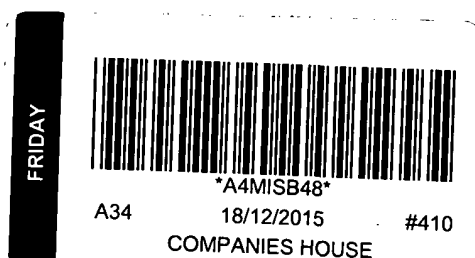


The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report and Financial Statements

For the year ended 31 August 2015



The Thinking Schools Academy Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the academy, its Directors and advisers	1
Directors' report	2 - 12
Governance statement	13 - 15
Statement on regularity, propriety and compliance	16
Directors' responsibilities statement	17
Independent auditor's report	18 - 19
Independent reporting accountant's assurance report on regularity	20 - 21
Statement of financial activities	22
Balance sheet	23
Cash flow statement	24
Notes to the financial statements	25 - 46

The Thinking Schools Academy Trust
(A company limited by guarantee)

Reference and administrative details of the Academy Trust, its Directors and advisers
For the year ended 31 August 2015

Members	Mr. P. Martin Mrs. S. Earle Mr. J. Daffarn Mr. D. Morrison Mr. R. Cummins
Directors	Mr. P. Martin, Chair ² Ms. D. Shepherd, Chief Executive ¹ Mr. L. Miller, Finance Director ¹ Mr. M.R. Bailey (appointed 25 March 2015) ¹ Mrs. A. Barry Mrs. S. Earle ² Mr. S. Gardner, Staff Trustee Mr. R. Hart (resigned 11 August 2015) Mr. D. Morrison ² Mrs. P. Nagar (resigned 8 July 2015) Ms. J. Rider (resigned 24 November 2014) Mrs. J. Spurgeon ¹ ¹ Member of Finance and Operations Committee ² Member of Audit Committee
Company registered number	07359755
Principal and registered office	The Rochester Grammar School Maidstone Road Rochester Kent ME1 3DY
Company secretary	Mr. L. Miller
Senior management team	Ms. D. Shepherd, Chief Executive Officer Mr. L. Miller, Finance Director Mr. S. Gardner, Executive Principal Mrs. C. Stevens, Executive Principal Mrs. L. Jones, Executive Principal
Independent auditor	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Registered Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ
Bankers	Nat West Bank Plc Maidstone Road Rochester Kent. ME1 3DY
Solicitors	Browne Jacobson 6th Floor, 77 Gracechurch Street London. EC3V 0AS

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report
For the year ended 31 August 2015

The Directors present their annual report and auditors' report of the Academy Trust for the year ended 31 August 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Academy Trust was incorporated on 27 August 2010 as a company limited by guarantee and an exempt charity. The memorandum and articles of association are the primary governing documents of the Academy Trust. The memorandum and articles of association were amended on 5 February 2014 to recognise the need to amend the governance structure of the organisation.

Details of the Directors who served throughout the year, except as noted, are included in the Reference and Administrative Details.

Members' liability

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

Directors and Governors' indemnities

The individual academies each maintain governors' and officers' liability insurance which gives appropriate cover for any legal action brought against governors, and against the Directors of the Academy Trust. The Academy Trust has also granted indemnities to each of its Directors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year and remain in force, in relation to certain losses and liabilities which the Directors, Governors or other officers may incur to third parties in the course of acting as Directors, governors or officers of the Academy Trust. Details of the insurance cover are provided in note 13 to the financial statements.

Principal activities

The Academy Trust has expanded in the year to now control the activities of the following schools:

- The Rochester Grammar School
- All Faiths' Children's Academy
- Portsmouth Academy for Girls
- Chatham Grammar School for Boys
- Gordon Infant School
- Gordon Junior School
- New Horizons Children's Academy (since 1st September 2014)
- Newbridge Junior School (since 1st November 2014)
- Isambard Brunel Junior School (since 1st November 2014)

All schools share a commitment to cognitive education and Thinking School status. Throughout the year ended 31 August 2015 the Trust's principal object and activity has therefore been to manage the schools within the Trust.

Method of recruitment and appointment or election of Directors

Under the terms of its Articles, since 5 February 2014 when a Board of Directors has held ultimate responsibility for managing the Trust. This Board comprises the following:

- 6 Directors appointed by members (one must include the Chair);
- 3 Directors appointed by local governing bodies; and
- 2 Directors appointed by their role.

No more than 3 Directors can be salaried and these are detailed in note 11 of the accounts.

A Directors term of office is four years (excluding the Chief Executive and Finance Director) but a Director is eligible for re-election at the meeting at which they retire.

Appropriate training is provided to all new Directors and local school governors, as required.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 August 2015

Method of recruitment and appointment or election of Directors (continued)

During the year under review the Directors met 4 times alongside Local Governing Body meetings which are held termly in each school. The training and induction provided for new Directors and governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new governors will be given a tour of their respective school and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Organisation structure

The Board of Directors retains the power to appoint governors to local governing bodies. They also have a scheme of delegation that details the powers that can be given to individual Governing bodies.

The Board of Directors has a Quality Assurance executive team that will review the performance of each academy and make recommendations to the Board about the level of delegated powers that should be given to each Local Governing Body.

The board has two committees that support the work of the board; the Audit committee that is made up of non-salaried Directors; and a Finance and operation committee.

Risk management

The Directors have assessed the major risks to which each academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. Each academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Connected organisations, including related parties

Rochester Grammar School for Girls Charity is a separately registered charity, registration no. 307839. Its principal objects are the provision of items, services and facilities for the school by the making of grants to the school and individuals. This charity also owns the freehold to the school land and buildings, and leases this to the Academy Trust on a 125 year lease at an annual peppercorn rent.

There is also a Parent-Teacher Association, The Rochester Grammar School Association, also established as a separately registered charity, registration number 803801, which organises various fundraising events to provide facilities for the pupils of The Rochester Grammar School.

Each of the individual academies is a strategic partner in the The New Horizons Teaching School Alliance Limited (company number 08478647). The academies, and the many other schools affiliated with the organisation, work together to provide school-to-school support and staff training to aid school improvement.

Chatham Grammars School for Boys (School Fund) is a separately registered charity, registration no.1114935. The Local Governing body act as Trustees for this charity and its funds are used to improve facilities for the School.

Isambard Brunel Centre Ltd (registration 04671163) is a company to which, from 18th June 2015, The Thinking School Academy Trust was appointed the sole member and 4 Directors were appointed that include Directors of TSAT and the Headteacher of Isambard Brunel Junior School. The company provides childcare and nursery provision to children below statutory school age.

During the year the Accounting Officer and Chief Finance Officer were asked by the Department of Education to provide support to The Bishop of Rochester Academy (reg. no 07025097). As a result of this intervention a decision was made by The Bishop of Rochester Academy to amend its legal name to The Rochester Academy and pass a resolution to transfer its assets into TSAT from 1 September 2015. The Education Funding agency agreed a deed of variation to the funding agreement to coincide with the transfer of the assets. Our board members agreed that from the 1st September they will accept responsibility of this new funding agreement and resolved to amend the name of the Academy to The Victory Academy.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 August 2015

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal objects of the Academy Trust is the provision of education for pupils aged between 3 and 19.

Objective, strategies and activities

The main objectives of the Academy Trust during the year ended 31 August 2015 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of all academies by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- after school and weekend activities; and
- to conduct the academies' business in accordance with the highest standards of integrity, probity and openness.

Public benefit

All schools within the Trust are state funded and strive to promote and support the advancement of education within the Medway and Portsmouth local authority areas.

The Trust has a letting policy that supports the use of our facilities for the local community and other public establishments. In all cases we promote below market rates to maximise the ability for small organisations to access this.

All our schools are members of The New Horizons Teaching School which promotes outreach work and the wider recruitment and promotion of new Teachers into the sector.

The Trust remains committed to the Arts and actively promotes our students to access extra curriculum activities and deliver exhibitions and concerts that the wider community can enjoy.

Equal opportunities

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

All academies have made appropriate provisions for disabled persons.

The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

STRATEGIC REPORT

Achievements and performance

TSAT Strategic priorities 2014/15

1. To expand Trust schools in Medway and Portsmouth.

TSAT has successfully achieved expansion in both Medway through the opening of New Horizons Children's Academy in September and the planned addition of the Victory Academy into TSAT. In Portsmouth TSAT has expanded its number of schools with the addition of two Junior Schools (Newbridge and Isambard). The Trust has successfully consulted on the expansion of Newbridge Junior from a 4 Form entry to 5 form entry. This has also meant opening an annex of Newbridge onto the Portsmouth Academy site, which strategically improves the long term future of Portsmouth Academy.

2. Ensure current trust schools are Ofsted good or better by end of 2015/16.

At the beginning of this academic year, Portsmouth Academy was still technically in "Ofsted category", its predecessor school City Girls had been placed in Special measures in February 2013. In June 2014 the Academy was judged to be requiring improvement, but Good for leadership and management and behaviour and safety.

TSAT academic performance 2015 was very good and all academies improved in their performance on 2014. The DFE have confirmed they consider TSAT a very strong MAT and support further expansion of the trust based on TSAT's academic performance in 2015.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 August 2015

Achievements and performance (continued)

At Key Stage Two TSAT achieved above national expected progress in Year 6 testing.
 At GCSE TSAT achieved 71% A*-C grades with English and Mathematics well above the national average.
 At post-16 TSAT achieved 75% A*-C grades.

3. Embed a new Trust central team and ensure lines of accountability are clear to ensure value for money and a sound business and financial model.

During 2014/15 TSAT's central team performed to a very high standard ensuring the effective and financially efficient running of the trust ensuring the trust achieved its strategic priorities.

Overall TSAT performed extremely well during 2014/15 and it has now been approved by the DFE as a high performing sponsor and successful multi-academy trust.

The Rochester Grammar School

Rochester Grammar School is a larger than average secondary school. It is a single sex girls' selective school with a mixed sixth form. The school has higher than national average BME and 9.5% EAL. The school has lower than national average FSM and SEN. Attendance is well above national average at 96.7% and persistent absence well below national average at 1.1%. Attainment on entry is significantly above national average at 31.7 (for year 11 examination cohort 2014); however, within the context of grammar schools The RGS is not "super selective" and entry is comparable with most grammar schools in East Kent and Medway with the top 25% of ability as deemed by the 11+ gaining places within the school.

The current OFSTED rating is Outstanding (2008/9) and through annual reviews and data analysis this judgment has been retained ever since. In September 2014, Bill Stoneham (Lead OFSTED inspector) would have upheld an outstanding judgment for the school following his quality assurance of teaching and learning.

The summer results showed outstanding performance. Year 11 achieved 65% A*/A (with equivalencies, this figure was 67% A*/A) which is the best ever GCSE alone performance in the school's history. Year 13 achieved 85% A*-B at A2 level (with IB conversion, this figure was 87% A*-B) which matches the school's best ever performance in 2013 and puts A level results at 80%+ for the fourth consecutive year. Year 13IB scored an average of 36.2 (equivalent to 2 As and 2 A*s at A2 level). Levels of progress in English and Maths were outstanding: English Language 96% 3 LOP and 61% 4 LOP, English Literature 100% 3 LOP and 85% 4 LOP, Maths 93% 3 LOP and 62% 4 LOP.

Significant achievements for the school include the New Horizons Teaching School Alliance winning a substantial bid for training non specialists in Maths and Physics. Two students secured Oxbridge places and one won a scholarship to attend Washington-Lee University in the USA. 77% of Year 13 students secured their first choice university and 93% secured first or insurance place. 98% have gone to university this year. STEM students won first prize in all 4 categories in the North Kent Science and Technology Challenge. N-Chant choir were invited to sing at Cadogan Hall and have been invited as special guests to sing at the Royal Albert Hall in November 2015. Three Year 12 students got into the final 20 of the national new technological idea competition and were tweeted by Prince Andrew. For the fifth consecutive year, RGS students won the District Athletics Championships.

Some adjustments have been made to the senior leadership team this year. Two middle leaders were seconded to SLT in May 2015 to increase capacity. Paula Gurr (Curriculum Leader Art) became Associate Assistant Principal for Teaching and Learning and Matt Dowling (Curriculum Leader English) Associate Assistant Principal for Curriculum and Achievement. Leadership within the school has been further enhanced by an Associate Leader team and a pool of Leading Practitioners.

All Faiths' Children's Academy

All Faiths' is a one form entry primary school with an integrated nursery, FS/KS1 Nurture Group run on behalf of a local partnership of schools, specialist provision for up to 24 profoundly deaf pupils and a Children's Centre.

The school serves an area of deprivation, 36% of pupils are entitled to pupil premium funding and most start school with levels well below their chronological age. 45% of pupils have SEND. There are currently 234 pupils on roll.

All Faiths' is an accredited Thinking School and achieved the Basic Skills Quality Mark for 3rd time 2015.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 August 2015

Achievements and performance - All Faiths' Children's Academy (continued)

The school achieved the following judgments in its last OFSTED inspection (2013):

Achievement – good
 Quality of Teaching – good
 Leadership and Management – outstanding
 Behaviour and Safety – outstanding

The overall effectiveness of the school is good.

In 2015, 79% of pupils achieved L4+ combined in KS2 and 11% achieved L5+ combined. 96% of pupils made expected progress and 43% made more than expected progress.

In KS1, 89%, 43% and 66% of pupils achieved L2+ in reading, writing and maths respectively.

67% of pupils in Year 1 passed the phonics check and 77% of pupils passed in Year 2.

The school has undergone significant changes in staffing for 2015/16. A new Headteacher has been appointed and her work will be overseen by an Executive Headteacher, who has responsibility for three Trust primary schools in Medway.

The leadership structure has been altered and now consists of a Headteacher and Deputy Headteacher. The position of Assistant Headteacher, specialist provision is vacant and will be advertised in September. There are 4 teachers new to the school, 3 of whom are NQTs.

Portsmouth Academy for Girls

PAG is a girls' non-selective school that caters for pupils aged 11-16. The school roll has been in decline since 2008 and a public consultation was held this year to convert to a co-educational institution. This was successful and the school will admit boys in September 2017.

Following a Section 5 visit (April 2015), the school has moved from its predecessor school's judgment of Special Measures to an overall judgment of Requires Improvement, but with 'Good' for Leadership and Management and 'Good' for Behaviour and Safety. A letter from Sir Michael Wilshaw on 10 September, 2015 notes that Leadership and management were judged to be good and offers full support referencing the 'ambition and strong leadership' of the principal.

Context:

NOR: 547

- 5 pupils are LAC
- FSM – 25%
- Pupils eligible for Pupil Premium – 41%
- BME – With EAL 26% and without EAL - 7%
- Pupils with learning difficulties and disabilities - 17%
- Average attainment on entry is significantly below the national average

2015 Results:

The prior attainment of the 2015 cohort was below age expectation and weaker than that of 2014, yet outcomes improved across a range of measures and subjects, demonstrating that the Academy is making a difference. In particular, more able students made significant gains across several measures and their performance is now equal to, or better than, the national average.

Measure	2015 Results (compared to 2014)
5 A* - C incl E & M	48% (+2%)
5 A* - C	56% (+5%)
A* - C overall	65% (+2%)
English A* - C	57% (-1%)
English 3 LP	59% (=)
Maths A* - C	58% (+2%)
Maths 3 LP	60% (+5%)
English & Maths	49% (+1%)
APS - total	326.23 (+25)
APS - Best 8 incl E & M	276.89 (=)
VA	979.50 (+8)
Progress 8	-0.31 (+0.2)

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 August 2015

Achievements and performance - *Portsmouth Academy for Girls (continued)*

Whilst the Strategic Aim of the Academy is to secure a 'Good' outcome at the Academy's next Section 5 inspection, the Key Objectives for 2015-16 are:

1. To ensure that the Quality of Teaching, Learning and Assessment is Good
2. To ensure that pupils in all year groups make Good progress and attainment gaps reduce
3. To increase the uptake of places for Year 7 for September 2016
4. To prepare for the school's conversion to co-ed status in 2017

Chatham Grammar School for Boys

Chatham Grammar School for Boys is a slightly smaller than average secondary school. It is a single sex boys' selective school with a mixed sixth form. The school has a BME close to the national average and 6.5% EAL. The school has lower than national average FSM and SEND. Attendance is above national average at 96.1% and persistent absence below national average at 2%. Attainment on entry is significantly above national average at 31.5; however, standards on entry are comparable with most grammar schools in East Kent and Medway with the top 25% of ability as deemed by the 11+ gaining places within the school.

After being placed in Special Measures by Ofsted in September 2013 the School became sponsored by the Thinking Schools Academy Trust, and under new leadership made rapid improvements in quality of provision and academic outcomes. After much improved GCSE results in summer 2014, the School was judged as Good by OFSTED in November 2014. Regular external reviews by a Lead Ofsted Inspector have re-affirmed this status in all categories in a number of visits since, the most recent of which took place during the week of September 14th, 2015.

For the second consecutive year, GCSE results in 2015 showed impressive improvement with the percentage of A*/A grades rising from 32% to 43%, and the school Value Added score increasing from 1004 to 1024. In both English and mathematics, the proportion of students making 'expected' progress exceeded 90% and the proportion making four or more levels of progress exceeded 50% which is much higher than national figures. A-Level results in 2015 demonstrated that students are achieving the expected grades overall based on their GCSE performance although the school is actively working on increasing the amount of progress students make between Key Stages 4 and 5.

In April 2015, the Bishop of Rochester Academy became part of the Trust and the CGSB Principal was promoted to become the Executive Principal of both schools. This has opened a door to exciting collaboration between the two schools including the delivery of alternative provision for a number of Year 8 Victory Academy students, access to Chatham Boys A-Level courses to Victory students, and access to the Victory Academy's Football Academy for CGSB students. A further initiative in 2015 – 2016 is the delivery of an international programme for seven Swiss students who are participating in an international baccalaureate.

The School is benefiting greatly from capital funding provided by the Trust and through this has completely refurbished two sets of toilets, the Sixth Form Centre, and dining facilities. The creation of four new classrooms out of the old BORA buildings for use by CGSB is nearing completion and work is just starting on the redevelopment of the old BORA sports hall to provide CGSB with a gym, sports hall, refurbished changing facilities and further classroom space. Further, a café for the use of Sixth Form students has recently been opened and there will shortly be a kiosk to provide a second food outlet for Year 7 – 11 students.

The School is working towards achieving Thinking School status by the end of this academic year so considerable staff training is being focused on that area, alongside the development of the School's 'Collaborative Curriculum' which is a further major initiative for this year.

Gordon Schools Federation (Infant and Junior School)

The Gordon School Federation is a larger than average primary school. It is comprised of Gordon Infant School which ranges from EYFS to Year 2 and is a 2 form entry school, and the Junior School which is 3 form entry from Years 3 to 6. The school has higher than national average BME and 9.9 EAL. The school is on a par with the national average for FSM and SEN. Attainment on entry is significantly below national average particularly in Communication and Language. By the end of the EYFS, the majority of children exceed in this area.

The school became an academy in March 2014. Previous to this, the Infant school was designated by Ofsted as "Good" (December 2013) with the Junior School being placed in "Serious weaknesses" (January 2013). Over this period of time the school has undergone significant changes. In the space of 18 months there have been 6 Head Teachers, some being employed on an interim basis. From February 2015, a permanent Head Teacher has been in place. As of September 2015 the Senior Leadership consists of 3 Assistant Heads (one being new), a Deputy Head (new) and the Head Teacher.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 August 2015

Achievements and performance - Gordon Schools Federation (continued)

In 2014, 52% of children achieved a Level 4 or above in Reading, Writing and Maths. In 2015, this had risen to 72%, with the biggest increase being in Writing. In the EYFS, 66% of children achieved a Good Level of Development in 2014. By July 2015, this had risen to 78%. In the National Phonics Screening of 2014, 47% of children achieved the expected standard. This had risen to 87% by June 2015.

In September 2015 the school introduced a new Curriculum called "Cornerstones". It is from EYFS-Year 6 and is developed around topic-based learning, covering the key skills of the new National Curriculum. Paired with a new tracking system, Target Tracker, the progression of the children can be monitored clearly and targets and individual goals set clearly. This means that the pace of learning has been greatly enhanced.

In 2015/2016 academic year, the school are leading the "Medway Choral Festival". This is the first of its kind in the borough and will fully encompass the new, challenging music initiatives taking place within the school.

The Sports Premium has been spent this year on employing 4 sports coaches with competitiveness and striving for excellence being their main goals. The aim is to enter the school in all competitions across key stages at school, borough and national level.

The whole-school target for 2015/2015 is for 90% of children to achieve Age Related Expectations and 82% of EYFS children to achieve a GLD. This will be monitored and tracked formally every 6 weeks by the Senior Leadership Team and the newly formed Middle Leadership Team.

New Horizons Children's Academy

New Horizons Children's Academy opened in September 2014. It was opened to address the need for additional school places in Chatham and Rochester and, as of September 2015, has 229 pupils on roll. There are:

22 in Nursery	}	IFS
82 in Reception		
70 in Year 1		
55 in Year 3		

The PAN for Nursery is 26; Reception and Year 1 90 and Year 3 60

Achievement of Pupils

Attainment Year 2

	Reading	2014 National	Writing	2014 National	Maths	2014 National
L2+	89%	90%	74%	86%	89%	92%
L2b+	78%	81%	52%	70%	74%	80%
L3	26%	31%	0%	16%	30%	24%

Progress Year 2

	Maths	Reading	Writing
% of pupils making expected progress	24/27 89%	23/27 85%	19/27 70%
% of pupils making more than expected progress	16/27 59%	15/27 56%	7/27 22%

Phonics Check : 86% of pupils have passed the phonics check

The Executive Head Teacher for the Medway Primary Schools in the Trust, Mrs Lesley Jones, is leading the school. A new Deputy Head Teacher has also joined the trust and is supporting Mrs Jones.

2015/16 sees the school develop with its first cohort of KS2 pupils. The aim is to significantly improve the progress and attainment of all pupils, but particularly to close the gaps between different groups. We will be having a particular focus on those in receipt of pupil premium funded and those at a high level of development who should be outperforming their peers. This year will also see the introduction of the Thinking Schools pedagogy as well as investment in staff CPD.

There is a new play area strategy which we will implement this year.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 August 2015

Achievements and performance (continued)

Newbridge Junior School

Newbridge Junior School is a four form entry junior school with 432 pupils currently on roll which serves a deprived inner city area. Attainment on entry is variable, with writing being significantly below National Expectations. We have above National average figures for FSM6 and slightly below National average for EAL but both these groups are rising each year. We converted to an academy on 1st November 2014 with the Thinking Schools Academy Trust and is 'without designation'. Our previous Section 5 inspection rating in September 2012 rated us as Good.

In the Year 2014-15

- 2015 SATs results show that we are above 2014 national figures for children making at least 2 levels progress in all subjects.
- Combined Level 4+ (in reading, writing and maths) has increased by 8% on last year's results.
- In years 4 and 5, combined figures show an increase from the pupils' levels on entry to the school.

Pupil premium funding has been effectively used this year, showing through the 2015 SATs results.

- Combined level 4+ and level 5+ were above the 2014 National figures, with pupils' making 100% expected progress in writing and maths and 97% in reading, an increase on last year's results and in line with or above non pupil premium pupils.
- The percentages of pupil premium pupils making better than expected progress were also in line with or above other pupils.
- Throughout the rest of the school, combined figures show that pupil premium children have made good progress from their entry levels.

At the end of the school year, monitoring showed 100% good teaching with 25% being outstanding. Three new teachers (NQTs) were appointed for September 2015 to replace staff that left the school and they will be mentored by good and outstanding teachers. A new deputy Headteacher and an assistant Headteacher were internally appointed from September 2015.

Over the next school year, we will be working towards our change to a five-form entry junior school, where our Year 6 children will be educated at an annexe at Portsmouth Academy for Girls. We are looking forward to working in partnership with the trust and Portsmouth Academy for Girls to ensure that our aspirational vision for the young people of Portsmouth is successful on all counts.

Isambard Brunel Junior School

Isambard Brunel Junior School is an average size junior school serving a mainly white British, relatively deprived area of Portsmouth. It has well above average figures for children receiving Free School Meals/Pupil Premium Funding, slightly above average figures for children whose first language is not English and average figures for children with a special education need or disability. Attendance has shown a gradual improvement over the last three years whilst persistent absence has decreased.

The school converted to an academy on 1 November 2014 with the Thinking Schools Academy Trust and is "without designation" and is expecting a section 5 inspection from January 2016.

Prior to conversion, the school was rated as "requiring improvement" in March 2014 with a monitoring visit in October 2014 confirming that the school was making progress. An academy commissioned external review in February 2015 concluded that "*Put simply, Isambard Brunel Academy Junior School is a rapidly improving school...it is highly possible that at its next Ofsted inspection the outcome will be 'good.'*"

In the year 2014/15:

- 83% of children reached level 4+ in reading, writing and maths exceeding national average for the second year running
- 17% of children reached level 5+ which is an increase of 7% on the previous year.
- The percentage of children making expected progress is higher than national figures in 2014
- The percentage of children making better than expected progress increased significantly
- The 2014/15 cohort entered the school below national average for attainment making the above figures even more impressive

Four new teachers were appointed in September 2015 to reflect a growing school population, fill a vacancy and to provide early maternity cover for a teacher. A new assistant Headteacher was internally appointed from September 2015.

The strategic aim for 2015/16 is to continue the trend of improvement to secure a "good" outcome at the academy's first section 5 inspection.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 August 2015

Going concern

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

Key performance indicators

The Directors consider that the following are key performance indicators for the Academy Trust:

- School performance as detailed by the regulator (OFSTED);
- Latest pupil outcome performance targets;
- Pupil attendance targets;
- Percentage of income spent on teaching staff;
- Percentage of income spent on total staff costs;
- Pupil numbers surplus (leading directly to EFA funding level);
- General financial stability - aim for income to match expenditure each year; and
- Staff turnover

The Directors have established a quality assurance executive team that oversees the performance of all academies within the Trust. It regularly reviews a dashboard completed by the Chief Executive along with information provided by commissioned reviews. As a result of these reviews academies are placed in a RAG rated category which determines the intervention and support required to drive school improvement.

For the Academic year 2014/15 the following:

School performance as detailed by the regulator	Outstanding -	1 Academy
	Good -	4 Academies
	Requires improvement	3 Academies (2 have not been inspected under TSAT)
	Inadequate	No Academy
	Not inspected	1 Academy
Latest pupil outcome performance targets	KS5	75% A* - C
	KS4	71% 5 A* - C
	KS2	76% Level 4+ combined
Pupil attendance	95%+	
Percentage of income spent on teaching staff	64.69%	
Percentage of income spent on total staff costs	79.42%	
Pupil numbers surplus	19%	
General financial stability	2.36	
Staff turnover	4.65%	

Financial review

Most of the Academy Trust's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year two additional schools were added to the Trust from 1 November 2014. The assets inherited on conversion, excluding the LGPS deficit equated to £3.44m (£1.78m Newbridge and £1.66m Isambard). The share of the LGPS deficit for these schools was valued at £484k (£271k Newbridge and £213k Isambard). A commercial transfer agreement was developed with Portsmouth City Council to transfer the all active contracts and staff. A 125 year lease was agreed with the same party for the land and buildings.

The Trust operates a policy of 'top slicing' each academy based on the KPI monitoring data and is overseen by the Quality Assurance committee. The top slice funds are held within a central fund that can account for all movement of funds used by central services.

All Academies have met financial expectations and no material change from the approved budget has needed to be reported.

The Trust has been classified as a Multi Academy Trust by the EFA for the purposes of capital funding and therefore benefits from guaranteed funding through the School Condition Allocation fund. This fund has been used to identify a significant investment programme in the building stock that will cross the financial year.

Each Academy holds its own reserves and all Academies have a surplus position at year end.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 August 2015

Financial position

The Academy Trust held fund balances at 31 August 2015 of £47,375,402.

These funds included restricted fixed asset funds of £50,548,271, GAG funds of £390,708, other restricted funds of £430,072 and unrestricted funds of £1,355,351. Additionally there is a pension fund reserve with a deficit of £5,349,000. Each of the individual pension fund reserves are in deficit, but does not mean that immediate liabilities crystallise. The deficit results in a cash flow effect in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income of each academy.

Principal risks and uncertainties

The main risks that each academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans. The Board has classified all its risks into 4 categories and review the risk register at every board meeting:

- *Strategic and Reputational* - This covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy service. Competition from other schools with similar objects and little scope for differentiation. Also includes the capacity of existing buildings to deliver teaching and learning to students.
- *Operational risks* – This looks at the risks associated with appointing the right quality staff and governors to lead the organisation and the individual academies.
- *Compliance risk* – The importance of the need to meet statutory requirements connected with employment, Health & Safety and those set by the DfE.
- *Finance risk* - The board monitors the financial risk associated with managing a large organisation that balances local autonomy with the need to establish good financial controls. There are also risks in connection with the deficit on the Local Government Pension Scheme, although the Directors are comfortable with the current level of employer contributions the academies are required to pay.

Financial and risk management objectives and policies

None of the individual academies use complex financial instruments. Each academy manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from operations.

The main risks arising from the academies' financial activities are liquidity risk, cash flow interest rate risk, and credit risk, as detailed below:

- *Liquidity risk* - each academy manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.
- *Interest rate risk* - each academy earns interest on cash deposits. With interest rates currently low, the governors of each Local Governing Body consider action to increase the income from these deposits, whilst ensuring it does not jeopardise the liquidity or security of the academy's assets.
- *Credit risk* - this arises from the possibility that amounts owed to the academies will not be repaid. Neither academies partakes in credit activities so is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

Reserves policy

The Directors review the reserve levels of the Academy Trust, and of each individual academy, on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Directors have determined that the permitted level of free reserves for recurrent costs should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The financial statements identify £820,780 of restricted funds (this excludes the restricted fixed asset fund and restricted pension fund) which are held for use by the individual Academies and in no situation exceeds 5% of annual income which the board believes is an adequate level to manage future uncertainties.

The Trust holds an unrestricted fund of £1,355,351 and whilst this is held by individual Academies, the Trust reserves the right to redeploy these resources to meet the wider needs of the organisation.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 August 2015

PLANS FOR FUTURE PERIODS

The Directors' main plans for future periods are:

1. to consolidate new Academies into the Trust and ensure they make progress;
2. ensure there is an effective communication strategy for TSAT which establishes a consistent message to all stakeholders;
3. establish a more effective and efficient Governance model;
4. establish an effective process for the collection and analysis of school level data;
5. embed the new Executive level of leadership in the Trust; and
6. planning for future growth of TSAT Academies within the Trust.

DISCLOSURE OF INFORMATION TO AUDITORS


In so far as the Directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps 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.

AUDITORS

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and re-appointment of the auditors will be considered in due course.

This report, incorporating the Strategic report, was approved by order of the Board of Directors, on 10 December 2015 and signed on the Board of Director's behalf by:



Mr. P. Martin, Chair of Directors

The Thinking Schools Academy Trust
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that The Thinking Schools 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 Directors has delegated the day-to-day responsibility to the Chief Executive, 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 Thinking Schools Academy Trust and the Secretary of State for Education. They are 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 Directors' responsibilities statement. The members, as listed in the Reference and Administration Details, held one Annual General Meeting during the year.

The Board of Directors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Mr. P. Martin, Chair	3	4
Ms. D. Shepherd, Chief Executive	4	4
Mr. L. Miller, Finance Director	4	4
Mr. M.R. Bailey	1	2
Mrs. A. Barry	3	4
Mrs. S. Earle	4	4
Mr. S. Gardner, Staff Trustee	4	4
Mr. R. Hart	4	4
Mr. D. Morrison	4	4
Mrs. P. Nagar (resigned 8 July 2015)	0	3
Ms. J. Rider (resigned 24 November 2014)	0	1
Mrs. J. Spurgeon	3	4

Each Academy has a Local Governing Body or Interim Management Board that is made up of Parents, Staff and those appointed by Directors. Directors retain the ability to appoint the majority of Governors and thus retain the ability to exert control over each Academy.

The level of delegation is differentiated on school performance and at the end of the year the Trust had a mixture of local governing bodies that either have full delegation; partial delegation or have an Interim Management Board in place.

Each academy has their own independent Finance Committee acting as a sub-committee of their Local Governing Body. The purpose of the Finance Committees is to assist the decision making of their Local Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the school's finances and resources, including proper planning, monitoring and probity.

Governance reviews:

As part of our ongoing commitment to improve our Governance arrangement we have used this year to carry out a number of self-review and external reviews of our Local Governing Bodies. Those reviews were presented to a Governance Working group in September 2015 which is due to present its findings to the Board in December.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

The Board has now established a Finance and Operations committee that has met 3 times a year.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mrs. J. Spurgeon (Chair)	3	3
Ms. D. Shepherd	1	3
Mr. L. Miller	3	3
Mr. J. Daffam	2	3
Mr. M. Bailey	1	1

The Audit Committee is also a sub-committee of the main Board of Directors. Its purpose is to review the risks to internal financial control at the Academy Trust, liaising with internal and external auditors as necessary. During the year the Audit Committee has considered the risks the Trust faces, and directed the work of the internal auditors towards these areas, and established a programme of internal audit checks extending into the 2015/16 academic year to provide assurance on the operation of the systems and controls in the academies that have joined the Trust during the year and since the year end.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Mr. P. Martin	4	4
Mrs. S. Earle	3	4
Mr. D. Morrison	2	4
Mrs. S. Ashton	3	4

Mrs. S. Ashton sits on the Audit Committee Board in an independent adviser capacity. The Chief Executive and Finance Director are invited to each meeting and provide the management information for the committee to consider and evaluate.

The performance management and pay of the Chief Executive has been overseen by Members. During 2015/16 a new Pay and Performance committee will be formed of three non-executive Directors and a paid consultant.

Review of Value for Money

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

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

- During the year the Trust has reviewed some of the back office systems and has moved to one provider for the Finance, HR and payroll. This has generated financial savings and significant efficiency improvements.
- The Trust has established an Executive Leadership structure that enables academies to be led by an individual that has responsibilities for a number of academies. This has helped attract high quality candidates and provides a financial benefits for the Trust. Linked to this the Trust has been able to look at other roles (business managers and site managers) that now have responsibilities from more than one academy.
- The Trust has overseen the retender of its catering services and as a result has secured a contract that will provide higher quality food with a linked investment to improve the facilities within the academies.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Thinking Schools Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Risk and Control Framework

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

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

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed UHY Hacker Young, the external auditor, to perform an internal audit function for the Trust.

The appointees' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The Audit Committee has designed a programme of work across the Trust which varies from academy to academy based on the relative risks. Appointees have performed regular system checks throughout the year (3 visits per year per Academy), and have reported to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

During the year ended 31st August 2015 the internal audit function has been fully delivered in line with the requirements of the Education Funding Agency, and as planned. No material control issues have arisen and any recommendations for improvements are reported and monitored by the Audit Committee.

Review of Effectiveness

As Accounting Officer, the Chief Executive 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 executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Directors on 10 December 2015 and signed on its behalf, by:



Mr. P. Martin
Chair of Directors



Ms. D. Shepherd, Chief Executive
Accounting Officer

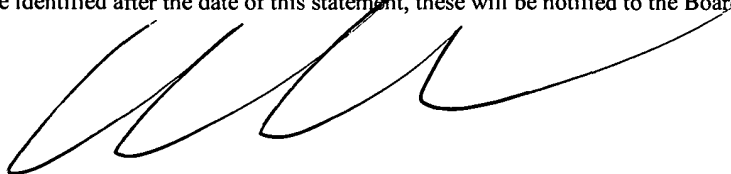
The Thinking Schools Academy Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Thinking Schools Academy Trust I have considered my responsibility to notify the academy trust Board of Directors 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 (2014).

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 (2014).

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 EFA.



Ms. D. Shepherd, Chief Executive
Accounting Officer

Date: 10 December 2015

The Thinking Schools Academy Trust
(A company limited by guarantee)

Directors' Responsibilities Statement
For the year ended 31 August 2015

The Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for preparing the Directors' report (including the Strategic 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 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 Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

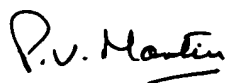
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy Trust 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 Trust 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Directors on 10 December 2015 and signed on its behalf by:



Mr. P. Martin
Chair of Directors

The Thinking Schools Academy Trust
(A company limited by guarantee)

Independent Auditor's Report to the Members of The Thinking Schools Academy Trust

We have audited the financial statements of The Thinking Schools Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement 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) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 academy trust'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 academy trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Independent Auditor's Report to the Members of The Thinking Schools Academy Trust

Matters on which we are required to report by exception

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

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



Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of

UHY Kent LLP
Chartered Accountants
and Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 14 December 2015

The Thinking Schools Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Thinking Schools Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 25 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Thinking Schools Academy Trust during the year 1 September 2014 to 31 August 2015 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 The Thinking Schools Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Thinking Schools Academy Trust and 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 Thinking Schools Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Thinking Schools Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Thinking Schools Academy Trust's funding agreement with the Secretary of State for Education dated 26 August 2014, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 1 September 2014 to 31 August 2015 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 EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Thinking Schools Academy Trust for the year ended 31 August 2015 which provides evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- 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.

The Thinking Schools Academy Trust
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Chartered Accountants
and Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: *14 December 2015*

The Thinking Schools Academy Trust
(A company limited by guarantee)

Statement of Financial Activities
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the year ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Transfer from Local Authority on conversion or joining the trust	2	265,441	(645,788)	6,493,528	6,113,181	19,658,312
Other voluntary income	2	195,777	50,312	4,212	250,301	191,266
Activities for generating funds	3	292,584	495,650	-	788,234	636,732
Investment income	5	7,216	-	-	7,216	7,256
Incoming resources from educational activities	4	-	20,805,295	744,504	21,549,799	17,921,516
Total incoming resources		761,018	20,705,469	7,242,244	28,708,731	38,415,082
Resources expended						
Costs of activities for generating funds	6	4,728	367,365	-	372,093	271,623
Educational activities	7	421,769	20,970,359	682,355	22,074,483	17,417,562
Governance costs	8	8,435	159,542	-	167,977	103,506
Total resources expended	6	434,932	21,497,266	682,355	22,614,553	17,792,691
Net incoming / (outgoing) resources before transfers		326,086	(791,797)	6,559,889	6,094,178	20,622,391
Transfers between Funds	20	(144,294)	(241,450)	385,744	-	-
Net income for the year		181,792	(1,033,247)	6,945,633	6,094,178	20,622,391
Actuarial gains and losses on defined benefit pension schemes	26	-	84,000	-	84,000	(581,000)
Net movement in funds for the year		181,792	(949,247)	6,945,633	6,178,178	20,041,391
Total funds at 1 September 2014		1,173,559	(3,578,973)	43,602,638	41,197,224	21,155,833
Total funds at 31 August 2015		1,355,351	(4,528,220)	50,548,271	47,375,402	41,197,224

The Academy Trust's activities derive from a mixture of continuing and acquired operations. Further details are provided in note 24.

The Statement of Financial Activities includes all gains and losses recognised in the year.

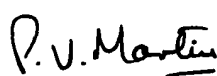
The notes on pages 25 to 46 form part of these financial statements.

The Thinking Schools Academy Trust
(A company limited by guarantee)
Registered number: 07359755

Balance Sheet
As at 31 August 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	14		50,456,069		43,555,260
Current assets					
Stocks	16	1,040		1,506	
Debtors	17	1,186,371		891,291	
Cash at bank and in hand		2,934,619		2,769,783	
			<u>4,122,030</u>	<u>3,662,580</u>	
Creditors: amounts falling due within one year	18	(1,822,037)		(1,473,372)	
Net current assets			<u>2,299,993</u>		<u>2,189,208</u>
Total assets less current liabilities			<u>52,756,062</u>		<u>45,744,468</u>
Creditors: amounts falling due after more than one year	19		(31,660)		(52,244)
Net assets excluding pension scheme liability			<u>52,724,402</u>		<u>45,692,224</u>
Pension scheme liabilities	26		(5,349,000)		(4,495,000)
Net assets including pension scheme liability			<u><u>47,375,402</u></u>		<u><u>41,197,224</u></u>
Funds of the academy					
Restricted funds:					
General Annual Grant	20	390,708		501,126	
Other restricted funds	20	430,072		414,901	
Restricted fixed asset funds	20	50,548,271		43,602,638	
			<u>51,369,051</u>	<u>44,518,665</u>	
Restricted funds excluding pension liability					
Pension reserve		(5,349,000)		(4,495,000)	
			<u><u>46,020,051</u></u>		<u><u>40,023,665</u></u>
Total restricted funds:					
Unrestricted funds	20		<u>1,355,351</u>		<u>1,173,559</u>
Total funds			<u><u>47,375,402</u></u>		<u><u>41,197,224</u></u>

The financial statements were approved by the Directors, and authorised for issue, on 10 December 2015 and are signed on their behalf, by:



Mr. P. Martin
Chair of Directors

The notes on pages 25 to 46 form part of these financial statements.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Cash Flow Statement
For the year ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	22	43,200	1,220,820
Returns on investments and servicing of finance	23	7,216	7,256
Capital expenditure and financial investment	23	(121,446)	(446,500)
Cash transferred on conversion to an academy trust	25	256,450	546,342
Cash inflow before financing		185,420	1,327,918
Financing	23	(20,584)	(10,447)
Increase in cash in the year		164,836	1,317,471

Reconciliation of Net Cash Flow to Movement in Net Funds
For the year ended 31 August 2015

		2015 £	2014 £
Increase in cash in the year		164,836	1,317,471
Cash outflow from decrease in debt and lease financing		20,584	10,447
Movement in net funds in the year		185,420	1,327,918
Net funds at 1 September 2014		2,696,639	1,368,721
Net funds at 31 August 2015	24	2,882,059	2,696,639

The notes on pages 25 to 46 form part of these financial statements.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Group accounts

The financial statements present information about the academy trust and not about its group. The academy trust's subsidiary undertaking is immaterial to the group. The academy trust has therefore taken advantage of the exemptions provided by section 405 of the Companies Act 2006 not to prepare consolidated accounts.

1.3 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

1.5 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy trust's educational operations.

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

1.6 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 academy trust to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

All equipment costing more than £2,500 and property improvements costing more than £10,000 are capitalised.

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 are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on leasehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Land & buildings	-	over 125 year term of lease
Furniture, plant & equipment	-	15-25%
Computer equipment & software	-	33.33%
Assets under construction	-	Not depreciated

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 Taxation

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

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

1. Accounting Policies (continued)

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Fixed assets inherited	-	6,493,528	6,493,528	21,564,288
Other assets inherited	265,441	4,212	269,653	215,024
LGPS pension liabilities inherited	-	(650,000)	(650,000)	(2,121,000)
Transfer from Local Authority on conversion or from other academy trusts	265,441	5,847,740	6,113,181	19,658,312
Other donations	195,777	54,524	250,301	191,266
	461,218	5,902,264	6,363,482	19,849,578

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
School trips income	-	318,960	318,960	222,945
Hire of facilities	188,588	180	188,768	125,530
Other income	103,996	176,510	280,506	288,257
	<u>292,584</u>	<u>495,650</u>	<u>788,234</u>	<u>636,732</u>

4. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
General Annual Grant (GAG)	-	18,512,293	18,512,293	14,625,254
Other DfE/EFA grants	-	1,613,297	1,613,297	1,980,892
Devolved capital grant	-	107,571	107,571	81,765
ACMF grant	-	-	-	460,889
Condition Improvement Funding	-	636,933	636,933	-
	<u>-</u>	<u>20,870,094</u>	<u>20,870,094</u>	<u>17,148,800</u>
Other government grants				
Other government grants	-	679,705	679,705	772,716
	<u>-</u>	<u>679,705</u>	<u>679,705</u>	<u>772,716</u>
	<u>-</u>	<u>21,549,799</u>	<u>21,549,799</u>	<u>17,921,516</u>

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

5. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	7,216	-	7,216	7,256

6. Resources expended

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Costs of activities for generating funds	-	-	372,093	372,093	271,623
Academy Trust's educational operations:					
Direct costs	14,072,124	359,851	1,567,682	15,999,657	11,583,863
Support costs	2,795,987	1,361,651	1,917,188	6,074,826	5,833,699
	16,868,111	1,721,502	3,484,870	22,074,483	17,417,562
Governance	45,073	-	122,904	167,977	103,506
	16,913,184	1,721,502	3,979,867	22,614,553	17,792,691

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

7. Charitable Activities - academy's educational operations

	Total funds 2015 £	Total funds 2014 £
Direct costs - educational operations		
Wages and salaries	11,612,354	8,612,940
National insurance	837,522	612,305
Pension cost	1,622,248	1,118,920
Depreciation	572,213	407,190
Books, apparatus and stationery	387,175	247,728
Examination fees	316,269	202,478
Staff development	186,058	108,819
Other direct costs	465,818	273,483
	<u>15,999,657</u>	<u>11,583,863</u>
Support costs - educational operations		
Wages and salaries	2,069,200	1,720,016
National insurance	121,718	94,969
Pension cost	605,069	422,204
Depreciation	30,117	21,536
Recruitment and support	130,836	270,112
Maintenance of premises and equipment	417,532	776,717
Cleaning	176,902	108,827
Rates	150,007	107,191
Heat and light	375,617	253,099
Insurance	222,654	139,434
Catering	337,104	154,021
Technology costs	619,820	724,978
Bank interest and charges	10,208	4,096
Other support costs	808,042	1,036,499
	<u>6,074,826</u>	<u>5,833,699</u>
	<u><u>22,074,483</u></u>	<u><u>17,417,562</u></u>

8. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditor's remuneration	-	27,430	27,430	19,300
Auditor's non audit costs	5,435	17,981	23,416	20,667
Legal and professional fees	3,000	69,058	72,058	27,556
Wages and salaries	-	45,073	45,073	35,983
	<u>8,435</u>	<u>159,542</u>	<u>167,977</u>	<u>103,506</u>

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

9. Net incoming / (outgoing) resources

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	602,330	428,726
Auditor's remuneration	27,430	19,300
Auditor's remuneration - non-audit	23,416	20,667
Operating lease rentals:		
- plant and machinery	120,006	46,019
	<u>120,006</u>	<u>46,019</u>

10. Staff

a. Staff costs

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	13,085,427	9,973,712
Social security costs	959,240	707,274
Pensions	2,227,317	1,541,124
	<u>16,271,984</u>	<u>12,222,110</u>
Supply teacher costs	567,785	218,695
Restructuring costs	73,415	176,532
	<u>16,913,184</u>	<u>12,617,337</u>

b. Staff severance payments

Included in staff restructuring costs are seven non-statutory/non-contractual severance payments of £26,415, £20,000, £14,331, £6,000, £3,500, £1,500, and £1,000.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

10. Staff (continued)

c. Staff numbers

The average number of persons employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015	2014
	No.	No.
Teachers	208	181
Administrative and support	192	164
Management	42	31
	<u>442</u>	<u>376</u>

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	2014
	No.	No.
In the band £ 60,001 - £ 70,000	3	1
In the band £ 70,001 - £ 80,000	2	2
In the band £ 80,001 - £ 90,000	2	0
In the band £ 90,001 - £ 100,000	1	1
In the band £ 120,000 - £ 130,000	0	1
In the band £ 170,000 - £ 180,000	0	1
In the band £ 190,000 - £ 200,000	1	0

Eight of the employees shown above participated in the Teachers' Pension Scheme (2014: five), with one contributing towards the Local Government Pension Scheme (2014: one). During the year ended 31 August 2015, employer's Teachers' Pension Scheme contributions for these staff amounted to £94,696 and employer's Local Government Pension Scheme contributions amounted to £10,769.

11. Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

	2015	2014
	£	£
Ms. D. Shepherd	215,000-220,000	190,000-195,000
Mr. S. Gardner (appointed 4 February 2014)	100,000-105,000	95,000-100,000
Mr. L. Miller (appointed 5 February 2014)	90,000-95,000	45,000-50,000

During the year, no Directors received any benefits in kind (2014 - £NIL).

During the year ended 31 August 2015, expenses totalling £791 (2014 - £345) were reimbursed to 3 Directors (2014 - 1).

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

12. Central services

The academy trust has provided the following central services to its academies during the year:

- Chief Executive Leadership time and support
- Finance Director time and support
- HR services and policy development
- Finance system and license costs
- Audit fees (both internal and external)
- Legal advice and support
- Trust governance and risk management
- Trust IT staff and website development
- ICT and capital strategy and development
- External quality assurance consultants

The academy trust charges for these services on the following basis:

Each academy school pays a 'top slice' of their General Annual Grant income to the Trust's central services fund. This payment is at a set percentage which is dependent on Ofsted rating, being 3% for schools deemed good or outstanding and 4% for schools requiring improvement. Any unused surplus is rolled forward into the next year.

The actual amounts paid during the year were as follows:

	2015
	£
The Rochester Grammar School	159,020
Gordon Schools Federation	64,369
Portsmouth Academy for Girls	146,899
Chatham Grammar School for Boys	125,940
All Faiths' Children's Academy	35,027
New Horizons Children's Academy	13,888
Isambard Brunel Junior School	34,128
Newbridge Junior School	37,990
	<u>617,261</u>
Total	<u>617,261</u>

13. Directors' and officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,918 (2014 - £2,798). The cost of this insurance is included in the total insurance cost.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

14. Tangible fixed assets

	Leasehold land & buildings £	Furniture, plant & equipment £	Computer equipment & software £	Assets under construction £	Total £
Cost or valuation					
At 1 September 2014	43,973,834	210,462	288,630	-	44,472,926
Additions	281,353	263,430	124,892	339,936	1,009,611
Inherited on conversion or joining the trust	6,354,000	57,798	81,730	-	6,493,528
At 31 August 2015	50,609,187	531,690	495,252	339,936	51,976,065
Depreciation					
At 1 September 2014	684,007	74,761	158,898	-	917,666
Charge for the year	379,190	121,063	102,077	-	602,330
At 31 August 2015	1,063,197	195,824	260,975	-	1,519,996
Net book value					
At 31 August 2015	49,545,990	335,866	234,277	339,936	50,456,069
At 31 August 2014	43,289,827	135,701	129,732	-	43,555,260

Included in land and buildings is leasehold land at a valuation of £4,722,000 (2014 - £3,758,000) which is not depreciated.

15. Principal subsidiaries

Company name	Country	Percentage Shareholding
Isambard Brunel Centre Limited	UK	100

On 18 June 2015 The Thinking Schools Academy Trust became the sole member of Isambard Brunel Centre Limited.

16. Stocks

	2015 £	2014 £
School uniforms	1,040	1,506

17. Debtors

	2015 £	2014 £
Trade debtors	133,868	219,764
Recoverable VAT	233,849	308,573
Other debtors	4,640	-
Prepayments and accrued income	814,014	362,954
	1,186,371	891,291

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

18. Creditors:
Amounts falling due within one year

	2015	2014
	£	£
Other loans	20,900	20,900
Trade creditors	798,074	584,676
Other taxation and social security	285,949	207,938
Other creditors	189,964	193,356
Accruals and deferred income	527,150	466,502
	<u>1,822,037</u>	<u>1,473,372</u>
		£
Deferred income		
Deferred income at 1 September 2014		78,055
Resources deferred during the year		151,859
Amounts released from previous years		(78,055)
		<u>151,859</u>
Deferred income at 31 August 2015		<u>151,859</u>

The deferred income above relates to income received for trips to take place in the 2015/16 academic year of £120,849 (2014: £15,021), grant money received in advance of £31,010 (2014: £55,534) and lettings income received in advance of £nil (2014: £7,500).

19. Creditors:
Amounts falling due after more than one year

	2015	2014
	£	£
Other loans	<u>31,660</u>	<u>52,244</u>

The other loan balance in creditors (both due within one year and falling due after more than one year) relates entirely to an interest free Salix funding loan for energy efficiency improvements.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

20. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General fund	1,173,559	761,018	(434,932)	(144,294)	-	1,355,351
Restricted funds						
General Annual Grant (GAG)	501,126	18,512,293	(18,605,387)	(17,324)	-	390,708
Other DfE/EFA	110,006	1,669,952	(1,608,199)	(65,738)	-	106,021
Other government grants	265,073	678,124	(558,576)	(158,388)	-	226,233
Other restricted	39,822	495,100	(437,104)	-	-	97,818
Pension reserve	(4,495,000)	(650,000)	(288,000)	-	84,000	(5,349,000)
	<u>(3,578,973)</u>	<u>20,705,469</u>	<u>(21,497,266)</u>	<u>(241,450)</u>	<u>84,000</u>	<u>(4,528,220)</u>
Restricted fixed asset funds						
DfE/EFA capital grants	1,788,733	748,716	(198,181)	-	-	2,339,268
Donated asset funds	41,311,488	6,493,528	(404,241)	-	-	47,400,775
Capital expenditure from other funds	502,417	-	(79,933)	385,744	-	808,228
	<u>43,602,638</u>	<u>7,242,244</u>	<u>(682,355)</u>	<u>385,744</u>	<u>-</u>	<u>50,548,271</u>
Total restricted funds	<u>40,023,665</u>	<u>27,947,713</u>	<u>(22,179,621)</u>	<u>144,294</u>	<u>84,000</u>	<u>46,020,051</u>
Total of funds	<u>41,197,224</u>	<u>28,708,731</u>	<u>(22,614,553)</u>	<u>-</u>	<u>84,000</u>	<u>47,375,402</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the academies.

The other DfE/EFA grants fund is used to track non-GAG grants received from the EFA, the DfE or executive agencies of the DfE and includes Pupil Premium.

The other government grants fund is used to track grants provided by government departments and includes Individually Assigned Resources funding and Teaching School grants.

Other restricted funds track income such as school trips and other non-grant restricted income.

The pension reserve deficit is a restricted fund to account for the liability arising under The Local Government Pension Scheme.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The transfer to the restricted fixed asset fund of £356,223 represents the total capital expenditure from the General Annual Grant of £37,908, from the other government grants fund of £187,200 and from the unrestricted fund of £131,115 during the year.

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 2015.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

20. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
The Rochester Grammar School	752,491
All Faiths' Children's Academy	147,542
Portsmouth Academy for Girls	(24,320)
Chatham Grammar School for Boys	389,518
Gordon Schools Federation	41,243
New Horizons Children's Academy	259,557
Isambard Brunel Junior School	157,574
Newbridge Junior School	111,034
Central Services	341,492
	<hr/>
Total before fixed asset fund and pension reserve	2,176,131
Restricted fixed asset fund	50,548,271
Pension reserve	(5,349,000)
	<hr/>
Total	47,375,402
	<hr/> <hr/>

The balance at central is made up of a small amount of contingency funds remaining from the top-slice accrued during 14/15 that will be used to support central activity during 15/16 but primarily is linked to the transfer of some unrestricted funds from The Rochester Grammar School reserves to support the intervention of The Victory Academy.

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
Portsmouth Academy for Girls	24,320

The overall deficit shown above is as a result of a deficit on the GAG fund of £29,697.

The academy trust is taking the following action to return the academy to surplus:

Due to a higher than expected clawback of funds linked to lower pupil numbers this Academy has ended the year with a minor deficit. Plans have already been approved to secure this recovery and it is expected to return to a balanced position by August 2016.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

20. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
All Faiths' Children's Academy	1,316,693	224,341	84,613	183,975	1,809,622
Central	388,183	218,726	11,166	249,396	867,471
Chatham Grammar School For Boys	3,013,999	389,077	215,619	621,159	4,239,854
Isambard Brunel Junior School	606,001	155,574	65,405	148,835	975,815
New Horizons Children's Academy	343,996	195,429	43,007	72,826	655,258
Newbridge Junior School	1,053,331	258,379	78,610	150,929	1,541,249
Portsmouth Academy for Girls	2,421,064	844,502	442,881	609,516	4,317,963
The Rochester Grammar School	3,695,023	714,232	358,170	838,917	5,606,342
Gordon Schools Federation	1,468,836	257,280	88,059	190,889	2,005,064
	<u>14,307,126</u>	<u>3,257,540</u>	<u>1,387,530</u>	<u>3,066,442</u>	<u>22,018,638</u>

Details of the Trust's policy on charging for central services are disclosed in note 12.

For the purposes of the above Gordon Infant School and Gordon Junior School are disclosed as a combined total, as Gordon Schools Federation. The two schools are officially individual academies, but were in federation prior to converting to academy status and work very closely together. The schools work in such a way (for example shared staff) and operate a financial system which means that it is not possible to determine an accurate split between the two schools. The Directors believe that the time involved calculating a meaningful split would not be a wise use of resources.

21. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	50,456,069	50,456,069	43,555,260
Current assets	1,355,351	2,674,477	92,202	4,122,030	3,662,580
Creditors due within one year	-	(1,822,037)	-	(1,822,037)	(1,473,372)
Creditors due in more than one year	-	(31,660)	-	(31,660)	(52,244)
Provisions for liabilities and charges	-	(5,349,000)	-	(5,349,000)	(4,495,000)
	<u>1,355,351</u>	<u>(4,528,220)</u>	<u>50,548,271</u>	<u>47,375,402</u>	<u>41,197,224</u>

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

22. Net cash flow from operations

	2015	2014
	£	£
Net incoming resources before revaluations	6,094,178	20,622,391
Returns on investments and servicing of finance	(7,216)	(7,256)
Cash impact of transfer on conversion/joining the trust	(256,450)	(546,342)
Depreciation of tangible fixed assets	602,330	428,727
Capital grants and other capital income	(7,242,244)	(22,106,942)
Decrease in stocks	466	-
Increase in debtors	(295,080)	(506,950)
Increase in creditors	209,216	1,036,192
Inherited pension scheme deficit	650,000	2,121,000
FRS 17 pension cost less contributions payable	230,000	75,000
FRS 17 pension finance costs	58,000	105,000
Net cash inflow from operations	43,200	1,220,820

23. Analysis of cash flows for headings netted in cash flow statement

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	7,216	7,256
	2015	2014
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(870,162)	(989,154)
Capital grants from EFA/DfE	748,716	542,654
Net cash outflow capital expenditure	(121,446)	(446,500)
	2015	2014
	£	£
Financing		
Repayment of loans	(20,584)	(10,447)

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

24. Analysis of changes in net funds

	1 September 2014	Cash flow	Other non-cash changes	31 August 2015
	£	£	£	£
Cash at bank and in hand:	2,769,783	164,836	-	2,934,619
Debt:				
Debts due within one year	(20,900)	-	-	(20,900)
Debts falling due after more than one year	(52,244)	-	20,584	(31,660)
Net funds	2,696,639	164,836	20,584	2,882,059

25. Conversion to an academy trust and assets inherited from other academy trusts

On 1 September 2015 New Horizons Children's Academy joined the academy trust. All the assets and liabilities were transferred to The Thinking Schools Academy Trust from Medway Council for £NIL consideration.

On 1 November 2015 Isambard Brunel Junior School and Newbridge Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities for both schools were transferred to The Thinking Schools Academy Trust from Hampshire County Council for £NIL consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets				
Leasehold land and buildings - New Horizons Children's Academy	-	-	3,326,000	3,326,000
Fixed assets inherited - Isambard Brunel Junior School	-	-	1,526,000	1,526,000
Fixed assets inherited - Newbridge Junior School	-	-	1,641,528	1,641,528
Other assets inherited - Isambard Junior School	149,321	-	-	149,321
Other assets inherited - Newbridge Junior School	131,445	4,212	-	135,657
LGPS pension deficit - New Horizons Children's Academy	-	(166,000)	-	(166,000)
LGPS pension deficit - Isambard Brunel Junior School	-	(213,000)	-	(213,000)
LGPS pension deficit - Newbridge Junior School	-	(271,000)	-	(271,000)
Net assets/(liabilities)	280,766	(645,788)	6,493,528	6,128,506

Leasehold land and buildings inherited by the Academy Trust are held under leases of 125 years.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

25. Conversion to an academy trust and assets inherited from other academy trusts (continued)

Due to the transfer of operations, assets and liabilities of Isambard Brunel Junior School and Newbridge Junior School on conversion to academy status along with the transfer of operations, assets and liabilities of New Horizons Children's Academy on joining the multi academy trust during the year, the Trust's activities derive from a mixture of continuing and acquired operations. The split between continuing and acquired operations, using the main headings of the Statement of Financial Activities, is as follows:

	Continuing operations £	Acquired operations £	2015 £
Total incoming resources	18,989,451	9,765,695	28,755,146
Total expended resources	(19,352,732)	(3,298,161)	(22,650,893)
Actuarial gains/(losses) on defined benefit pension scheme	53,000	31,000	84,000
Net movement in funds per Statement of Financial Activities	(310,281)	6,498,534	6,188,253

26. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS 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%);

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

26. Pension commitments (continued)

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

The pension costs paid to TPS in the period amounted to £1.48m (2014: £1.26m).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £978,000 (2014: £616,000), of which employer's contributions totalled £759,000 (2014: £473,000) and employees' contributions totalled £219,000 (2014: £143,000). The agreed contribution rates for future years are 20.1% for employers and between 5.5 and 7.5% 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.

As described in note 25 the LGPS obligation relates to the employees of the academy trust, the obligation includes employees who were transferred into the trust on the conversion of Isambard Brunel Junior School and Newbridge Junior School, and the obligation in respect of these employees represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.90	4,774,000	6.90	3,642,000
Bonds	3.50	567,000	3.50	485,000
Property	6.10	859,000	6.10	523,000
Gilts	3.00	743,000	3.00	429,000
Cash	2.50	212,000	2.50	227,000
Other	6.20	298,000	6.20	219,000
Total market value of assets		7,453,000		5,525,000
Present value of scheme liabilities		(12,802,000)		(10,020,000)
Deficit in the scheme		(5,349,000)		(4,495,000)

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

26. Pension commitments (continued)

The amounts recognised in the Balance sheet are as follows:

	2015	2014
	£	£
Present value of funded obligations	(12,802,000)	(10,020,000)
Fair value of scheme assets	7,453,000	5,525,000
	<u> </u>	<u> </u>
Net liability	(5,349,000)	(4,495,000)
	<u> </u>	<u> </u>

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the year. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

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

	2015	2014
	£	£
Current service cost	(989,000)	(548,000)
Interest on obligation	(457,000)	(350,000)
Expected return on scheme assets	399,000	245,000
	<u> </u>	<u> </u>
Total	(1,047,000)	(653,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	194,000	389,000
	<u> </u>	<u> </u>

Movements in the present value of the defined benefit obligation were as follows:

	2015	2014
	£	£
Opening defined benefit obligation	10,020,000	3,114,000
Current service cost	989,000	548,000
Interest cost	457,000	350,000
Contributions by scheme participants	219,000	143,000
Actuarial (Gains)/losses	(289,000)	806,000
Benefits paid	(199,000)	(106,000)
Transfers in from academies joining the Trust	1,605,000	5,165,000
	<u> </u>	<u> </u>
Closing defined benefit obligation	12,802,000	10,020,000
	<u> </u>	<u> </u>

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

26. Pension commitments (continued)

Movements in the fair value of the academy trust's share of scheme assets:

	2015	2014
	£	£
Opening fair value of scheme assets	5,525,000	1,501,000
Expected return on assets	399,000	245,000
Actuarial gains and (losses)	(205,000)	225,000
Contributions by employer	759,000	473,000
Contributions by employees	219,000	143,000
Benefits paid	(199,000)	(106,000)
Transfers in from academies joining the Trust	955,000	3,044,000
	<u>7,453,000</u>	<u>5,525,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £727,000 - loss (2014: £811,000 - loss) (2014 - £NIL).

The academy trust expects to contribute £808,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Discount rate for scheme liabilities	3.90 %	3.90 %
Rate of increase in salaries	4.10 %	4.30 %
Rate of increase for pensions in payment / inflation	2.40 %	2.60 %
Inflation assumption (CPI)	2.40 %	2.60 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

26. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(12,802,000)	(10,020,000)	(3,114,000)	(2,582,000)	(1,352,000)
Scheme assets	7,453,000	5,525,000	1,501,000	1,078,000	616,000
Deficit	(5,349,000)	(4,495,000)	(1,613,000)	(1,504,000)	(736,000)
Experience adjustments on scheme liabilities	-	101,000	-	-	-
Experience adjustments on scheme assets	(205,000)	225,000	118,000	37,000	(21,000)

27. Operating lease commitments

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	24,822	45,373
Between 2 and 5 years	112,121	38,687
After more than 5 years	874	-

28. Related party transactions

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

During the year the trust paid Mr R. Hart, a trustee, £2,400 in respect of consultancy services for performance management of the CEO and leadership development.

The following transactions did take place with related charitable organisations:

The academy trust leases the Rochester Grammar School land and buildings from a related charity, Rochester Grammar School for Girls Charity, registration number 307839, at an annual peppercorn rent.

The Chatham Grammar School for Boys School Fund, registration number 1114935, a related charity, donated £207,418 (2014: £97,219) to the trust during the year, this donation is included in unrestricted donations.

The Rochester Grammar School Association, registered charity number 803801 donated £nil (2014 £31,000) to the trust during the year.

Isambard Brunel Centre Limited, registered company number 04671163, became a subsidiary of The Thinking Schools Academy Trust on 18 June 2015. During the year, Isambard Brunel Centre Limited paid the trust £15,533 in rent and service charges for Izzie's Nursery.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

29. Post balance sheet events

On 1 September 2015 The Victory Academy (formerly Bishop of Rochester Academy) joined the Trust. The deed of variation to its funding agreement has been authorised by the Secretary of State and as part of the transfer into TSAT the EFA have agreed that its GAG deficit will be funded 50% by a non-repayable grant and 50% loan to be repayable from 17/18 over 3 years.

30. Ultimate controlling party

Each academy is run by their respective management teams on a day to day basis. Strategic decisions for the Academy Trust are made by the Directors with support from the local Governing Bodies. There is no ultimate controlling party.