

Cleves Academy Trust

Annual Report and Financial Statements

31 August 2016

Company Limited by Guarantee
Registration Number
07403271 (England and Wales)

Contents

Reports

Reference and administrative information	1
Trustees' report	3
Governance statement	11
Statement of regularity, propriety and compliance	16
Statement of trustees' responsibilities	17
Independent auditor's report on the financial statements	18
Independent reporting accountant's report on regularity	20

Financial statements

Statement of financial activities	22
Balance sheet	23
Statement of cash flows	24
Principal accounting policies	26
Notes to the financial statements	33

Reference and administrative information

Members	S Foster C Jackson D Neville-Davies
Trustees	A Batchelor E Calow N Clarkson (appointed October 2016) R Flaherty S Foster (Chair) C Hodges C Jackson E Jones S Matthews D Neville-Davies M Tooley C White
Company Secretary	M Tytherleigh
Senior Management Team	
Headteacher	C Hodges
Deputy Head	C Smith
Business Manager	E Turner
Registered address	Cleves Academy Trust Oatlands Avenue Weybridge Surrey KT13 9TS
Company registration number	07403271
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers

Lloyds Bank plc
PO Box 1000
Andover
BX1 1LT

Scottish Widows Bank plc
PO Box 12757
Edinburgh
EH3 8JY

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Trustees' report Year to 31 August 2016

The trustees of Cleves Academy Trust ('the Academy') present their annual report together with the financial statements of the charitable company for the year ended 31 August 2016. The annual report serves the purpose of a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 32 of the attached financial statements and comply with the School'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 (Charities' SORP 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration number 07403271) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The governors act as the trustees for the charitable activities of Cleves Academy Trust and also the directors of the charitable company for the purposes of company law.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of its 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 ceased to be a member.

Governors' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from the negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period was £206 (2015 - £191).

Principal activities

According to its Articles, the Academy's object is "specifically restricted to the following: to advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum". All of the activities of the Academy and its trustees are directed to the furtherance of this object.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following trustees served during the year and up to the date of signature of this report.

Trustee	Appointed/Resigned	Appointing body
A Batchelor	Appointed November 2014	Staff
E Calow	Appointed July 2016	Appointed by Members
N Clarkson	Appointed October 2016	Parent
R Flaherty	Appointed November 2014	Staff
S Foster	Appointed November 2011	Appointed by Members
C Hodges	Appointed September 2014	Headteacher
C Jackson	Appointed November 2012	Appointed by Members
E Jones	Appointed December 2013	Appointed by Members
S Matthews	Appointed December 2013	Co-opted
K McGuire	Appointed September 2012 / Resigned May 2016	Parent
D Neville-Davies	Appointed October 2013	Appointed by Members
M Tooley	Appointed July 2014	Appointed by Members
Y Vanderman	Appointed October 2014 / Resigned July 2016	Appointed by Members
C White	Appointed December 2013	Parent Governor

Method of recruitment and appointment or election of trustees

The Chair first informally meets people who have expressed interest in governance or who have been asked if they have an interest (sometimes with another governor present). If the individual and Chair both wish to take things further the prospective governor's CV is sent to all governors and the individual is invited to attend a Board meeting to explain their interest in governance at Cleves; answer questions, and observe a Part 1 meeting. A discussion and vote take place as a Part 2 item. Generally, unless there is a specific skill shortage or other need, the Governing Body ask prospective governors first to join one of its two main committees as Associate Governors. During the year there were three Associate Governors.

Appointments of trustees are made in accordance with the Articles of Association, para 45ff. The members appoint up to 11 governors (and no fewer than three) and up to 3 co-opted governors are appointed by the governors. The Board also has a minimum of one staff governor, appointed following procedures set out in the Academy's Standing Orders but no more than one third of the total Board may be staff governors. A minimum of two parents governors are appointed by secret ballot; and the Headteacher is an ex officio governor.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of trustees

During the period the trustees (led by the Vice Chair and Clerk) continued to follow procedures established over recent years for induction and training. A comprehensive set of information about the Academy, relevant policies, the Articles, the Governing Body's Code of Practice and Standing Orders etc is easy to locate in one place on the governors' area of the school intranet site. Any new governor (having already had a comprehensive informal conversation with the Chair prior to joining and having attended a Governing Body meeting), is invited to meet the Chair of the main committee on which they will serve and (if new to the Academy) to meet the Headteacher and have a tour of the Academy.

All trustees are required to sign Cleves' Code of Practice, which explicitly commits them to undertake all necessary training. The Board of Trustees' Code of Conduct and Standing Orders set out expectations of trustees. "Training needs" is on the first agenda of the year for committees and the Governing Body. All new trustees have to commit to attend Part 1 and Part 2 of "Introduction to Governance" if they had not already done so and all governors have to attend at least one training course/development event a year. The Academy has a Service Level Agreement with Babcock4S to provide governor training. The Academy also has membership of the National Governors Association (NGA) and all governors receive material from the NGA on wider governance issues. Training is a regular item on Governing Body agendas and a member of the Board is responsible for overseeing training. The Chair and Vice Chair circulate information of a general or national nature that is relevant to the Board. During the year the whole Governing Body had training together on new Ofsted procedures and an information session on Multi Academy Trusts.

Organisational structure

The trustees are responsible for setting overall strategic direction; discussing and adopting an annual budget; monitoring the budget; agreeing a scheme of delegation; appointing auditors and a Responsible Officer; appointing and holding the Headteacher to account for the performance of the Academy; overseeing capital expenditure, and determining senior staff structure and appointments with the Headteacher. The Board has delegated some responsibilities to its committees. Arrangements were in place for Panels that meet regularly (for example, the Headteacher's Performance Review Panel) and for any necessary ad hoc Panels (for example, Complaints). The full Board meets twice termly and two of its main committees (Resources and Children's Achievement and Well-being) generally meet twice a term.

Arrangements for setting pay and remuneration of key management personnel

This is guided by the Academy's Pay Policy, which is reviewed and updated annually. The Headteacher makes recommendations about the pay of teachers and other key staff to the Personnel, Pay and Performance (PPP) Committee in July of each year. The Pay Committee then makes the final decision on annual increments based on feedback from, and dialogue with, the Headteacher. The Headteacher's performance is reviewed by a Headteacher's Performance Panel, which is supported by an external independent School Improvement Partner. This Panel makes a pay recommendation to the PPP committee, which decides on a pay award.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships

Weybridge Sure Start Children's Centre, located in the centre of Weybridge, provides services and opportunities for families with children up to five years old. The operation and management of Weybridge Sure Start Children's Centre was handed back to Surrey County Council on 1 April 2016.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is the operation of the Cleves Academy Trust to provide education, and a broad and balanced curriculum, for pupils of differing abilities between the ages of 7 and 11 in accordance with its Admissions Policy. The Academy operates in accordance with all relevant provisions of the Schools Admissions Code and the Schools Admissions Appeals Code as they apply at any time to maintained schools.

Cleves' vision statement is:

"At Cleves we aim to develop an inclusive community in which each individual feels supported and secure and through which everyone has an equal opportunity to succeed.

At Cleves we aim to teach skills, knowledge and understanding which pupils need to lead confident, healthy lives and to become informed, active and responsible citizens through the provision of a broad, balanced curriculum.

At Cleves we are all learners, striving to progress and develop."

In the course of 2015/16 trustees reviewed this vision statement and agreed on a new one to be adopted in the following year.

The main objectives of the Academy during the period were:

- ◆ To ensure that every child enjoys high quality education in terms of resourcing, tuition and care;
- ◆ To raise the standard of educational achievement of all pupils and especially those groups of pupils whose progress was weaker;
- ◆ To pay special attention to improving pupils' progress in all subjects, especially writing;
- ◆ To improve the effectiveness of the school curriculum by reviewing and replanning all foundation subjects;
- ◆ To continue to provide value for money for the funds expended;
- ◆ To comply with all appropriate statutory and curriculum requirements; and
- ◆ To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)

- ◆ To manage school expansion to six forms of entry and oversee a new building project; and
- ◆ To work in closer partnerships with local infant schools.

Public benefit

In setting the Academy's objectives and planning its activities, the Board of Trustees has had due regard to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

With the change in the end of Key Stage assessments the SATS results this year are not directly comparable to previous years.

Our pupils on average attained higher than national average and progress was also higher than the national average.

Our internal school data for years 3, 4 and 5 based on teachers' assessments shows that pupils on average are working above national expectations and making at least good progress.

Key performance indicators

- ◆ To maintain a cash balance equivalent to at least one month's expenditure (excluding fixed assets). **Achieved.**
- ◆ To maintain a solvency ratio (current assets to current liabilities) of a least 2:1. **Achieved.**
- ◆ The total cost of core staff during the core school day (i.e. lesson time) shall not exceed 100% of GAG funding. **Achieved.**
- ◆ At least 55% teachers to be outstanding. **Achieved**

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue teaching for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details can be found in the accounting policies.

STRATEGIC REPORT (continued)

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

A small, but so far consistent, amount of income is derived from lettings.

The total income for the year was £3,109,949, of which £2,049,266 is General Annual Grant. The remainder is made up of other EFA and other Government Grants, the unrestricted element generated from donations and parental contributions, lettings and catering. The excess of income over expenditure for the period, excluding the fixed assets fund and the local government pension scheme adjustments was £289,624 (2015 - £58,554).

At 31 August 2016, the Academy had total funds of £6,692,560 (2015 - £7,206,545). This comprised of £6,118,805 (2015 - £6,830,050) of restricted funds and £573,755 (2015 - £376,495) of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £1,396,000 (2015 - £1,058,000) at 31 August 2016.

The results for the period are shown on page 22.

Reserves policy

The trustees view the reserve levels of the Academy at least annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to one month's expenditure, approximately £220,000. The reason for this is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £573,755 which is sufficient for the school need and future expenditure which includes staff absence and maternity cover, classroom refurbishment, investment in buildings, grounds and future school development priorities.

Investment policy

The Academy holds no investments. Surplus cash is deposited in UK banks.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities, and other operational areas of the Academy and its finances (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. This led to changes to the whole staffing structure in order to minimise risk to the Academy's finances and increase efficiency.

The Senior Leadership Team consider, discuss any new, ongoing or prospective risks at weekly meetings. The school holds a Risk Register which is reviewed at every Resources Committee meeting. The high and medium risks are published at every meeting with any changes or amendments which are then agreed by the Trustees. There is an update and report to full governing body regarding each Resources Committee meeting.

In the course of the accounting year trustees agreed to devote some of the Academy's reserve to continue to tackle worn conditions in the school and invested in ICT and furniture.

The Academy continued to hold detailed discussions with Surrey County Council about the expansion, which the Council had asked the school to undertake, in order to ensure that the school was not exposed to unforeseen risks or expenditure.

A new school kitchen was installed using CIF (Condition Improvement Fund) funding and this was ready to use in Autumn 2015. The new facilities enable the catering company to cater for the growing number of pupils attending the school.

A suitably qualified governor carries out regular health and safety audits, with action plans, which are discussed by the Resources Committee.

PLANS FOR FUTURE PERIODS

With the higher expectations of the new National Curriculum and more challenging end of Key Stage tests there needs to be a focus on core subjects to ensure all pupils make good progress. We are focusing on Maths in 2016/17, a subject with which our children with low prior attainment still struggle.

We intend to review the new Foundation Plans throughout the year to ensure they deliver high quality learning. We need to complete the school expansion project and outdoor grounds plan. The School Leadership Team will be devoting time to more strategic reviews of various aspects of school life.

We plan to continue and build on closer working relationships with our infant feeder schools (Manby Lodge and Oatlands School).

We plan to market our school facilities and letting opportunities to further increase incomes and ensure we remain sustainable.

We plan to work even more closely with parents and establish a parent forum.

We will be reviewing our catering and insurance contracts, which are up for renewal.

We will be keeping in close touch with national and local Multi Academy Trust developments and considering Cleves' position.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy no longer holds funds for Weybridge Sure Start Children's Centre or The Voice Trust. Cleves Academy released management of Weybridge Sure Start Children's Centre on 1 April 2016.

AUDITOR

In so far as the trustees are aware:

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

Approved by order of the members of the Board of Trustees on 8 December 2016 and signed on its behalf by:


Susan Foster
Chair of Trustees

Scope of responsibility

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

The Board of Trustees 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 are 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 Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The Board of Trustees formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Governor	Meetings attended	Out of a possible
A Batchelor	6	7
R Flaherty	6	7
S Foster	7	7
C Hodges	6	7
C Jackson	5	7
E Jones	7	7
S Matthews	5	7
K McGuire	6	7
D Neville-Davies	6	7
M Tooley	7	7
C White	6	7
Y Vanderman	5	7

Governance reviews

In Summer 2015 the Chair/Vice Chair interviewed all governors one to one to establish their views on the Board's performance and their own contributions. The results were amalgamated and contributed to an Away Day in July 2015 at which a SWOT analysis and an assessment of successes and "even better ifs..." were also carried out. General themes were that the Governing Body now had strong systems, structures and membership and should maintain these. A governors' action plan was included in the School Development Plan, with specific actions such as:

- ♦ formalising the position of Associate Governors;
- ♦ consideration given to reviewing the school's vision ;
- ♦ enhancing governors' profile; and
- ♦ training in the new Ofsted requirements.

Governance reviews (continued)

Governors and the School Leadership Team met in March 2016 to review the strategic vision and aims of the school. Revised vision and aims are currently being discussed and agreed.

In Summer 2016 governors discussed whether a third successive annual Away Day was necessary, following from the successful delivery of a programme of actions resulting from Away Days in the two previous years. It was decided instead to review progress against the agreed Away Day action plans at a Board meeting. This review took place in Summer 2016.

Resources Committee

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- ◆ have regard to the Academies Financial Handbook and the Academy funding agreement;
- ◆ determine financial priorities for the coming year and for the next three years in accordance with the Strategic Plan;
- ◆ discuss, examine and agree the annual income and expenditure budget plan for the financial year for the school and Children's Centre and recommend its adoption to the full Governing Body;
- ◆ discuss and agree bids for funding from central Government (eg CIF);
- ◆ review budget monitoring reports and then report to the full Governing Body termly on the Academy's finances (public and non-public), including performance against profile for the annual budget, value for money; the forecast and actual end of year position; and other issues of significance;
- ◆ review systems of internal financial control and identify areas of risk;
- ◆ make recommendations to the full Governing Body about the arguments for and affordability of any proposed expenditure outside of budget;
- ◆ receive and where appropriate respond to periodic requests for audit reports of public funds;
- ◆ after considering the costs and benefits to approve new contracts; continue or cease existing ones in accordance with limits set out in the scheme of delegation;
- ◆ oversee the preparation of the year-end accounts, in conjunction with the Headteacher, Business Manager and external auditor;
- ◆ agree procedures to be followed for carrying out emergency work and to make recommendations about delegation to the Headteacher for taking appropriate action on behalf of the Governing Body in the event of an emergency;
- ◆ review banking arrangements annually, or as necessary;

Resources Committee (continued)

- ◆ approve any debts written off in accordance with a written policy on the action to be taken with regard to chasing arrears and write offs;
- ◆ ensure the Academy maintains an up to date asset register and a rolling programme of repairs and maintenance;
- ◆ ensure company accounts are filed;
- ◆ organise the internal audit or Responsible Officer system;
- ◆ agree the level of delegation to the Headteacher for the day-to-day financial management of the Academy;
- ◆ recommend the amount which can be vired between budget headings by the Headteacher without prior agreement of the Resources Committee; and
- ◆ look at benchmarking data for expenditure.

In the course of the year particular emphasis was given to continuing to deliver a rolling workplan; regular monitoring of the budget; agreement of a longer-term maintenance plan and expenditure to cover other urgent priorities, such as IT support.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
A Batchelor	2	5
C Hodges	5	5
E Jones	5	5
K McGuire	5	5
M Tooley	5	5
C White	2	5

Review of value for money

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy 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 whether the Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees on where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy has delivered and improved value for money during the year by:

- ◆ continued review of the staffing structure;
- ◆ reducing the support staff complement in line with lower levels of pupils needs and statementing;
- ◆ investing in training for support staff to ensure they had greater impact in the classroom;

Review of value for money (continued)

- ◆ continuing to consider methods of procurement, comparing suppliers for best price;
- ◆ improving the condition and fabric of the building to prevent increased costs or damages; and
- ◆ investing school funds in the Outdoor Learning scheme.

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. A system of internal control has been in place at the Academy for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements, with changes in systems made to accommodate changes in processes and systems. Internal assurance was carried out in July 2015 with suggested improvements. The Responsible Officer also carried out visits to assist in assessing internal systems and processes.

Capacity to handle risk

The Resources Committee and the Board of Trustees have 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 Trustees is of the view that for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements an ongoing process for identifying, evaluating and managing the Academy's significant risks has been in place. This process is regularly reviewed by the Resources Committee and Board of Trustees.

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:

- ◆ budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- ◆ regular reviews by the Resources 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;

The risk and control framework (continued)

- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However during the period the trustees appointed Miss Emma Calow, as Responsible Officer (RO). Miss Calow took over from Mrs Jones, who had become Chair of the Resources committee.

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The RO reported to the Board of Trustees through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The work has been delivered as planned and there have been no material issues or remedial action required.

Review of effectiveness

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

- ◆ the work of the external auditor;
- ◆ the work of the Responsible Officer; and
- ◆ the work of the Senior Management Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Resources Committee of the implications of their review of the system of internal control and set out their plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 8 December 2016 and signed on their behalf by:


Susan Foster
Chair of Trustees


Christopher Hodges
Accounting Officer

Statement on regularity, propriety and compliance 31 August 2016

As Accounting Officer of Cleves Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust Board of Trustees 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 2015.

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

A handwritten signature in black ink, appearing to read 'C. Hodges', written in a cursive style.

Christopher Hodges
Accounting Officer

Date: 8 December 2016

Statement of trustees responsibilities 31 August 2016

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

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

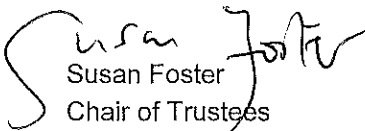
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 Trustees 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 Trustees 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 EFA/DfE have been applied for the purposes intended.

The Trustees 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 Trustees on 8 December 2016 and signed on its behalf by:


Susan Foster
Chair of Trustees

Independent auditor's report on the financial statements to the Members of Cleves Academy Trust

We have audited the financial statements of Cleves Academy Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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.

Respective responsibilities of trustees and auditor

The Trustees of Cleves Academy Trust are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, including the strategic report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Independent auditor's report 31 August 2016

Opinion

In our opinion:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Catherine Biscoe, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

15 December 2016

Independent reporting accountant's assurance report on regularity to Cleves Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 9 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cleves Academy Trust during the period from 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Cleves Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Cleves Academy Trust's funding agreement with the Secretary of State for Education dated 29 October 2010 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Buzzacott LLP

Reporting Accountant
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

15 December 2016

Statement of financial activities (including income and expenditure account) Year to 31 August 2016

		Restricted funds			2015
	Notes	Unrestricted general fund £	General fund £	Fixed assets fund £	Total funds (restated) £
Income from:					
Donations and capital grants	1	83,167	—	10,750	93,917
Charitable activities					
. Funding for the academy's educational operations	4	154,236	2,368,966	—	2,523,202
Other trading activities	2	489,272	1,940	—	491,212
Investments	3	1,618	—	—	1,618
Total income		728,293	2,370,906	10,750	3,109,949
Expenditure on:					
Raising funds	6	105,624	—	—	105,624
Charitable activities					
. Academy's educational operations	7	425,409	2,455,542	326,359	3,207,310
Total expenditure		531,033	2,455,542	326,359	3,312,934
Net income (expenditure)		197,260	(84,636)	(315,609)	(202,985)
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	25	—	(311,000)	—	(311,000)
Net movement in funds		197,260	(395,636)	(315,609)	(513,985)
Reconciliation of funds					
Total fund balances brought forward at 1 September 2015		376,495	(999,277)	7,829,327	7,206,545
Total fund balances carried forward at 31 August 2016		573,755	(1,394,913)	7,513,718	6,692,560

All of the Academy's activities derived from continuing operations during the above two financial periods.

The Academy has no recognised gains or losses other than those shown above.

Balance sheet 31 August 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible fixed assets	13		7,493,703		7,744,707
Current assets					
Debtors	14	46,070		64,805	
Cash at bank and in hand		784,939		789,145	
		831,009		853,950	
Liabilities					
Creditors: amounts falling due within one year	15	(199,522)		(293,012)	
Net current assets			631,487		560,938
Total assets less current liabilities			8,125,190		8,305,645
Creditors: amounts falling due after one year	16		(36,630)		(41,100)
Net assets excluding pension liability			8,088,560		8,264,545
Pension scheme liability	25		(1,396,000)		(1,058,000)
Total net assets			6,692,560		7,206,545
Funds of the Academy:					
Restricted funds					
Fixed assets fund	17		7,513,718		7,829,327
Restricted fund	17		1,087		58,723
Pension reserve	17		(1,396,000)		(1,058,000)
Total restricted funds			6,118,805		6,830,050
Unrestricted income funds					
General fund	17		573,755		376,495
Total funds			6,692,560		7,206,545

The financial statements on page 22 to 46 were approved by the Trustees, and authorised for issue on 8 December 2016 and are signed on their behalf by:


Susan Foster
Chair

Cleves Academy Trust
Company Limited by Guarantee
Registration Number: 07403271 (England and Wales)

Statement of cash flows Year to 31 August 2016

		2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	A	82,714	297,407
Cash flows from investing activities	B	(86,920)	(200,891)
Cash flows from financing activities	C	—	41,100
Change in cash and cash equivalents in the year		(4,206)	137,616
Cash and cash equivalents at 1 September 2015		789,145	648,471
Cash and cash equivalents at 31 August 2016	D	784,939	789,145

A Reconciliation of expenditure to net cash flow from operating activities

	2016 £	2015 £
Net expenditure for the year (as per the statement of financial activities)	(202,985)	(28,970)
Adjusted for:		
Loss on disposal of fixed assets	23,932	—
Depreciation charges (note 12)	326,359	271,272
Capital grants from DfE and other capital income	(10,750)	(100,590)
Interest receivable (note 3)	(1,618)	(1,595)
Defined benefit pension scheme cost less contributions payable (note 21)	(11,000)	110,000
Defined benefit pension scheme finance cost (note 21)	38,000	(63,000)
Decrease in debtors	18,735	77,911
(Decrease) increase in creditors	(97,959)	32,379
Net cash provided by operating activities	82,714	297,407

B Cash flows from investing activities

	2016 £	2015 £
Dividends, interest and rents from investments	1,618	1,595
Purchase of tangible fixed assets	(99,288)	(303,076)
Capital grants from DfE/EFA	10,750	100,590
Net cash used in investing activities	(86,920)	(200,891)

C Cash flows from financing activities

	2016 £	2015 £
Cash inflows from new borrowing	—	41,100
Net cash provided by financing activities	—	41,100

Statement of cash flows Year to 31 August 2016

D Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	784,939	789,145
Total cash and cash equivalents	784,939	789,145

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 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 2015)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

Transition to FRS 102

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Explanation of transition to FRS 102

It is the first year that the Academy has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Transition to FRS 102 (continued)

Explanation of transition to FRS 102 (continued)

Comparative figures have been restated to reflect the adjustments made, except to the extent that the trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on net (expenditure) income for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

	31 August 2015 £
Reconciliation of net (expenditure) income	
Net (expenditure) income previously reported under UK GAAP	(28,970)
Change in recognition of LGPS interest cost (A)	(21,000)
Net (expenditure) income reported under FRS 102	(49,970)

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the academy trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £21,000 and reduce the debit in other recognised gains and losses in the statement of financial activities by an equivalent amount.

Going concern

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

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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

Expenditure on raising funds

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

Charitable activities

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

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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

- | | |
|------------------------------------|---------------------|
| ♦ Freehold buildings | 2% straight line |
| ♦ Fixtures, fittings and equipment | 20% straight line |
| ♦ IT equipment | 33.3% straight line |

Depreciation is charged from the month of acquisition.

Tangible fixed assets (continued)

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.

Debtors

Debtors were recognised at their settlement amount, less any provision for non-recoverability. Prepayments were valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represented such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

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.

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.

Pensions benefits (continued)

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

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

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

Restricted general funds comprise all other grants received from the Education Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Surrey County Council.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability; and
- ◆ Estimating the useful economic life of tangible and intangible fixed assets for the purposes of calculating depreciation.

1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds (restated) £
Capital grants	—	10,750	10,750	140,590
Other donations	83,167	—	83,167	116,714
	83,167	10,750	93,917	217,304

2 Other trading activities

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds (restated) £
Hire of facilities/lettings income	101,219	—	101,219	64,255
Trip income	201,640	—	201,640	166,639
Catering income	163,358	—	163,358	139,492
Miscellaneous income	23,055	1,940	24,995	27,149
	489,272	1,940	491,212	397,535

3 Investments

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Interest receivable	1,618	—	1,618	1,595

4 Funding for academy's educational operations

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds (restated) £
DfE / EFA revenue grants				
. General Annual Grant (GAG)	—	2,049,266	2,049,266	2,094,884
. Other DfE / EFA	—	70,288	70,288	84,028
	<u>—</u>	<u>2,119,554</u>	<u>2,119,554</u>	<u>2,178,912</u>
Other Government grants				
. Local authority grants	—	148,454	148,454	158,450
. Special educational projects	—	100,958	100,958	132,082
	<u>—</u>	<u>249,412</u>	<u>249,413</u>	<u>290,532</u>
Other income from the academy trust's educational operations	154,236	—	154,236	128,816
	<u>154,236</u>	<u>2,368,966</u>	<u>2,523,203</u>	<u>2,638,260</u>

5 Expenditure

	Non pay expenditure			2016 Total funds £	2015 Total funds (restated) £
	Staff costs £	Premises £	Other costs £		
Raising funds	105,624	—	—	105,624	93,946
Academy's educational operations					
. Direct costs	1,578,688	326,359	165,480	2,070,527	2,031,878
. Allocated support costs	369,492	153,840	613,451	1,136,783	1,178,840
	<u>2,053,804</u>	<u>480,199</u>	<u>778,932</u>	<u>3,312,934</u>	<u>3,304,664</u>
Net (expenditure) income for the year include:					
Operating lease rentals				5,169	2,793
Depreciation				326,359	271,212
Loss on disposal of fixed assets				23,932	3,058
Fees payable to auditor					
. Audit				7,245	6,915
. Other services				7,897	12,574

6 Charitable activities - academy's educational operations

	2016 Total funds £	2015 Total funds (restated) £
Direct costs	2,070,527	2,031,878
Support costs	1,136,783	1,178,840
	3,207,310	3,210,718

Analysis of support costs	2016 Total funds £	2015 Total funds (restated) £
Support staff costs	369,492	469,397
Technology costs	45,861	44,669
Premises costs	153,840	153,097
Other support costs	552,448	492,188
Governance costs (note 7)	15,142	19,489
Total support costs	1,136,783	1,178,840

7 Governance costs

	2016 Total funds £	2015 Total funds £
Auditor's remuneration	15,142	19,489
	15,142	19,489

8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2015 between restricted and unrestricted funds:

	Unrestricted general fund £	Restricted funds		2015 Total funds £
		General fund £	Fixed assets fund £	
Income from:				
Donations and capital grants	98,714	—	158,590	257,304
Charitable activities				
· Funding for the academy's educational operations	128,816	2,469,444	—	2,598,260
Other trading activities	394,704	2,831	—	397,535
Investments	1,595	—	—	1,595
Total income	623,829	2,472,275	158,590	3,254,694
Expenditure on:				
Raising funds	93,946	—	—	93,946
Charitable activities				
· Academy's educational operations	458,750	2,480,696	271,272	3,210,718
Total expenditure	552,696	2,480,696	271,272	3,304,664
Net income (expenditure)	71,133	(8,421)	(112,682)	(49,970)
Transfers between funds	—	(163,651)	163,651	—
Other recognised gains and losses				
Actuarial (losses) gains on defined benefit pension scheme	—	(25,000)	—	(25,000)
Net movement in funds	71,133	(197,072)	50,969	(74,970)

9 Staff

(a) Staff costs

Staff costs during the year were:

	2016 Total funds £	2015 Total funds (restated) £
Wages and salaries	1,565,324	1,692,861
Social security costs	114,332	102,136
Pension costs	285,403	325,470
	1,965,059	2,120,467
Supply teacher costs	68,024	76,907
Staff restructuring costs	20,721	36,651
	2,053,804	2,234,025
	2016 £	2015 £
Staff restructuring costs comprise		
Redundancy payments	20,721	17,455
	20,721	17,455

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the year expressed as a full time equivalents was as follows:

Charitable activities	2016 £	2015 £
Teachers	25	24
Administration and support	28	31
Management	3	3
	56	58

(c) Higher paid staff

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

	2016 No	2015 No
£60,001 - £70,000	1	—
£80,001 - £90,000	—	1
£90,001 - £100,000	1	—

The employees above participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 pension contributions for these staff amounted to £26,284 (2015: £13,844).

9 Staff (continued)

(d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the academy trust was £60,752 (2015: £52,045).

10 Governors' remuneration and expenses

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

	2016 £	2015 £
C Hodges (Headteacher)		
. Remuneration	£95,000 - £100,000	£95,000 - £100,000
. Employer's pension contributions	£10,000 - £15,000	£10,000 - £15,000
A Batchelor (Staff Governor)		
. Remuneration	£40,000 - £45,000	£40,000 - £45,000
. Employer's pension contributions	£5,000 - £10,000	£5,000 - £10,000
R Flaherty (Staff Governor)		
. Remuneration	£35,000 - £40,000	£35,000 - £40,000
. Employer's pension contributions	£5,000 - £10,000	£5,000 - £10,000

Other related party transactions involving the governors are set out in note 22.

During the year ended 31 August 2016, travel and subsistence expenses of £69 (2015 - £nil) were reimbursed to one trustee (2015 - none).

11 Trustees and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £206 (2015 - £191).

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total funds £
Cost				
At 1 September 2015	7,980,603	510,066	203,127	8,693,796
Additions	3,591	24,313	71,384	99,288
Disposals	—	(79,557)	(54,467)	(134,024)
At 31 August 2016	7,984,194	454,822	220,044	8,659,060
Depreciation				
At 1 September 2015	614,159	184,932	149,998	949,089
Charged in year	159,684	133,370	33,305	326,359
Disposals	—	(66,969)	(43,122)	(110,091)
At 31 August 2016	773,843	251,333	140,181	1,165,357
Net book value				
At 31 August 2016	7,210,351	203,489	79,863	7,493,703
At 31 August 2015	7,366,444	325,134	53,129	7,744,707

13 Debtors

	2016 £	2015 £
Trade debtors	4,387	15,127
VAT recoverable	20,911	25,787
Other debtors	805	—
Prepayments and accrued income	19,968	23,891
	46,070	64,805

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	51,454	49,622
Taxation and social security	69,761	65,583
Loans (note 15)	10,720	8,500
Accruals and deferred income	67,588	169,307
	199,522	293,012

15 Creditors: amounts falling due in greater than one year

	2016 £	2015 £
Loans	36,630	41,100

Loans comprise an existing SALIX loan of £10,000 and a Condition Improvement Fund loan of £41,100 from the EFA and which is repayable from September 2016. Both are interest free.

The loans are payable in instalments as follows:

	2016 £	2015 £
Due within one year	10,720	—
Due between one and two years	10,720	8,220
Due between two and five years	25,910	32,880
	47,350	41,100

16 Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
. General Annual Grant (GAG)	49,916	2,049,266	(1,896,455)	—	202,727
. Pupil Premium	—	59,288	(59,288)	—	—
. Other grants	—	11,000	(11,000)	—	—
. Pension reserve	(1,058,000)	—	(27,000)	(311,000)	(1,396,000)
	(1,008,084)	2,119,554	(1,993,743)	(311,000)	(1,193,273)
Restricted fixed assets fund					
. Transfer on conversion	7,737,478	—	(319,130)	—	7,418,348
. DfE/EFA capital grants	84,620	10,750	—	—	95,370
. Other grants	7,229	—	(7,229)	—	—
	7,829,327	10,750	(326,359)	—	7,513,718
Other restricted funds					
. Local authority grants	8,807	148,454	(157,261)	—	—
. Other restricted funds	—	102,898	(304,538)	—	(201,640)
	8,807	251,353	(461,799)	—	(201,640)
Total restricted funds	6,830,050	2,381,657	(2,781,901)	(311,000)	6,118,805
Unrestricted funds					
. General funds	376,495	728,293	(531,033)	—	573,755
Total unrestricted funds	376,495	728,293	(531,033)	—	573,755
Total funds	7,206,545	3,109,950	(3,312,935)	(311,000)	6,692,560

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

EFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

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

Fixed asset fund

These grants relate to funding received from the EFA and Local Authority to carry out works of a capital nature.

Pension reserve

The pension reserve related to the Academy's Local Government Pension Scheme liability for support staff.

Local authority grant fund and other restricted funds

These grants relate to funding received for Special Educational Needs and the Childrens' Centre which was transferred from the Academy on 1 April 2016.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	—	—	7,493,703	7,493,703
Current assets	573,755	237,239	20,015	831,009
Current liabilities	—	(199,522)	—	(199,522)
Non-current liabilities	—	(36,630)	—	(36,630)
Pension scheme liability	—	(1,396,000)	—	(1,396,000)
Total net assets	573,755	(1,394,913)	7,513,718	6,692,560

18 Commitments under operating leases

Operating leases

At 31 August 2016, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2016 £	2015 £
Amounts due within one year	3,474	3,474
Amounts due between one and five years inclusive	5,211	8,685
	8,685	12,159

19 Guarantees, letters of comfort and indemnities

The trust provided none of the above during the year ended 31 August 2016.

20 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.

21 Pension and similar obligations

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

21 Pension and similar obligations (continued)

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

21 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

The employer's pension costs paid to TPS in the period amounted to £168,949 (2015: £144,534).

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

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

Local Government Pension Scheme (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 2016 was £263,492, of which employer's contributions totalled £168,949 and employees' contributions totalled £94,543.

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

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	2.4%	4.0%
Rate of increase for pensions in payment / inflation	2.1%	2.6%
Discount rate for scheme liabilities	2.0%	3.7%
Commutation of pensions to lump sums		
• Pre-April 2008 service	25.0%	25.0%
• Post-April 2008 service	63.0%	63.0%

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.5	22.5
Females	24.6	24.6
<i>Retiring in 20 years</i>		
Males	24.5	24.5
Females	26.9	26.9

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

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equities	1,198	921
Bonds	272	212
Property	96	87
Cash	32	25
Total market value of assets	1,597	1,245
Present value of scheme liabilities	(2,993)	(2,303)
Deficit in the scheme	(1,396)	(1,058)

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Amounts recognised in statement of financial activities	2016 £'000	2015 (restated) £'000
Current service costs (net of employee contributions)	139	198
Net interest cost	38	36
Total operating charge	177	234
Analysis of pension finance costs		
Interest income on plan assets	49	42
Interest on pension liabilities	(87)	(78)
Pension finance costs	(38)	(36)

Changes in the present value of defined benefit obligations were as follows:	2016 £'000	2015 (restated) £'000
At 1 September 2015	2,303	2003
Current service cost	139	198
Interest cost	87	78
Employee contributions	30	36
Actuarial losses	479	18
Benefits paid	(45)	(30)
At 31 August 2016	2,993	2,303

Changes in the fair value of the Academy's share of scheme assets:	2016 £'000	2015 (restated) £'000
At 1 September 2015	1,245	1,038
Interest income	49	42
Actuarial gains (losses)	168	(7)
Employer contributions	150	166
Employee contributions	30	36
Benefits paid	(45)	(30)
At 31 August 2016	1,597	1,245

22 Related party transactions

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

There were no related party transactions during the year.