

Company Registration No. 08339290 (England and Wales)

CRAWLEY FREE SCHOOL TRUST

(THE GATWICK SCHOOL)

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016



**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
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**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
REFERENCE AND ADMINISTRATIVE DETAILS**

Directors

Mr M J Connelly (Resigned 10 March 2016)
Mr S J Rule
Mr T J McCarthy (Accounting Officer)
Mr G P Palmer (Chairman)
Dr D D Eidelman (Resigned 29 June 2016)
Mr R Nathan
Mr D P Jobson

Members

- (Resigned 10 March 2016)

Ms C Delaney
Mr M J Connelly (Resigned 10 March 2016)
Mr S J Rule
Mr G P Palmer
Dr D D Eidelman (resigned 29 June 2016)

- (Resigned 29 June 2016)

Senior management team

- Chief Executive Officer
- Executive Head Teacher
- Finance Director

Mr T J McCarthy
Mr P Reilly
Mr D Baron

Company secretary

Ms M Burnige

Company registration number

08339290 (England and Wales)

Registered office

Glenleigh Park Primary Academy
Gunters Lane
Bexhill-on-Sea
East Sussex
TN39 4ED

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The directors of Crawley Free School Trust ('the Company') present their annual report together with the financial statements and the auditor's reports of the Company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the attached financial statements and comply with the Company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005'). The academy trust operates The Gatwick School, a free school for pupils aged 4 - 16 serving a catchment area in North East Crawley and Horley. It has a pupil capacity of 1,020 and had a roll of 200 by year end 2015-16.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (FRS102).

Structure, governance and management

Constitution

The Company is incorporated as a company limited by guarantee and is an exempt charity under the Charities Act 2011. The Company's governing document is its articles of association. The Company was jointly established by Mosaica Education Inc. and Place Group and it was incorporated on 21 December 2012. It currently operates one school, The Gatwick School (TGS), which opened in September 2014.

The Company currently has a board of five directors. One of the directors was appointed by the two founder groups, Mosaica Education Inc. and Place Group. The other four are independent directors appointed by the board of directors. Two directors resigned during the year.

The directors have formed a committee to oversee TGS to be known as the Local Academy Board, which was formed in December 2014. The Local Academy Board includes staff and parent representatives and the chair of the Local Academy Board is a director of the Company.

The directors have delegated day-to-day responsibility for the management of the Company to the Chief Executive Officer, the Executive Headteacher and the Head of School.

The members of the company are Geoff Palmer (as chair of the board of directors), Simon Rule and Claire Delaney.

Members' liability

Every member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up whilst he or she is a member or within one year after he or she ceases to be a member, for payment of the Company's debts and liabilities before he or she ceases to be a member, and of the costs charges and expenses of winding up and for the adjustments of the rights of the contributories themselves.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Directors' indemnities

Subject to the provisions of the Companies Act 2006, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability or negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

Method of recruitment and appointment or election of Directors

The members of the Company are entitled to appoint up to ten directors. The directors have appointed Geoff Palmer, Russell Nathan, Paul Jobson and Tim McCarthy to the board of directors. Both Messrs Palmer and Russell have relevant financial, business and IT experience, Mr Jobson is the Chair of the Local Academy Board and Mr McCarthy has been a former headteacher and is the CEO of both the Company and Aurora Academies Trust.

Policies and procedures adopted for the induction and training of Directors

Throughout the period directors have taken part in the professional development programme run by Aurora Academies Trust (AAT). This programme, known as Global Leadership Institute (GLI), has had leadership, governance, safeguarding responsibilities and analysing data as its foci. AAT's Chief Executive Officer, the Company Secretary, the Financial Director, the two Executive Headteachers and a representative from Kent Police led training in January, March and June 2016. Topics included *Understanding the new Ofsted Framework; Analysing Raiseonline and Assessment without Levels and; Prevent & Safeguarding*. There is a planned regular GLI training schedule for 2016-17.

Organisational structure

The Company operates one academy (a free school) called The Gatwick School in Crawley, West Sussex. The school opened to pupils on 8th September 2014. The directors are trustees of the Company for the purposes of the Charities Act. The following directors were in office at 31 August 2016:

Director	Appointed/Resigned	Appointing body
Mr S J Rule	Appointed 21 December 2012	Members
Dr D D Eidelman	Appointed 1 September 2013 <i>Resigned 29 June 2016</i>	Members
Mr M J Connelly	Appointed 21 December 2012 <i>Resigned 10 March 2016</i>	Members
Mr T J McCarthy	Appointed 1 January 2014	Directors
Mr G P Palmer	Appointed 1 October 2013	Directors
Mr R Nathan	Appointed 1 October 2013	Directors
Mr Paul Jobson	Appointed 15 July 2015 <i>Resigned 12 December 2016</i>	Directors

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Arrangements for setting pay and remuneration of key management personnel

The Company does not directly employ its key management personnel. Instead it has approved the purchase of leadership and management services from the Chief Executive Officer, the Executive Headteacher and the Financial Director of Aurora Academies Trust (AAT). The Chief Executive Officer's targets are set annually by a panel of three of AAT's directors and they are responsible for an annual performance review and any pay awards resulting from that review. The Chief Executive Officer sets the targets and reviews the performance of the Executive Headteacher and the Financial Director. The Chief Executive Officer then recommends any pay awards to AAT's Finance and Audit Committee who then approve or reject any such recommendations.

Related parties and other connected charities and organisations

Dr Dawn Eidelman and Michael Connelly were directors and members of the Company but resigned during the period. Dr Eidelman and Mr Connelly were directors of Mosaica Education Inc. until 2015. Mosaica Education Inc. was awarded the contract to provide curriculum services including Paragon to the Company in 2014. The procurement of the contract was carried out in accordance with the Academies Financial Handbook. The Paragon curriculum used at TGS is now owned by Pansophic Learning Ltd and the contract for curriculum services has been assigned to Pansophic Learning Ltd. No directors of the Company are connected to Pansophic Learning Ltd, however the directors are aware of the potential for conflicts of interest and manage them in accordance with the Companies Act, the Company's articles of association and the Academies Financial Handbook. All services provided by Pansophic Learning Ltd. to the Company are on an "at cost" basis in accordance with the Academies Financial Handbook.

Tim McCarthy is a director and chief executive officer of the Company and also a director and chief executive officer of Aurora Academies Trust. Aurora Academies Trust provides leadership and financial services to the Company during the year via the part time secondment of senior staff including the chief executive officer, executive headteacher and financial director. A total charge of £68,124 (2015:£31,211) in that respect was incurred during the year. Aurora Academies Trust also made a charge of £16,123.00 (2015: £6,425) for the Paragon curriculum which it purchased from Pansophic Learning on behalf of the Company.

Simon Rule is a director and member of the Company and also a director of Place Group. Place Group, through its Schools Buying Club, provides procurement assistance to the Company. The Company paid no fees to Place Group during the year.

Tim McCarthy is a director and CEO of the Company and is also a director and CEO of Aurora Academies Trust. Aurora Academies Trust employs Mr McCarthy, a financial director and an executive headteacher all of whom are seconded to the Company on a part time basis.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Transfer to Aurora Academies Trust – 1st October 2016

Following a consultation exercise undertaken during this accounting period, the board of directors of the Company resolved to transfer the operation of The Gatwick School to Aurora Academies Trust (AAT). There were many positive benefits of so doing, notably that ever since the Company was established, AAT has provided to it the services of its Chief Executive Officer, its Executive Headteacher, its Financial Director, its Company Secretary as well as the full involvement in AAT's GLI professional development programmes for both staff and governors/directors of the Company. In short, the Company's only school (The Gatwick School) was always an 'unofficial' member of the AAT group of schools and therefore it made overwhelming educational, logistical and economic sense for the transfer to take place. The consultation process evidenced that the school and wider community were in favour of the merger. Written approval for the merger was given by the Regional Schools Commissioner for the South East & South London Region on 4 April 2016. The process of legal transfer of assets and the TUPE process began thereafter and the transfer took place just outside of this accounting period, on 1 October 2016.

Objectives and activities

Objects and aims

The Company's charitable object as set out in its articles of association is to advance for the public benefit, education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

The Company was established to provide:

Improved teaching and learning – the Company's focus is on achieving the highest standards at TGS at a rapid pace, and ensuring the highest quality of teaching and learning through the introduction of a comprehensive staff training programme.

More opportunities – to make sure every pupil achieves the very best that they can, the Company's focus is on working with the senior leaders and teachers in TGS to raise achievement through curriculum innovation, online assessment programmes, high levels of attendance and individualised paths for personal growth and development.

More choice – the Company's school works closely with Pansophic Learning schools both in the UK and internationally, sharing resources and experiences. The Company works with partners both locally and internationally, meaning that pupils enjoy a wider range of learning and recreational experiences.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Company aims to:

Improve standards – by aiming for 1.5 years' progress every year for each child in TGS.

Raise aspirations – through the introduction of a philosophy and ethos aimed at bringing educational improvements to TGS, its pupils and community. All pupils have individualised paths for personal growth and development, with a focus on pupil self-awareness and self-esteem.

Train staff – the professional development of all staff is given a high priority and each has an individual professional development plan (IPDP) which maps out their targets and the professional development and support needed for them to achieve their targets. Teachers are entitled to 90 hours of professional development training each year. In addition the Aurora Global Leadership Institute (GLI) leadership training provides 6 days of high quality professional development for senior and middle leaders in TGS. This training has been evaluated by all participants and is currently rated as Good with Outstanding features.

Increase parent engagement and involvement – through regular community events where parents and other members of the local community are invited to see what the children have been learning, meet with staff and become more engaged in their child's education. In particular there are six occasions during the year in which parents are invited into school to celebrate what their child has been learning in Paragon lessons.

Public benefit

In setting the Company's objectives and planning its activities, Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

Enrolment

Having opened in September 2014 with just 26 children in Reception Year and 18 children in Year 7 (a total of just 44 pupils), there was a rapid rise in the numbers of pupils on roll at the school in this period. In September 2015 TGS admitted 51 children into its new Reception year and 71 children into Year 7. Numbers of pupils in both Year 1 and Year 8 also increased in-year, such that by the end of the summer term 2016 there were 200 pupils on roll at the school. Staffing levels also rose to accommodate the increased numbers on roll.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Key performance indicators

The Directors have set the following key performance indicators for the Company for 2015-16:

There are 3 Strategic Goals.

- 1. Academic Success** – To ensure that TGS becomes one of the best performing schools in the South East.
- 2. Teachers' School of Choice** – To ensure that TGS is seen by the best teachers to be the number one school in which to be employed.
- 3. Sustainability** – To ensure that the Company constantly achieves best value and to grow leaders from within.

Marketing Strategy and Open Events

The Company has devised and put into effect a very interactive and wide-ranging marketing strategy. The Gatwick School's website has been well developed to promote the school's 'brand' and this has helped boost enrolment and recruitment. TGS also has its own special media page on Facebook which has proven to be a rich source of two-way communication between school staff and parents/community. There were also many e-newsletters sent to prospective parents and the local community.

Academic Success and other achievements

Pupil progress continued to improve throughout the year

88% of Pupils at the end of Reception year in July 2016 had achieved the national benchmark known as a Good Level of Development (GLD). This GLD figure is significantly above the 2015 national average of 69%. In addition, 66% of pupils in Year 1 achieved the pass threshold for the Phonics test, which was below the 2015 national average of 72%. The school has targeted improvements to phonics teaching and targets are well above the national average for 2017.

Progress of children in Years 7 and 8 was at least good, especially in science and maths. The 'flight path' for Year 8, which will be the first year group to sit GCSE examinations in 2019, shows that 85% should achieve 5+ A*-C grades including English and Maths. TGS has also set ambitious targets of 5.5 to 6.0 for *Attainment 8* and 0.75 for *Progress 8* for this cohort of children. All of these targets, if achieved, would place TGS well above national averages for secondary schools.

Attendance at the school in the period was 94.9% which is broadly in line with the national average of 95%.

In the period there were two visits by an adviser from the DFE which evidenced the successes and progress outlined in this report. AAT also carried out a review of 13 aspects of the school in May 2015. This review highlighted many successful features at the school as well as areas to develop and strengthen. TGS is due its first Ofsted inspection in the academic year 2016-17.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Accommodation

During the accounting period the school's accommodation has continued to be upgraded and there have been additional classrooms created to house the growing numbers of pupils and staff. Over the summer holidays 2016 there were further building developments and a number of specialist teaching areas, including two science labs, a music room, a drama/assembly space and a fully-equipped food technology room will be made available to the Company during the autumn term of 2016-17.

Going concern

As indicated earlier, the Company had resolved to merge with AAT which took place on 1 October 2016. The Company will then become dormant and will no longer be a going concern. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Funding was provided by the EFA in the form of a start-up grant and capital grants. The capital grant is only claimable to the extent that it has been used for the purchase of fixed assets. The majority of fixed asset purchases were made subsequent to the year end. The whole of the capital grant is carried forward as a balance on the restricted fixed asset fund. This will reduce over future years as the assets are depreciated.

Reserves policy

The policy of the directors is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Company whilst ensuring that excessive funds are not accumulated. The directors are satisfied that the Company's reserves are sufficient for its current purposes.

The reserves as at 31 August 2016 amounted to £7,752,310 which comprised primarily of restricted fixed asset reserves.

Investment policy and powers

The monies received by the Company are largely public funds provided for the education of children and young people. Consequently the directors take a conservative view on the investment of any surpluses. This takes the form of keeping such funds on deposit in interest bearing accounts. The object of this policy is to protect the funds that the Company holds whilst taking opportunities to maximise them where possible.

Principal risks and uncertainties

The Company has limited financial risks given that its principal source of income is the Department for Education. It is not exposed to high levels of risk in connection with cash flow, creditors or bad debtors. Changes to the employer contribution rate for the Local Government Pension Scheme are an identified risk to the Company in light of the deficit. The principal risks and uncertainties in relation to the Company have been identified in the risk register which will be updated regularly.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Company maintains a comprehensive risk register that is monitored by the Company's executive team and the Finance and Audit Committee. There are four identified category areas of risk: strategic; operational; compliance and; financial. The three highest risks are:

1. The principal strategic risk is the result of an OFSTED inspection, due in 2016/17. However, the school is confident that pupil progress and attainment scores are very good and the new Head of School and the Executive Headteacher are clearly focussed on achieving consistent high quality teaching and learning across all year groups.
2. The principal financial risk over the next few years is the increasing on-costs associated with staffing, especially around pension contributions and pension deficit, together with no financial reserves being currently in place. This remains a key priority for the Company and is an ongoing focus for the Financial Director. Mitigating actions around pension deficit include the review of the annual FRS102 valuation report and liaison with LGPS schemes to ensure that the Company is being treated equitably and that latest legislation is understood so that the Company is best placed as a result to minimise pension contribution costs. The Finance and Audit committee review staffing levels and structures to ensure that efficiencies can be made and any economies of scale can be achieved as the school grows in size.
3. The principal operational risk is the outstanding planning permission that will allow the building refurbishment to be completed. In addition, the building refurbishment contract excludes the replacement of certain building systems and equipment and with the age of this equipment the school is incurring higher than expected upkeep and maintenance costs. Mitigating actions taken by the Company include a planned annual maintenance regime at the school, together with the preparation of a strategic asset management plan.

The principal risks and uncertainties in relation to the Company have been identified in the risk register which will be updated regularly.

Plans for future periods

The directors wish to ensure that TGS becomes a high performing school in keeping with its strategic aims listed above. In parallel with this, the Company also plans to work with local schools, academies, academy groups and free schools to share best practice and resources. On 1 October 2016 the Company transferred its assets to AAT.

Plans are in place to refurbish and remodel the existing building such that the school has all rooms and facilities – however full planning approval has yet to be granted by Crawley Borough Council's Planning Development Control Committee – a temporary two year change-of-use planning approval is in place and discussions remain ongoing to find acceptable solutions so that the school can proceed to its full suite of specialist areas for future year groups.

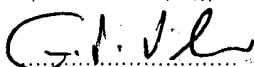
**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Auditor

In so far as the Directors are aware:

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

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 7.12.2016 and signed on its behalf by:



Mr G P Palmer
Chairman

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Crawley Free School 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 Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Crawley Free School 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 Statement of Directors' Responsibilities. The board of directors has formally met 3 times during the year.

Attendance during the year at meetings of the board of directors was as follows:

Directors	Meetings attended	Out of possible
Mr M J Connelly (Resigned 10 March 2016)	0	1
Mr S J Rule	2	3
Mr T J McCarthy (Accounting Officer)	3	3
Mr G P Palmer (Chairman)	3	3
Dr D D Eidelman (Resigned 29 June 2016)	2	2
Mr R Nathan	2	3
Mr D P Jobson	3	3

Review of value for money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the Company 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.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trust has ensured that educational attainment and progress for all pupils has been at least good. Given that the age weighted pupil unit in West Sussex is one of the lowest in the country then these pupil outcomes provide good value for money. In particular the percentage of children achieving a Good Level of Development (GLD) at the end of Reception year in 2016 was 88% and this is significantly above the national average.

The Company has also received free access to Aurora Academies Trust's *Global Leadership Institute* (GLI) professional development programme. This programme provides significant value for money as it constitutes 6 days of high quality leadership training for 4 colleagues in the Company. The commercial cost of GLI for 4 of the Company's senior leaders, at a competitive rate of £400 per delegate per day, can be calculated as follows:

$$4 \times 6 \times 400 = \text{£}9,600$$

This training and development provides significant value for money.

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 on-going process designed to identify and prioritise the risks to the achievement of the Company's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control was being implemented during the year ended 31 August 2016 and continues to be improved.

Capacity to handle risk

The board of directors has reviewed the key risks to which the Company 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 Company's significant risks that has been in place at 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of directors.

The risk and control framework

The Company'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.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Board of Directors has considered the need for a specific internal audit function and has decided:

- To appoint an internal auditor.

During the year ended 31 August 2016 Carpenter Box carried out the internal audit function.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Company's financial systems. On a termly basis, the auditor reports to the Board of Directors through the finance committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Directors.

On a quarterly basis, the internal auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Directors.

Review of effectiveness

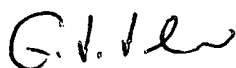
As accounting officer the chief executive officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

the financial management and governance self-assessment process;

the work of the executive leaders within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer will be advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on 7/12/2016 and signed on its behalf by:



Mr G P Palmer
Chairman

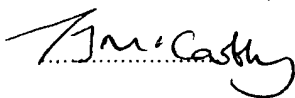
**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016**

As accounting officer of the Company I have considered my responsibility to notify the 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 Company and 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 Company's board of directors are able to identify any material irregular or improper use of funds by the Company, or material non-compliance with the terms and conditions of funding under the Company'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 Directors and EFA.

Mr T J McCarthy
Accounting Officer



**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The directors (who also act as trustees for Crawley Free School Trust) are responsible for preparing the Directors' Report and the accounts 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 accounts for each financial year. Under company law the directors must not approve the accounts 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 accounts, the directors are required to:

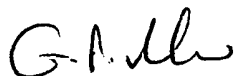
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The directors 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 accounts 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 directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Directors on 7/12/16 and signed on its behalf by:



Mr G P Palmer
Chairman

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF CRAWLEY FREE SCHOOL TRUST

We have audited the accounts of Crawley Free School Trust for the year ended 31 August 2016 set out on pages 20 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 15, the directors, who also act as trustees for the charitable activities of Crawley Free School Trust, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

**INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF
CRAWLEY FREE SCHOOL TRUST (CONTINUED)**

Emphasis of matter - Going concern

In forming our opinion on the accounts, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the accounts concerning going concern. Subsequent to the year end, on 1 October 2016, the Company's only school was transferred to Aurora Academies Trust (AAT). The net assets of the Company will be transferred at their book value to AAT and the Company will then be dormant and will no longer be a going concern and is expected to be wound up in the next financial year.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

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 accounts 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.



Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

Chartered Accountants
Statutory Auditor

Dated: 19 December 2016

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO CRAWLEY FREE SCHOOL TRUST AND THE EDUCATION FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 12 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Crawley Free School 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 Crawley Free School Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Crawley Free School 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 Crawley Free School Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Crawley Free School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Crawley Free School Trust's funding agreement with the Secretary of State for Education dated 14 August 2014 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 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 period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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 Company's income and expenditure.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO CRAWLEY FREE SCHOOL TRUST AND THE EDUCATION FUNDING
AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety

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

Colin Wright
Reporting Accountant
UHY Hacker Young

Dated: 19 December 2016

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £		Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	24,419	400	1,932,509	1,957,328	2,797,050
Charitable activities:						
- Funding for educational operations	4	-	1,163,546	-	1,163,546	617,288
Other trading activities	3	4,388	-	-	4,388	12,087
Investments	5	132	-	-	132	-
Total income and endowments		28,939	1,163,946	1,932,509	3,125,394	3,426,425
Expenditure on:						
Raising funds	6	35,064	64,862	-	99,926	20,730
Charitable activities:						
- Educational operations	7	-	1,087,715	230,700	1,318,415	734,527
Total expenditure		35,064	1,152,577	230,700	1,418,341	755,257
Net income/(expenditure)		(6,125)	11,369	1,701,809	1,707,053	2,671,168
Transfers between funds		6,125	(6,125)	-	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(29,000)	-	(29,000)	2,000
Net movement in funds		-	(23,756)	1,701,809	1,678,053	2,673,168
Reconciliation of funds						
Total funds brought forward		-	(146)	6,075,286	6,075,140	3,401,971
Total funds carried forward		-	(23,902)	7,777,095	7,753,193	6,075,139

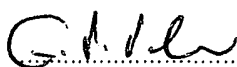
**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

Comparative year information Year ended 31 August 2015	Notes	Unrestricted Funds £	General	Restricted funds: Fixed asset £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	-	-	2,797,050	2,797,050
Charitable activities:					
- Funding for educational operations	4	-	617,288	-	617,288
Other trading activities	3	12,087	-	-	12,087
Total income and endowments		12,087	617,288	2,797,050	3,426,425
Expenditure on:					
Raising funds	6	15,690	5,040	-	20,730
Charitable activities:					
- Educational operations	7	-	610,741	123,786	734,527
Total expenditure	6	15,690	615,781	123,786	755,257
Net income/(expenditure)		(3,603)	1,507	2,673,264	2,671,168
Transfers between funds		3,878	569	(4,447)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	2,000	-	2,000
Net movement in funds		275	4,076	2,668,817	2,673,168
Reconciliation of funds					
Total funds brought forward		(275)	(4,223)	3,406,469	3,401,971
Total funds carried forward		-	(147)	6,075,286	6,075,139

CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
BALANCE SHEET
AS AT 31 AUGUST 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	11	7,772,236	6,075,286
Current assets			
Stocks	12	14,735	17,160
Debtors	13	1,053,726	939,982
Cash at bank and in hand		103,545	29,927
		<u>1,172,006</u>	<u>987,069</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(1,157,049)	(983,216)
Net current assets		<u>14,957</u>	<u>3,853</u>
Net assets excluding pension liability		<u>7,787,193</u>	<u>6,079,139</u>
Defined benefit pension liability	17	(34,000)	(4,000)
Net assets		<u><u>7,753,193</u></u>	<u><u>6,075,139</u></u>
Funds of the Company:			
Restricted funds	16		
- Fixed asset funds		7,777,095	6,075,286
- Restricted income funds		10,098	3,853
- Pension reserve		(34,000)	(4,000)
Total restricted funds		<u>7,753,193</u>	<u>6,075,139</u>
Unrestricted income funds	16	-	-
Total funds		<u><u>7,753,193</u></u>	<u><u>6,075,139</u></u>

The accounts set out on pages 20 to 41 were approved by the Board of Directors and authorised for issue on 7/12/16 and are signed on its behalf by:



Mr G P Palmer
Chairman

Company Number 08339290

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		68,627		(57,422)
Cash flows from investing activities					
Dividends, interest and rents from investments		132		-	
Capital grants from DfE and EFA		1,932,509		2,797,050	
Payments to acquire tangible fixed assets		(1,927,650)		(2,796,079)	
Proceeds from sales of tangible fixed assets		-		3,477	
			4,991		4,448
Change in cash and cash equivalents in the reporting period			73,618		(52,974)
Cash and cash equivalents at 1 September 2015			29,927		82,901
Cash and cash equivalents at 31 August 2016			103,545		29,927

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Company, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Crawley Free School Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Crawley Free School Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the accounts.

On 1 October 2016 the Company transferred its only school to Aurora Academies Trust. The Company will then be dormant and no longer be a going concern and is expected to be wound up in the next financial year. All assets and liabilities were transferred at their book values. The transfer was approved by the Education Funding Agency.

1.3 Income

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

Grants receivable

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.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

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 Company's accounting policies.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

(Continued)

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Governance costs

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

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Company's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

(Continued)

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

Land and buildings	50 Years
Computer equipment	3 Years
Fixtures, fittings & equipment	3 -5 Years

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.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.9 Taxation

The Company 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 Company 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.

1.10 Pensions benefits

Retirement benefits to employees of the Company are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Company.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Company 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 17, 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 are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

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

1.12 Critical accounting estimates and areas of judgement

Accounting 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.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

(Continued)

Critical accounting estimates and assumptions

The Company 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.

Pension Liability

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 liability.

Critical accounting estimates and assumptions

The Trustees do not consider that they have made any critical judgements in the preparation of the financial statements.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Private sponsorship	-	400	400	-
Capital grants	-	1,932,509	1,932,509	2,797,050
Other donations	24,419	-	24,419	-
	<u>24,419</u>	<u>1,932,909</u>	<u>1,957,328</u>	<u>2,797,050</u>

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Catering income	2,666	-	2,666	2,264
Music tuition	1,722	-	1,722	300
Other income	-	-	-	9,523
	<u>4,388</u>	<u>-</u>	<u>4,388</u>	<u>12,087</u>

CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

4 Funding for the Company's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	900,491	900,491	394,333
Start up grants	-	-	-	207,250
Other DfE / EFA grants	-	263,055	263,055	15,705
	-	1,163,546	1,163,546	617,288
Total funding	-	1,163,546	1,163,546	617,288

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	132	-	132	-

6 Expenditure

	Staff costs & £	Premises equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	601,714	-	112,848	714,562	340,577
- Allocated support costs	148,491	253,558	201,804	603,853	393,950
	750,205	253,558	314,652	1,318,415	734,527
Other expenditure					
Raising funds	64,862	-	35,064	99,926	20,730
Total expenditure	815,067	253,558	349,716	1,418,341	755,257

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

6 Expenditure	(Continued)	
Net income/(expenditure) for the year includes:	2016	2015
	£	£
Fees paid to auditor for audit services	8,000	8,000
Operating lease rentals	7,870	-
Depreciation of tangible fixed assets	230,700	123,786
7 Charitable activities	2016	2015
	£	£
All from restricted funds:		
Direct costs - educational operations	714,562	340,577
Support costs - educational operations	603,853	393,950
	1,318,415	734,527
	2016	2015
	£	£
Analysis of support costs		
Support staff costs	148,491	70,457
Depreciation and amortisation	230,700	123,786
Technology costs	17,525	31,192
Premises costs	82,707	77,398
Other support costs	106,302	78,629
Governance costs	18,128	12,488
	603,853	393,950

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

8 Staff costs

	2016	2015
	£	£
Wages and salaries	568,206	276,229
Social security costs	31,730	20,312
Operating costs of defined benefit pension schemes	73,277	43,723
	<u>673,213</u>	<u>340,264</u>
Staff costs	673,213	340,264
Supply staff costs	141,854	219
	<u>815,067</u>	<u>340,483</u>
Total staff expenditure	<u>815,067</u>	<u>340,483</u>

Staff numbers

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

	2016	2015
	Number	Number
Teachers	6	3
Administration and support	15	9
Management	2	2
	<u>23</u>	<u>14</u>
	<u>23</u>	<u>14</u>

Higher paid staff

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

	2016	2015
	Number	Number
£60,001 - £70,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the Company comprise the Directors 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 Company was £96,264 (2015: £136,711).

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FOR THE YEAR ENDED 31 AUGUST 2016

9 Directors' remuneration and expenses

The Executive Headteacher only receives remuneration in respect of services provided undertaking the role of Executive Headteacher, and not in respect of services as Director. Directors did not receive any payments, other than expenses, from the Company in respect of their role as Directors. During the year, travel and subsistence payments totalling £nil (2015: £48).

10 Directors and officers insurance

In accordance with normal commercial practice, the Company has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Company business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was included in the Trust's insurance policy under the Risk Protection Arrangement (2015: £500).

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2015	5,901,236	172,558	125,277	6,199,071
Additions	1,804,686	110,041	12,923	1,927,650
	<u>7,705,922</u>	<u>282,599</u>	<u>138,200</u>	<u>8,126,721</u>
At 31 August 2016				
Depreciation				
At 1 September 2015	80,226	37,622	5,937	123,785
Charge for the year	119,227	85,029	26,444	230,700
	<u>199,453</u>	<u>122,651</u>	<u>32,381</u>	<u>354,485</u>
At 31 August 2016				
Net book value				
At 31 August 2016	<u>7,506,469</u>	<u>159,948</u>	<u>105,819</u>	<u>7,772,236</u>
At 31 August 2015	<u>5,821,010</u>	<u>134,936</u>	<u>119,340</u>	<u>6,075,286</u>

On 1 October 2016, the Company's only school and the above fixed assets were transferred to Aurora Academies Trust at their carrying value.

12 Stocks

	2016 £	2015 £
School uniform	<u>14,735</u>	<u>17,160</u>

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13 Debtors	2016	2015
	£	£
Trade debtors	-	1,940
VAT recoverable	375,474	301,018
Prepayments and accrued income	678,252	637,024
	<u>1,053,726</u>	<u>939,982</u>
14 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	698,902	128,418
EFA creditors	390,476	273,331
Other creditors	410	1,294
Accruals and deferred income	67,261	580,173
	<u>1,157,049</u>	<u>983,216</u>
15 Deferred income	2016	2015
	£	£
Deferred income is included within:		
Creditors due within one year	<u>20,011</u>	<u>16,148</u>
Deferred income at 1 September 2015	16,148	60,000
Released from previous years	(16,148)	(60,000)
Amounts deferred in the year	<u>20,011</u>	<u>16,148</u>
Deferred income at 31 August 2016	<u>20,011</u>	<u>16,148</u>

Deferred income consists of income received in advance of free school meals (2015: deferred income consists of income received in advance for free school meals of £9,821 and business rates £6,327).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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16 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
Restricted general funds					
General Annual Grant	3,854	900,491	(888,122)	(6,125)	10,098
Other DfE / EFA grants	-	263,055	(263,055)	-	-
Other restricted funds	-	400	(400)	-	-
	<u>3,854</u>	<u>1,163,946</u>	<u>(1,151,577)</u>	<u>(6,125)</u>	<u>10,098</u>
Funds excluding pensions	3,854	1,163,946	(1,151,577)	(6,125)	10,098
Pension reserve	(4,000)	-	(1,000)	(29,000)	(34,000)
	<u>(146)</u>	<u>1,163,946</u>	<u>(1,152,577)</u>	<u>(35,125)</u>	<u>(23,902)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	6,075,286	1,932,509	(230,700)	-	7,777,095
	<u>6,075,286</u>	<u>1,932,509</u>	<u>(230,700)</u>	<u>-</u>	<u>7,777,095</u>
Total restricted funds	<u>6,075,140</u>	<u>3,096,455</u>	<u>(1,383,277)</u>	<u>(35,125)</u>	<u>7,753,193</u>
Unrestricted funds					
General funds	-	28,939	(35,064)	6,125	-
	<u>-</u>	<u>28,939</u>	<u>(35,064)</u>	<u>6,125</u>	<u>-</u>
Total funds	<u>6,075,140</u>	<u>3,125,394</u>	<u>(1,418,341)</u>	<u>(29,000)</u>	<u>7,753,193</u>

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

Start-Up Grant

The Start-Up Grant must be used for the development of the school including salary costs, overheads and premises costs as the school is prepared for opening. Under the funding agreement with the Secretary of State the academy was not subject to a limit on the amount of Start-Up Grant that it could carry forward as at 31st August 2016.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible assets.

Transfers from Restricted Expenditure to Unrestricted Expenditure

A transfer has been made from restricted to unrestricted expenditure due to the provision of catering, educational trips and uniforms at a reduced rate for pupils.

**CRAWLEY FREE SCHOOL TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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17 Pensions and similar obligations

The Company'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 West Sussex County Council Pension Fund. Both are multi-employer 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 that of the LGPS related to the period ended 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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17 Pensions and similar obligations

(Continued)

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

The employer's pension costs paid to the TPS in the period amounted to £26,000 (2015: £20,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.2% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2016	2015
	£	£
Employer's contributions	26,000	20,000
Employees' contributions	8,000	5,000
	<u> </u>	<u> </u>
Total contributions	34,000	25,000
	<u> </u>	<u> </u>
 Principal actuarial assumptions	 2016	 2015
	%	%
Rate of increases in salaries	3.6	4.1
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
	<u> </u>	<u> </u>

**CRAWLEY FREE SCHOOL TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

17 Pensions and similar obligations

(Continued)

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

	2016 Years	2015 Years
Retiring today		
- Males	24.4	24.4
- Females	25.8	25.8
Retiring in 20 years		
- Males	26.9	26.9
- Females	28.5	28.5

The Company's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	51,100	19,000
Bonds	11,200	4,000
	5,600	1,000
Property	2,100	2,000
Total market value of assets	70,000	26,000
Actual return on scheme assets - gain/(loss)	10,000	(1,000)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	35,000	26,000
Net interest cost	(8,000)	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

17 Pensions and similar obligations (Continued)

**Changes in the present value of defined benefit obligations 2016
£**

Obligations at 1 September 2015	30,000
Current service cost	35,000
Interest cost	2,000
Employee contributions	8,000
Actuarial loss	29,000
	<hr/>
At 31 August 2016	104,000
	<hr/>

**Changes in the fair value of the Company's share of scheme assets 2016
£**

Assets at 1 September 2015	26,000
Interest income	10,000
Employer contributions	26,000
Employee contributions	8,000
	<hr/>
At 31 August 2016	70,000
	<hr/>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £	Total 2016 £
Fund balances at 31 August 2016 are represented by:			
Tangible fixed assets	-	- 7,772,236	7,772,236
Current assets	-	1,167,147 4,859	1,172,006
Creditors falling due within one year	-	(1,157,049) -	(1,157,049)
Defined benefit pension liability	-	(34,000) -	(34,000)
	<hr/>	<hr/>	<hr/>
	-	(23,902) 7,777,095	7,753,193
	<hr/>	<hr/>	<hr/>

CRAWLEY FREE SCHOOL TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

19 Reconciliation of net income to net cash flows from operating activities

	2016	2015
	£	£
Net income for the reporting period	1,707,053	2,671,168
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(1,932,509)	(2,797,050)
Investment income	(132)	-
Defined benefit pension costs less contributions payable	9,000	6,000
Defined benefit pension net finance cost/(income)	(8,000)	-
Depreciation of tangible fixed assets	230,701	123,785
(Increase)/decrease in stocks	2,425	(17,160)
(Increase)/decrease in debtors	(113,744)	(916,142)
Increase/(decrease) in creditors	173,833	871,977
Net cash provided by operating activities	68,627	(57,422)

**CRAWLEY FREE SCHOOL TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

20 Related party transactions

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

The following related party transactions took place in the year:

Michael Connelly and Dr Dawn Eidelman were both Directors of the Company and were also Directors and Shareholders of Mosaica Education International (MEI) and Michael Connelly was a Director of MEI's subsidiary, Mosaica Education UK (MEUK) until July 2015. MEUK previously provided services to the Company including the provision of general consultancy, marketing, legal and education support services. These services were provided at cost. Fees totalling £Nil (2015: £6,425) were paid to MEUK in the year to 31 August 2016. Of these fees £Nil (2015: £Nil) were outstanding at the year end.

Tim McCarthy is a Director and Chief Executive Officer of the Company and also a Director and Chief Executive Officer of Aurora Academies Trust. Aurora Academies Trust provides leadership and financial services to the Company during the year via the part time secondment of senior staff including the Chief Executive Officer, Executive Headteacher and Financial Director. A total charge of £68,124 (2015:£31,211) in that respect was incurred during the year. Aurora Academies Trust also made a charge of £16,123 (2015: £Nil) for the Paragon curriculum which it purchased from Pansophic Learning on behalf of the Company.

Simon Rule is a Director and member of the Company and also a director of Place Group. Place Group, through its Schools Buying Club, provides procurement assistance to the Company. The Company paid no fees to Place Group during the year.

21 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

22 Post balance sheet events

From 1 October 2016, the Company has transferred all of its assets, liabilities and reserves to Aurora Academies Trust.