and officers indemnity element from the overall cost of the RPA scheme.

Notes to the Financial Statements Year ended 31 August 2017

11 Tangible fixed assets

	Leasehold land and buildings £	Assets under construct- ion £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total funds £
Cost/valuation						
At 1 September 2016	8,519,486	653,496	263,576	161,354	26,275	9,624,187
Transfers	653,496	(653,496)	—	—	—	—
Additions	430,044	—	13,486	47,217	25,770	516,517
Disposals	(74,286)	—	—	—	—	(74,286)
At 31 August 2017	<u>9,528,740</u>	<u>—</u>	<u>277,062</u>	<u>208,571</u>	<u>52,045</u>	<u>10,066,418</u>
Depreciation						
At 1 September 2016	1,490,661	—	224,295	130,387	19,720	1,865,063
Charge in year	375,734	—	28,885	23,792	10,409	438,820
Disposals	(1,951)	—	—	—	—	(1,951)
At 31 August 2017	<u>1,864,444</u>	<u>—</u>	<u>253,180</u>	<u>154,179</u>	<u>30,129</u>	<u>2,301,932</u>
Net book value						
At 31 August 2017	<u>7,664,296</u>	<u>—</u>	<u>23,882</u>	<u>54,392</u>	<u>21,916</u>	<u>7,764,486</u>
At 1 September 2016	<u>7,028,825</u>	<u>653,496</u>	<u>39,281</u>	<u>30,967</u>	<u>6,555</u>	<u>7,759,124</u>

The land on which the Academy is sited is leased from The London Borough of Havering at a peppercorn rent over the term of 125 years from 1 September 2011. A valuation took place on 18 November 2011 by Hilbery Chaplin Chartered Surveyors using the depreciated replacement cost method. The building has been included in the financial statements at this value. The land that the Academy is built on is designated for educational purposes only and therefore has no open market value. It has therefore not been included in the financial statements.

12 Debtors

	2017 £	2016 £
VAT recoverable	18,493	108,001
Prepayments and accrued income	196,187	339,789
	<u>214,680</u>	<u>447,790</u>

Notes to the Financial Statements Year ended 31 August 2017

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	14,793	—
Taxation and social security	154,544	156,500
Accruals and deferred income	185,969	289,026
	355,306	445,526
Deferred income		
Deferred income at 1 September 2016	70,149	80,918
Released during the year	(70,149)	(80,918)
Resources deferred in the year	97,258	70,149
Deferred income at 31 August 2017	97,258	70,149

14 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	—	4,967,049	(4,957,105)	(9,944)	—
Pupil Premium	—	173,797	(173,797)	—	—
Other grants	—	122,868	(122,868)	—	—
Pension reserve	(1,843,000)	—	(167,000)	858,000	(1,152,000)
	(1,843,000)	—	(5,420,770)	848,056	(1,152,000)
Restricted fixed asset funds					
Transfer on conversion	6,355,000	—	(310,000)	—	6,045,000
DfE/ESFA capital grants	963,238	506,573	(120,488)	—	1,349,323
Capital expenditure from GAG	440,886	—	(80,667)	9,944	370,163
	7,759,124	506,573	(511,155)	9,944	7,764,486
Other restricted funds					
Local authority grants	—	49,200	(49,200)	—	—
	—	49,200	(49,200)	—	—
Total restricted funds	5,916,124	5,819,487	(5,981,125)	858,000	6,612,486
Unrestricted funds					
General funds	191,385	589,246	(359,426)	(220,000)	201,205
Designated funds	120,000	—	—	220,000	340,000
Total unrestricted funds	311,385	589,246	(359,426)	—	541,205
Total funds	6,227,509	6,408,733	(6,340,551)	858,000	7,153,691

Restricted general funds

General Annual Grant (GAG)

This fund comprises the general annual grant received under the funding agreement with the Secretary of State, which is restricted for use in funding the academy trust's educational operations.

14 Funds (continued)

Restricted general funds (continued)

Pupil premium

This fund represents funds granted by the Education Skills Funding Agency which are specifically restricted to support pupils from low income families who are eligible for free school meals or have parents in the armed forces.

Other grants

This fund represents all other grants from the ESFA which are restricted to funding the academy trust's educational activities.

Pension reserve

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy trust status. All pension scheme movements are recognised through this fund.

Restricted fixed asset funds

DfE/ESFA capital grants

This fund represents resources which are to be applied for specific capital purposes imposed by the Department for Education or Education Skills Funding Agency.

Capital expenditure from GAG

This fund represents the net book value of tangible fixed assets purchased from non-capital grants.

Academy assets transferred from Local Authority on conversion

This fund represents the net book value of tangible fixed assets inherited from the London Borough of Havering on conversion to academy status.

Other restricted funds

Local authority grants

These funds comprise all other restricted funds received and include grants from the Local Authority, the London Borough of Havering.

General funds

General funds

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

Notes to the Financial Statements Year ended 31 August 2017

14 Funds (continued)

General funds (continued)

Designated funds

The designated funds represent:

- ◆ £140,000 set aside by the directors for the replacement of the surface of the 3G sports pitch;
- ◆ £150,000 set aside by the directors to contribute to planned Condition Improvement Fund bids; and
- ◆ £50,000 set aside by the directors to upgrade IT infrastructure.

Transfers between funds

Transfers from the unrestricted general fund to other funds represent:

- ◆ Transfers of £9,944 to restricted fixed asset funds to meet capital expenditure funded via other reserve balances;

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	—	—	7,764,486	7,764,486
Current assets	541,205	355,306	—	896,511
Current liabilities	—	(355,306)	—	(355,306)
Pension scheme liability	—	(1,152,000)	—	(1,152,000)
Total net assets	541,205	(1,152,000)	7,763,486	7,153,691

16 Capital commitments

	2017 £	2016 £
Contracted for but not provided in the financial statements	—	298,120

17 Commitments under operating leases

Operating leases

At 31 August 2017, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2017 £	2016 £
Amounts due within one year	26,612	4,857
Amounts due between one and five years	102,846	360
Amounts due after five years	95,235	—
	224,693	5,217

18 Members' liability

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

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016.

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.

19 Pension and similar obligations (continued)

Teachers' Pension Scheme (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)
- ◆ 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 employer's pension costs paid to TPS in the period amounted to £388,000 (2016: £379,000).

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

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

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

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 2017 was £220,000, of which employer's contributions totalled £175,000 and employees' contributions totalled £45,000. The agreed contribution rates for future years are 24% for employers and 5.5% to 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 2017	At 31 August 2016
Rate of increase in salaries	2.7%	3.1%
Rate of increase for pensions in payment / inflation	2.4%	2.1%
Discount rate for scheme liabilities	2.5%	2.0%
Inflation assumption (CPI)	2.4%	2.1%

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

	At 31 August 2017 Years	At 31 August 2016 Years
<i>Retiring today</i>		
Males	22.0	22.1
Females	24.2	24.2
<i>Retiring in 20 years</i>		
Males	23.9	24.2
Females	26.3	26.7

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

	At 31 August 2017 £	At 31 August 2016 £
Discount rate (0.5% decrease)	427	495
Salary increase rate (0.5% increase)	78	171
Pension increase rate (0.5% increase)	343	309

Notes to the Financial Statements Year ended 31 August 2017

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The Academy's share of the assets in the scheme were:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,810,500	1,481,000
Corporate bonds	410,380	438,000
Property	144,840	104,000
Cash and other liquid assets	48,280	63,000
Total market value of assets	2,414,000	2,086,000

The actual return on scheme assets was £131,000 (2016: £240,000).

	2017 £	2016 £
Amounts recognised in statement of financial activities		
Current service cost	304,000	247,000
Past service cost	—	54,000
Interest income	44,000	62,000
Interest cost	(82,000)	(99,000)
Total amount recognised in the SOFA	266,000	264,000

Changes in the present value of defined benefit obligations were as follows:	2017 £	2016 £
At 1 September 2016	3,929,000	2,509,000
Current service cost	304,000	247,000
Interest cost	82,000	99,000
Employee contributions	45,000	51,000
Actuarial (gain)/loss	(771,000)	980,000
Benefits paid	(23,000)	(11,000)
At 31 August 2017	3,566,000	3,929,000

Changes in the fair value of the Academy's share of scheme assets:	2017 £	2016 £
At 1 September 2016	2,086,000	1,524,000
Interest income	44,000	62,000
Actuarial gain/(loss)	87,000	178,000
Employer contributions	175,000	282,000
Employee contributions	45,000	51,000
Benefits paid	(23,000)	(11,000)
At 31 August 2017	2,414,000	2,086,000

20 Related party transactions

No related party transactions took place during the period of account other than the Directors' remuneration disclosed in note 9.