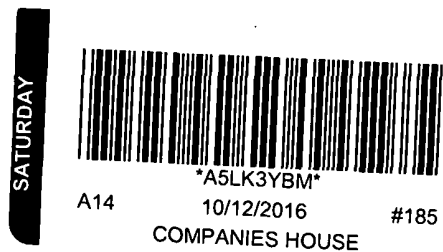


THE SILVERSTONE ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2016



Company Limited by Guarantee
Registration Number: 07649183
(England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS, TRUSTEES AND ADVISORS

Members	Simon Evans - Tresham College Prof Nick Petford - University of Northampton John Grant - Silverstone Circuit Ltd D Newman - Appointed by Silverstone Circuits Ltd	
Board of Trustees	D Newman - Chair appointed by Silverstone Circuits Ltd N Patterson - Principal and Accounting Officer P Atkinson - Appointed by University of Northampton S Banks - Appointed by Silverstone Circuits Ltd S Evans - Appointed by Tresham College D Hyman - Appointed by University of Northampton N Ives - Parent Governor R Midgley - Staff Governor (Appointed 8 December 2015) I Rock - Parent Governor (Appointed 8 December 2015, Resigned 13 August 2016) S Pringle - Appointed by Silverstone Circuits Ltd J Schumacher - Appointed by Silverstone Circuits Ltd J Sinclair - Appointed by University of Northampton Dr Z Spavold - Staff Governor S Wesselby - Appointed by Tresham College (Appointed 30 September 2013, Resigned 4 October 2016)	
Company Secretary	Kirstan Boynton (Appointed 8 July 2015, Resigned 23 December 2015) Miriam Lakin (Appointed 23 February 2016)	
Leadership Team	N Patterson Principal V Stanley Vice Principal J McAfee Assistant Principal N Hopkins Business Manager	
Principal & Registered Office	The Clerk to the Governors Silverstone UTC Silverstone Circuit Silverstone Northants NN12 8TL	
Company Registration No	07649183	
Independent Auditor	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND	
Bankers	Barclays Bank plc 267 Wellingborough Road Northampton NN1 4EN	

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their report together with the financial statements and auditor's report of the Silverstone Academy Trust for the year ended 31 August 2016.

The company was incorporated on 26 May 2011 and the school became an academy on 1 June 2012. The Silverstone University Technical College opened in September 2013. The Academy operates an academy for pupils aged 14 to 19 serving a catchment area in Central and South Northamptonshire, North Buckinghamshire and surrounding areas. The trust has a pupil capacity of 576 and had a roll of 426 in the school census on 6 October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no: 07649183) and is an exempt charity. The memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees for The Silverstone Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Silverstone University Technical College.

Details of the trustees who served during the year except as noted are included in the Reference and Administrative details on page 3.

Members' Liability

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

Trustees' Indemnities

The Silverstone Academy Trust has in place directors and trustees liability insurance indemnity cover to a limit of £2,000,000.

Method of Recruitment and Appointment or Election of Directors and Trustees

There are clearly defined and approved procedures for the selection and appointment of trustees which are outlined in the Company's memorandum and articles of association. These include application, short listing and interviewing procedures. Consideration is given to the skills of directors and trustees which would enhance the effectiveness of the trust. Parent, Community and Staff Trustees have been nominated and

Policies and Procedures Adopted for the Induction and Training of Trustees

During the year under review the trustees held 5 full Board meetings and several sub-committee meetings. The training and induction provided for new trustees depends on their existing experience. Where necessary, induction will provide training on charity and educational, legal, and financial matters. All new trustees meet with the Chair of trustees and will be given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

Organisational Structure

The Academy Trust board for directors (the 'Board') is responsible for the overall strategic direction of the academy and for fulfilling statutory duties. The board is responsible for setting general policy, adopting and monitoring the financial plan and budget, monitoring capital expenditure, agreeing legal contracts and for making senior staff appointments.

The Principal is Accounting Officer and is responsible for the authorisation of spending within agreed budgets.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)**Arrangements for setting pay and remuneration of key management personnel**

The appointment to the role of Principal is carried out by the governing body and led by the Chair of Governors. Appointments of members of the Senior Leadership Team should wherever possible include one or more members of the governing body in the selection process and at interview.

The Academy will, in its absolute discretion, review salaries and pay bonuses annually. There will be no review of the salary after notice has been given by either party to terminate the employment; this includes any bonus, award, gift or salary increment. This also applies to staff who are who are under a formal performance management process and to those still in their probationary period. In practice, this means that a member of staff may not receive a salary increment for a period in excess of a year if their employment starts part way through the academic year.

The senior leadership team have their pay and remuneration reviewed by the Principal according to SMART targets agreed in advance annually in line with the Academy's Pay Policy. The Principal's performance is reviewed by the Finance and Remuneration Committee whose terms of reference include the statement that "To make arrangements for the appraisal and development of the Principal. To review the salary of the Principal for 1st November of each year, taking account of any targets set for the previous year, and taking advice from the School Improvement Partner according to Regulations."

Connected Organisations Including Related Party Relationships

The Founding Members of the Academy Trust are Silverstone Circuits; Tresham College and Northampton University. Their nominated representatives as Members of the Academy trust are: Simon Evans (Tresham College); Prof Nick Petford (Northampton University) and John Grant (Silverstone Circuits).

Board of Trustees

D Newman - Chair appointed by Silverstone Circuits Ltd

N Patterson - Principal and Accounting Officer

P Atkinson -Appointed by University of Northampton

S Banks - Appointed by Silverstone Circuits Ltd

D Hyman - Appointed by University of Northampton

N Ives - Parent Governor

S Evans - Appointed by Tresham College

J Schumacher - Appointed by Silverstone Circuits Ltd

S Wesselby - Appointed by Tresham College (Appointed 30 September 2013, Resigned 4 October 2016)

Rock - Parent Governor (Appointed 8th December 2015, Resigned 13th August 2016)

Dr Z Spavold - Staff Governor

S.Pringle - Appointed by Silverstone Circuits

J.Sinclair - Appointed by University of Northampton

OBJECTIVES AND ACTIVITIES**Objects and Aims**

The principal object and activity of the Academy Trust is "to advance for the public benefit education in the United Kingdom, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on high performance engineering and technical events management".

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment areas from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on high performance engineering and technical events management.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

The main objectives of the academy during the year ended 31 August 2016 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 the academy 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;
- to maintain close links with industry, commerce and the local community; and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

Principal Activities

The Academy Trust's object in its Articles of Association is to advance for the public benefit in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, which includes provision for technical education. Under the Funding Agreement with the Department for Education, the curriculum is further defined to include an emphasis on high performance engineering and technical events management.

Objects, Strategies and Activities

The Silverstone University Technical College opened in September 2013 and focuses on high performance engineering and technical events management. It will cater for 576 students of 14-19 years primarily from Central and South Northamptonshire, North Buckinghamshire and surrounding areas. The Silverstone University Technical College aims to initiate and support the development of well-educated and work ready students who not only have the qualifications, but also the functional skills, knowledge and personal qualities to make an impact in the world of work and/or further and higher education.

Our unique status of working very closely with a range of employers in the region means that we are able to shape the curriculum to produce students with a professional ethos and culture that is in high demand in today's working world. The focus of the curriculum will be grounded in real business-focused, practical problems and challenges that reflect fully the world of work. We will give them an experience of real value, one that will lead to them being 'work ready'.

Recruitment of students was a key task and focused on open days and evenings, advertising, principal surgeries, PR, and by working through the networks available to us from the Local Authorities and from our employer partners. This generated 243 new students who started in September 2016.

Equal Opportunities Policy

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy 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

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academy. The policy of the academy 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.

Public Benefit

The Trust Governors have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities contribute to the aims and objectives they have set. The Silverstone University Technical College provides a fully comprehensive education to all pupils in its care. It complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)**STRATEGIC REPORT****Achievements and Performance**

Summer 2016 saw the Academy's best results in terms of 5 GCSEs at Grades A*-C in English and Maths, and good or excellent progress demonstrated while the students were with us. In the Sixth Form, there was a significant improvement in the results from our vocational subjects, and for the second year running there was 0% NEET from the leavers, with 55% going to university, 27% to apprenticeships and the remainder into employment.

Key Financial Performance Indicators

The academy trust established a financial budget at the start of the year and a Finance & Remuneration Committee to monitor performance against budget during the period. Additional KPIs, both financial and non-financial, are reported to the Board at each meeting.

	2017	2016
Pupil numbers	426	393
Staff numbers	47	44
Staff costs (Including on-costs) as a percentage of total income	80%	78%
Pupil :teaching staff ratio	13.9	14.1
Total expenditure per pupil	£6,307	£6,447
Average salary	£41,942	£40,904

Going Concern

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

FINANCIAL REVIEW**Overview**

The principal source of funding for the Academy Trust is the General Annual Grant. Most of the Academy Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the year ended 31 August 2016, total expenditure was £2,705,000 (2015: £2,486,000). After adjusting for the fixed assets donation, capital grant income and depreciation there is a deficit for the year of £94,000 (2015: £277,000 surplus).

At 31 August 2016 the net book value of fixed assets was £5,018,000 (2015: £5,304,000) and movements in tangible fixed assets are shown in note 12 to the financial statements. This includes the valuation of the land and buildings. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

The academy was admitted to the Local Government Pension Scheme (LGPS) on a fully funded basis as at 1 June 2012, with there being no past service liabilities or assets.

The figures as at 31 August 2016 are based on projecting forward the estimated position at 1 September 2015 and assume that the experience over the year, apart from investment returns, has been in line with the assumptions made at the start of the year.

The estimated FRS102 loss at 31 August 2016 is £112,000 (2015: £16,000). The loss is due to the difference in fair value of the schemes assets against the fair value of the schemes liabilities.

It should be noted that the balance sheet, income and expenditure, and statement of recognised gains and losses figures will be volatile over time. This is generally because the FRS 102 liabilities are largely linked to corporate bond yields whereas the scheme invests a large part of its assets in equities.

Financial and Risk Management Objectives and Policies

The trust's financial and risk management objectives are documented in its:

- Official budgets;
- Finance Policy;
- Scheme of Delegation;

The finance policy and scheme of delegation are available on request, and particular items which warrant specific disclosure are noted within this annual report.

Reserves Policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of reserves should be equivalent to 4 weeks expenditure, approximately £90,000. The reason for this is 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 net reserve figure of £5,028,000 (2015:£5,510,000) covers this.

Financial Position

The academy held fund balances at 31 August 2016 of £5,028,000 (2015 £5,510,000) comprising £5,005,000 (2015: £5,495,000) of restricted funds and £23,000 (2015: £15,000) unrestricted funds.

Investment Policy

All investments are made in accordance with the policy of the trust. The trust's policies on investments are one of minimum risk with all investments being held with the trust's bankers or other banking institutions regulated by the Financial Conduct Authority. The Academy Trust will nevertheless seek to maximise interest receipts within this arrangement. This policy will be reviewed in the year ending 31 August 2016. Investments are made with regard to Charity Commission guidance in relation to investments.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has considered the risks faced by the trust throughout its normal operational business. It has sought to address the risks faced by the trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The Board considers that these arrangements have been effective throughout the period being reported.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

The Board has built on this success by establishing a formal risk management policy, which will continue to be adapted and improved which will enable future risk management to be more systematic.

At the time of reporting, the trust's identified key risks are:

- the risk of progress in subjects being below expectations;
- the rate of expansion of the academy;
- being able to recruit staff of the right calibre;
- the impact of changes to funding regulations;
- Loss of personal and sensitive information;

Mitigating action, both current and planned, has been identified to address these risks. This is also true of all other risks that have been formally identified which have a lower level of impact and/or likelihood.

Risk Management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces. They have introduced operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Plans for Future Periods

The Silverstone University Technical College made a successful start in creating a new school, in its first Ofsted inspection it achieved a 'Good' rating. The primary focus of the coming year will be to build on this achievement to obtain 'outstanding' at the next Ofsted Inspection.

Auditors

In so far as the trustees are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report incorporating a Strategic Report was approved by the Board of Trustees as the company directors on 6 December 2016 and signed on their behalf by:



.....

D Newman

Chair of Trustees

6 December 2016

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 Silverstone Academy Trust and the Secretary of State for Education. The Principal is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a Possible
J Sinclair	5	5
Z Spavold	3	5
P Atkinson	3	5
S Banks	5	5
D Hyman	3	5
N Ives	4	5
R Midgley (appointed 8 Dec 2015)	2	4
D Newman	5	5
N Patterson	5	5
I Rock (appointed 8 Dec 2015, resigned 13 Aug 2016)	2	4
J Schumacher	3	5
S Wesselby (appointed 30 Sept 2013, resigned 4 October 2016)	3	5
S Evans	5	5
S Pringle	5	5

Governance Review

The annual self review of governance is scheduled to be carried out in early 2017 as defined by the National College for Teaching and Leadership and will cover the following areas:

- the character of the trust;
- to confirm that the activities of the trust are being undertaken in accordance with the academy trust deed;
- to ensure that there is clarity of vision, ethos and strategic direction;
- to demonstrate that the principal is held to account for the education of performance of the school and its
- to check that the financial performance of the school is monitored and value for money obtained;
- to provide assurance that governance by the Board of Trustees is effective.

The Finance & Remuneration Committee is a sub-committee of the main governing body. Its purpose is to develop the strategic direction and governance procedures on financial matters. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a Possible
D Newman	3	3
N Patterson	3	3
S Evans	3	3
S Wesselby (appointed 30 Sept 2013, resigned 4 October 2016)	-	3
S Pringle	-	3
J Schumacher (appointed to Finance 8 Dec 2016)	2	3
John Sinclair	1	3

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016 (Cont'd)**Review of Value for Money**

As accounting officer the principal 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:

- We worked closely with Silverstone Circuits to make best use of the building and facilities over the grandprix weekend. This involved the building being used as a family zone, which resulted in excess of 20,000 people coming through the building. We had students and staff on site over the weekend who were able to support the event but also demonstrate a very professional face of the UTC. We had a number of people ask us about the school and people collected copies of the school prospectus. We know that a number of people have come to our open events in October after seeing us at this event.
- We managed vacancies and continued our flexible approach to staffing and work which enabled us to deliver savings on our staffing budget. Key areas that allowed us to do this were through SLT and admin staff helping to cover PP and Exam Invigilation. We have also developed staff internally to fill vacancies and meet the changing needs. We also kept some vacancies open as we were able to meet the needs through internal flexibility of staffing.
- We conducted a benchmark of our costs utilising the EFA tool and this demonstrated that in the majority of budget lines we are in the bottom quartile showing we are managing our costs very well. In some areas we were in the mid to upper quartile, this included Exams which is due to a much higher percentage of our students taking exams than a standard secondary and also Utilities (electricity).
- We have re-tendered our transport contracts for 2016/17 to ensure we maintain best value, this resulted in a change of supplier. This was all managed via the Northamptonshire Highways team to ensure we got access to the best prices. We are also in the process of changing our phones to SIP, which will reduce our overall Network and Telephony charges.

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 Silverstone Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of 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 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 ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)**The Risk and Control Framework**

The Silverstone Academy Trust 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;
- regular reviews by the Finance and Audit Committees 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 has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Board have appointed UHY Hacker Young, the external auditors to perform additional checks. The external auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- review of controls operating over petty cash expenses and debit card expenditure;
- review of payroll compliance with the Academies Financial Handbook and School Teachers Pay and Conditions policy;
- review of controls operating over input VAT reclaims;
- related party recording was checked for accuracy and completeness by reference to register of interests and Companies House data.

During the year, the external auditor will provide a report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. During the year the external auditor has delivered the schedule of work as planned and no material control issues were identified.

Review of Effectiveness

As Accounting Officer, the Principal 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;
- internal financial management and governance self assessment;


The Accounting Officer has been advised of the implications of the result of auditors review of internal controls and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2016 and signed on its behalf by:

.....


D Newman

Vice Chair of Trustees

.....


N Patterson

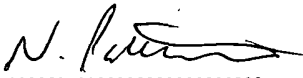
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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



N Patterson

Principal & Accounting Officer

6 December 2016

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 6 December 2016 and signed on its behalf by:



.....
D Newman

Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SILVERSTONE ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of The Silverstone Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Accounts Direction 2015 to 2016 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities on page 14, the trustees (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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland";
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

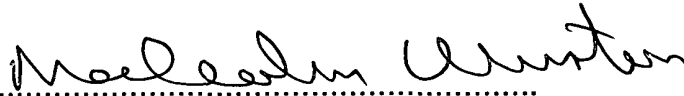
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SILVERSTONE ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

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

Matters on which we are required to report by exception

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

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



Malcolm Winston
Senior Statutory Auditor
UHY Hacker Young (Birmingham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

6 December 2016

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE SILVERSTONE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2016

In accordance with the terms of our engagement letter dated 7 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Silverstone Academy Trust funding agreement with the Secretary of State for Education dated 8 November 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE SILVERSTONE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Approach (con't)

Summary of the work undertaken was as follows:

- Analytical review of the academy trusts general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the academy trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trusts framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/strategic business manager or trustees;
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young (Birmingham) LLP.

Reporting Accountant

UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

6 December 2016

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2016

(Including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted	Total	Total
		Funds	General	Fixed	2016	2015
	Note	£'000	Funds	Asset	£'000	£'000
		£'000	£'000	Funds	£'000	£'000
Income from:						
Donations and capital grants	3	1	-	8	9	-
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	2,307	-	2,307	2,446
Other trading activities	5	9	-	-	9	23
Investments		-	-	-	-	-
Total		10	2,307	8	2,325	2,469
Expenditure on:						
Raising funds	7	-	-	-	-	3
Charitable activities:						
- Academy trust's educational operations	7	2	2,409	294	2,705	2,483
Other		-	-	-	-	-
Total		2	2,409	294	2,705	2,486
Net income/(expenditure)		8	(102)	(286)	(380)	(17)
Transfers between funds		-	-	-	-	-
Other recognised gains and losses						
Change in recognition of LGPS interest cost	29	-	-	-	-	3
Actuarial (loss)/gain on defined benefit pension schemes	26	-	(102)	-	(102)	3
Net movement in funds		8	(204)	(286)	(482)	(11)
Reconciliation of funds						
Total funds brought forward	16	15	191	5,304	5,510	5,521
Total funds carried forward	16	23	(13)	5,018	5,028	5,510

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

BALANCE SHEET AS AT 31 AUGUST 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	12	5,018	5,304
		<u>5,018</u>	<u>5,304</u>
Current assets			
Debtors	13	65	93
Cash at bank and in hand		567	756
		<u>632</u>	<u>849</u>
Current liabilities			
Creditors: Amounts falling due within one year	14	(426)	(627)
Net current assets		<u>206</u>	<u>222</u>
Total assets less current liabilities		5,224	5,526
Creditors: Amounts falling due after more than one year	15	(84)	-
Net assets excluding pension liability		<u>5,140</u>	<u>5,526</u>
Defined benefit pension scheme liability	26	(112)	(16)
Total Net Assets		<u>5,028</u>	<u>5,510</u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	16	5,018	5,304
- Restricted income fund	16	99	207
- Pension reserve	16	(112)	(16)
Total Restricted Funds		<u>5,005</u>	<u>5,495</u>
Unrestricted income fund	16	23	15
Total Unrestricted Funds		<u>23</u>	<u>15</u>
Total Funds		<u>5,028</u>	<u>5,510</u>

The financial statements on pages 19 to 21 were approved by the trustees and authorised for issue on 6 December 2016 and signed on their behalf by:



 D Newman
 Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

Notes

2016
£'0002015
£'000**Cash flows from operating activities**

Net cash (used in)/provided by operating activities	20	(189)	473
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Cash flows from investing activities	21	-	-
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Cash flows from financing activities	21	-	-
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Change in cash and cash equivalents in the reporting period		<u>(189)</u>	<u>473</u>
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Cash and cash equivalents at 1 September		756	283
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Cash and cash equivalents at 31 August	23	<u>567</u>	<u>756</u>
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Statement of Accounting Policies: Basis of preparation**First time adoption of FRS 102**

These financial statements are the first financial statements of The Silverstone Academy trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Silverstone Academy Trust for the year ended 31 August 2016 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 29.

Going Concern

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

Income

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

- **Grants**

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

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 sheet in creditors; amounts falling due within one year in deferred income.

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- **Other income**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

- **Donated goods, facilities and services**

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

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

- **Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Leasehold buildings	2%
Engineering and general equipment	20%
Furniture and equipment	25%
Computer equipment	33.33%

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

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

Leased assets

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

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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 27, the TPS is a multi employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)**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 trustees. 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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Agency Arrangement

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust does not use any of the allocation towards its own administration costs. The funds received and paid and any balances held are disclosed in note 30.

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016 (See note 16).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
3 DONATIONS AND CAPITAL GRANTS				
EFA capital grant	-	8	8	-
Other donations	1	-	1	-
	<u>1</u>	<u>8</u>	<u>9</u>	<u>-</u>

The income from donations and capital grants was £9,000 of which £1,000 was unrestricted and £8,000 restricted fixed assets. There were no donations and capital grants received during 2015.

4 FUNDING FOR THE ACADEMY TRUST'S OPERATIONS**DfE/EFA grants**

General annual grant (GAG) (note 2)	-	2,227	2,227	2,200
Pupil premium grant	-	34	34	46
Start up grant	-	44	44	197
	<u>-</u>	<u>2,305</u>	<u>2,305</u>	<u>2,443</u>

Other Government grants

Looked after children grant - NCC	-	-	-	1
Pupil premium grant - NCC	-	2	2	2
	<u>-</u>	<u>2</u>	<u>2</u>	<u>3</u>

Other income from the academy trust's educational operations

	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>2,307</u>	<u>2,307</u>	<u>2,446</u>

The income from the academy trusts' educational operations was restricted for both 2016 and 2015.

5 OTHER TRADING ACTIVITIES

Lettings income	9	-	9	14
Other income	-	-	-	9
	<u>9</u>	<u>-</u>	<u>9</u>	<u>23</u>

The income from other trading activities was £9,000 (2015 : £23,000) of which £13,000 (2015 : £15,000) was unrestricted and £nil (2015 : £8,000) restricted.

6 INVESTMENT INCOME

Bank interest received	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The income from the academy trusts' investment income was unrestricted for both 2016 and 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

7 EXPENDITURE

	Staff Costs	Non Pay Expenditure		Total 2016 £'000	Total 2015 £'000
		Premises £'000	Other Costs £'000		
Expenditure on raising funds	-	-	-	-	3
Academy's educational operations					
· Direct costs	1,442	-	175	1,617	1,362
· Allocated support costs	351	455	282	1,088	1,121
	<u>1,793</u>	<u>455</u>	<u>457</u>	<u>2,705</u>	<u>2,483</u>
	<u>1,793</u>	<u>455</u>	<u>457</u>	<u>2,705</u>	<u>2,486</u>

The expenditure was £2,705,000 (2015 : £2,486,000) of which £2,000 (2015 : £Nil) was unrestricted, £2,409,000 (2015 : £2,192,000) restricted and £294,000 (2015 : £294,000) restricted fixed assets.

Net income/(expenditure) for the year includes:

	£'000	£'000
Operating leases rentals	-	-
Depreciation	294	294
Fees payable to auditor for:		
- audit	6	5
- other services	<u>2</u>	<u>-</u>

8 CHARITABLE ACTIVITIES

	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	1,617	1,362
Support costs - educational operations	<u>1,088</u>	<u>1,121</u>
	<u>2,705</u>	<u>2,483</u>

Analysis of Support Costs

Support staff costs	351	314
Depreciation	294	294
Technology costs	60	52
Premises costs	161	140
Other support costs	206	309
Governance	<u>16</u>	<u>12</u>
	<u>1,088</u>	<u>1,121</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

9 STAFF	2016	2015
a Staff costs	£'000	£'000
Staff costs during the year were:		
Wages and salaries	1,386	1,225
Social security costs	116	93
Operating costs of defined benefit pension schemes	232	198
	<u>1,734</u>	<u>1,516</u>
Supply staff costs	59	5
	<u>1,793</u>	<u>1,521</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>-</u>	<u>-</u>

b Staff numbers

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2016 expressed as full time equivalents was as follows:

	2016	2015
<i>Charitable Activities</i>	No.	No.
Teachers	34	33
Administration and support	5	4
Management	5	5
	<u>44</u>	<u>42</u>

c Higher paid staff

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

	No	No
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1

e Key management personnel

The key management of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £306,193 (2015 : £292,069)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

10 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees receive remuneration in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

N Patterson		
Remuneration	£90,000 - £95,000	(2015: £90,000 - £95,000)
Employers pension contributions	£20,000 - £25,000	(2015: £20,000 - £25,000)
Z Spavold		
Remuneration	£25,000 - £30,000	(2015: £25,000 - £30,000)
Employers pension contributions	£Nil - £5,000	(2015: £Nil - £5,000)

During the year ended 31 August 2016 £xxx (2015:£862) of travel and subsistence expenses were reimbursed to trustees.

Other related party transactions including trustees are set out in note 27.

11 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2016 was £706 (2015: £697). The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

12 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Total £'000
Cost				
At 1 September 2015	5,034	546	312	5,892
Additions	-	8	-	8
Disposals	-	-	-	-
At 31 August 2016	5,034	554	312	5,900
Depreciation				
At 1 September 2015	162	218	208	588
Charged in year	81	109	104	294
Disposals	-	-	-	-
At 31 August 2016	243	327	312	882
Net book value				
At 31 August 2016	4,791	227	-	5,018
At 31 August 2015	4,872	328	104	5,304

On 1 September 2013 the academy's leasehold land and buildings were donated to the academy by Northamptonshire County Council (NCC) on a 50 year lease at a pepper corn rent. On 31 March 2014 an existing use valuation was prepared for the Education Funding Agency by a firm of Chartered Surveyors, Mouchel, that the leasehold land and buildings gifted had a fair open market value of £5,034,000.

13 DEBTORS

	2016 £'000	2015 £'000
Trade debtors	7	25
VAT recoverable	30	29
Other debtors	-	17
Prepayments & accrued Income	28	22
	<u>65</u>	<u>93</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade creditors	36	30
Taxation and social security	64	51
EFA creditor : Abatement of GAG	141	421
Other creditors	38	22
Accruals	109	89
Deferred income	38	14
	<u>426</u>	<u>627</u>

Deferred Income

	2016 £'000	2015 £'000
Deferred income at 1 September	14	234
Resources deferred in the year	38	14
Amounts released from previous years	(14)	(234)
Deferred income at 31 August	<u>38</u>	<u>14</u>

At the balance sheet date the academy was holding funds received in advance for 2016/17 for devolved formula capital £17,274 (2015 : £13,760) and rates relief £14,641 (2015: £nil) and payments in respect of transport services for 2016/17 of £6,327 (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

Deferred Income	2016 £'000	2015 £'000
EFA creditor : Abatement of GAG	84	-
	<u>84</u>	<u>-</u>

16 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2015 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General annual grant (GAG) (note i)	120	2,227	(2,301)	-	46
Pupil premium grant (note ii)	-	34	(34)	-	-
Pupil premium grant - NCC (note ii)	-	2	(2)	-	-
Start up Grant (note iii)	82	44	(73)	-	53
Greenpower Funding (note iv)	5	-	(5)	-	-
	<u>207</u>	<u>2,307</u>	<u>(2,415)</u>	<u>-</u>	<u>99</u>
Restricted fixed asset funds					
DfE capital grants (note v)	104	-	(104)	-	-
Devolved formula capital (note v)	-	8	-	-	8
NCC fixed assets donation (note vi)	5,200	-	(190)	-	5,010
	<u>5,304</u>	<u>8</u>	<u>(294)</u>	<u>-</u>	<u>5,018</u>
Restricted pension scheme liability					
Pension reserve (note vii)	(16)	-	6	(102)	(112)
	<u>(16)</u>	<u>-</u>	<u>6</u>	<u>(102)</u>	<u>(112)</u>
Total restricted funds	5,495	2,315	(2,703)	(102)	5,005
Unrestricted Funds					
Unrestricted Funds	15	10	(2)	-	23
Total unrestricted funds	<u>15</u>	<u>10</u>	<u>(2)</u>	<u>-</u>	<u>23</u>
Total Funds	<u>5,510</u>	<u>2,325</u>	<u>(2,705)</u>	<u>(102)</u>	<u>5,028</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

16 FUNDS (Continued)**Notes**

- i) General Annual Grant must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016 (note 2).
- ii) Pupil premium grant has been used to focus interventions at vulnerable children. Children who meet the pupil premium criteria are given priority, and these include Looked After Children, Free School Meal Children and children of Armed Services personnel.
- iii) The Start up grant is utilised to meet the costs of academy conversion, including consultancy, property and legal fees.
- iv) Greenpower funding has been received for student based activities involving charity race days.
- v) Restricted fixed assets were funded by government grants.
- vi) Northamptonshire County Council transferred on 1 September 2013 assets valued at £5,034,000 to the school under a 125 year lease arrangement, for which a pepper corn rent is charged (note 12).
- vii) The pension reserve represents the deficit on the Local Government Pension Scheme (note 26).

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2016 are represented by:

	Unrestricted	Pension	General	Fixed	
	Funds	Restricted	Restricted	Assets	
	£'000	Funds	Funds	Restricted	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed	-	-	-	5,018	5,018
Current assets	23	-	609	-	632
Current liabilities	-	-	(426)	-	(426)
Non current liabilities	-	-	(84)	-	(84)
Pension scheme liability	-	(112)	-	-	(112)
	<u>23</u>	<u>(112)</u>	<u>99</u>	<u>5,018</u>	<u>5,018</u>

18 CAPITAL COMMITMENTS

Contracted for, but not provided in the financial statements

2016	2015
£'000	£'000
Nil	Nil

Authorised by governors, but not yet contracted

Nil	Nil
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19 COMMITMENTS UNDER OPERATING LEASES**Operating leases**

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

	2016	2015
	Other	Other
	£'000	£'000
Operating leases	-	-
- Within one year	-	-
- Within two to five years	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

20 RECONCILIATION OF NET EXPENDITURE TO CASH FLOW FROM OPERATING ACTIVITIES

	2016 £'000	2015 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(380)	(17)
Adjusted for:		
Depreciation (note 12)	294	294
Capital grants from DfE and other capital income	(8)	-
Interest receivable (note 6)	-	-
Defined benefit pension scheme cost less contributions payable (note 26)	(6)	2
Defined benefit pension scheme finance cost (note 26)	-	1
Decrease in debtors	34	103
(Decrease)/increase in creditors	(123)	90
Net cash (used in)/provided by operating activities	(189)	473

21 CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	-	-
Purchase of tangible fixed assets	(8)	-
Capital grants from DfE/EFA	8	-
Net cash used in investing activities	-	-

22 CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash (used in)/provided by financing activities	-	-

ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 1 Aug 2016 £'000	At 31 Aug 2015 £'000
Cash in hand and at bank	567	756
Total cash and cash equivalents	567	756

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

24 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to :

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

25 MEMBERS' LIABILITY

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

26 PENSION AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by the West Midlands Pension Fund. Both are defined

The total pension cost to the Academy during the year ended 31 August 2016 was £232,050 (2015: £198,838) of which £158,050 (2015: £116,873) relates to the TPS and £74,000 (2015: £81,965) relates to

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS**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 costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer costs paid to TPS in the year amounted to £158,050 (2015: £116,873).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31 August 2016 was £99,000 (2015: £91,965) of which employer's contributions totalled £74,000 (2015: £81,965) and employees contributions totalled £25,000 (2015: £10,000). The agreed contributions for future years are 24.6% (2015: 25%) for employers and 6.33% (2015: 6.0%) 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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2016 % per annum	At 31 August 2015 % per annum
Discount rate	2.1%	3.8%
Salary increases	4.1%	4.6%
Pension increases	2.1%	2.7%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	2016 £'000	2015 £'000
Discount rate decreased by 0.5% per annum	84	38
Life expectancy at retirement increased by 1 year	14	7
Salary increased by 0.5%	13	25
Pension increased by 0.5%	70	12

The mortality assumptions used were as follows:

	2016 years	2015 years
Longevity at age 65 retiring today		
- Men	22.3	22.3
- Women	24.3	24.3
Longevity at age 65 retiring in 20 years		
- Men	24.0	24.0
- Women	26.6	26.6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (Continued)

Local Government Pension Scheme (Continued)

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

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equity instruments	254	142
Debt instruments	68	38
Property	29	18
Cash/liquidity	7	4
Total market value of assets	358	202
Present value of scheme liabilities		
- Funded	358	202
- Unfunded	112	16
Total liabilities	470	218
Deficit in the scheme	(112)	(16)

The actual return on the scheme assets in the year was a surplus of £51,000 (2015: £5,000).

Amounts recognised in the Statement of Financial Activities

	2016 £'000	2015 £'000
Current service cost	74	80
Net interest cost	-	1
Total Operating Charge	74	81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (Continued)

Local Government Pension Scheme (Continued)

	2016 £'000	2015 £'000
Movement in deficit during the year		
Balance brought forward at 1 September	16	19
Movement in year:		
Employer service cost (net of employee contributions)	74	80
Employer contributions	(80)	(78)
Expected return on scheme assets	(10)	(5)
Interest cost	10	6
Actuarial losses/(gains)	102	(6)
Surplus in the scheme at 31 August	112	16

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

	2016 £'000	2015 £'000
Scheme liabilities at 1 September	218	113
Current service cost	74	80
Interest cost	10	6
Contributions by scheme participants	25	25
Actuarial losses / (gains)	143	(6)
Scheme liabilities at 31 August	470	218

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

	2016 £'000	2015 £'000
Fair value of scheme assets at 1 September	202	94
Expected return on scheme assets	10	5
Contributions by employer	80	78
Contributions by scheme participants	25	25
Actuarial gains	41	
Fair value of scheme assets at 31 August	358	202

The estimated value of employer contributions for the year ended 31 August 2017 is £45,000 (2016: £42,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

27 RELATED PARTY TRANSACTIONS

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

During the year ended 31 August 2016 the academy purchased services from Tresham College (Member and Co Sponsor) totalling £81,730 (2015: £92,392). The amount outstanding at 31 August 2016 was £13,560 (2015: £5,650). The academy also made payments to Silverstone Circuits Ltd (Member and Co Sponsor) totalling £91,213 (2015: £156,414), the amount outstanding at 31 August 2016 was £4,070.11 (2015: £nil) and Laura Patterson (relation to Head Teacher) totalling £160 (2015: £nil), the amount outstanding at 31 August 2016 was £nil (2015: £nil).

28 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting or non adjusting events arising after the balance sheet date.

29 EXPLANATION OF TRANSITION TO FRS 102

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

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

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

Reconciliation of total funds	1 September 2014 £'000	31 August 2015 £'000
Total funds under previous UK GAAP	<u>5,521</u>	<u>5,510</u>
Total funds reported under FRS 102	<u>5,521</u>	<u>5,510</u>
Reconciliation of net income/(expenditure)		31 August 2015 £'000
Net income/(expenditure) previously reported under UK GAAP		(14)
Change in recognition of LGPS interest cost		(3)
Net movement in funds reported under FRS 102		<u>(17)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST

29 EXPLANATION OF TRANSITION TO FRS 102 (Continued)**Explanation of the transitional adjustments**

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2015 or 31 August 2016. The effect of the change has been to increase the debit to expense by £3,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

30 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £18,452 (2015:£21,339) and disbursed £1,827 (2015:£nil) from the fund. An amount of £37,964 (2015:£21,339) is included in other creditors relating to the undistributed funds that is repayable to the EFA.