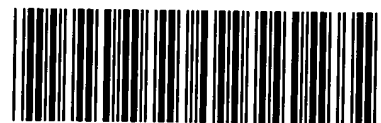


EXTOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

Registered number: 08561360

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EXTOL ACADEMY TRUST
(A company limited by guarantee)

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EXTOL ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

Jacqueline Butterworth
Patricia Vaughan
Michael Bretherick
Alan Wright (appointed 1 July 2016)
Steve Siddell (appointed 1 July 2016)

Trustees

Julie Deville, Chief Executive, Executive Head teacher
Stephen Wallace (resigned 3 March 2016)
Carole Bradley (resigned 10 April 2016)
Paul Hamilton (resigned 29 June 2016)
Jacqueline Butterworth
Leo Gillen
Stephen Blake (appointed 1 September 2016)
Michael Bretherick (appointed 1 September 2016)
Derek Richardson (appointed 11 April 2016)
Philip Tye (appointed 1 September 2016)

Company registered number

08561360

Company name

Extol Academy Trust

Principal and registered office

Eldon Grove Academy
Eldon Grove
Hartlepool
Cleveland
TS26 9LY

Clerk to Trustees

Jo Coulson

Senior management team

Julie Deville, Executive Headteacher
Carole Bradley, Head of School (resigned 31 March 2016)
Audrey Brahimi, Deputy Headteacher

EXTOL ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors

Waltons Clark Whitehill Limited
Chartered Accountants
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Bankers

Lloyds Commercial
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Solicitors

Bond Dickinson
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

EXTOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the audited financial statements and auditors' report of Extol Academy Trust (the academy) for the year 1 September 2015 to 31 August 2016. The Trustees confirm that the annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in January 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operates a primary academy in Hartlepool. It has a pupil capacity of 420 plus 78 place nursery and had a roll of 500 in the school census for this period. Eldon Grove Academy is a large urban primary school catering for 3 to 11 year olds situated in the centre of Hartlepool. The school serves the surrounding community of Eldon Grove and the Burn Valley Area. Although the School has a standard admission number of 60 per year, it is regularly oversubscribed with regular appeals being heard in places.

STRUCTURE, GOVERNANCE and MANAGEMENT

CONSTITUTION

Extol Academy Trust is a charitable company limited by guarantee and exempt charity (registration number 8561360). The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

Details of the Trustees who served during the year are included in the Reference and Administrative details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act 2006 and Article 6.3 every Trustee or other officer or auditor of the Company shall be indemnified out of the assets of the company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted by then to the court from liability for 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 initial Members of the Multi Academy Trust were nominated by the Governing Body of Eldon Grove School. An additional two Members were appointed under Article 15A July 2016 bringing the total Members to 5. The number of Members as set out in the Articles of Association and Funding Agreement shall not be less than 3.

New Trustees have been appointed by the utilisation of the Academy Ambassador programme.

Subject to revised Articles 48-49 and 53, the Academy Trust shall have the following Trustees:

- a. up to 11 Trustees, appointed under Article 50;
- b. the Chief Executive Officer, if so appointed under Article 57; and
- c. a minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

The management of the academy is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

During the year 2015/16 the Trustees held 6 meetings.

Attendance at meetings:

Director	22/10/15	17/11/15	3/3/16	4/5/16	9/6/16	29/6/16	Possible
C Bradley	✓	✓	✓	Not in post			3/3
J. Butterworth	✓	✓	✓	✓	✓	✓	6/6
J.Deville	✓	Apologies	✓	✓	✓	✓	5/6
L.Gillen	Apologies	✓	✓	Apologies	✓	✓	4/6
P.Hamilton	Apologies	✓	✓	✓	Apologies	Resigned	3/5
D.Richardson	Not appointed	Observer		✓	✓	✓	4/4
S.Wallace	Apologies	Apologies	Resigned				0/2

Following their appointment/election, all new Trustees will receive an induction to their role from Chair of Trustees and Executive Headteacher. This will include a tour of the Academy and the opportunity to meet members of the Senior Leadership Team, staff and pupils.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

Training and induction will be dependent on their existing experience.

Extol Academy is committed to providing training opportunities so as to enable Trustees to undertake their role more effectively, and provides them with copies of policies, procedures, minutes, accounts, budgets, plans and other documentation. In addition the Trust is a member of FASNA and NGA allowing Trustees to benefit from their resources.

To date external training attended over the course of the report includes;

L Gillen and J Deville attended a RSC event on 9th Oct 2016: MAT success

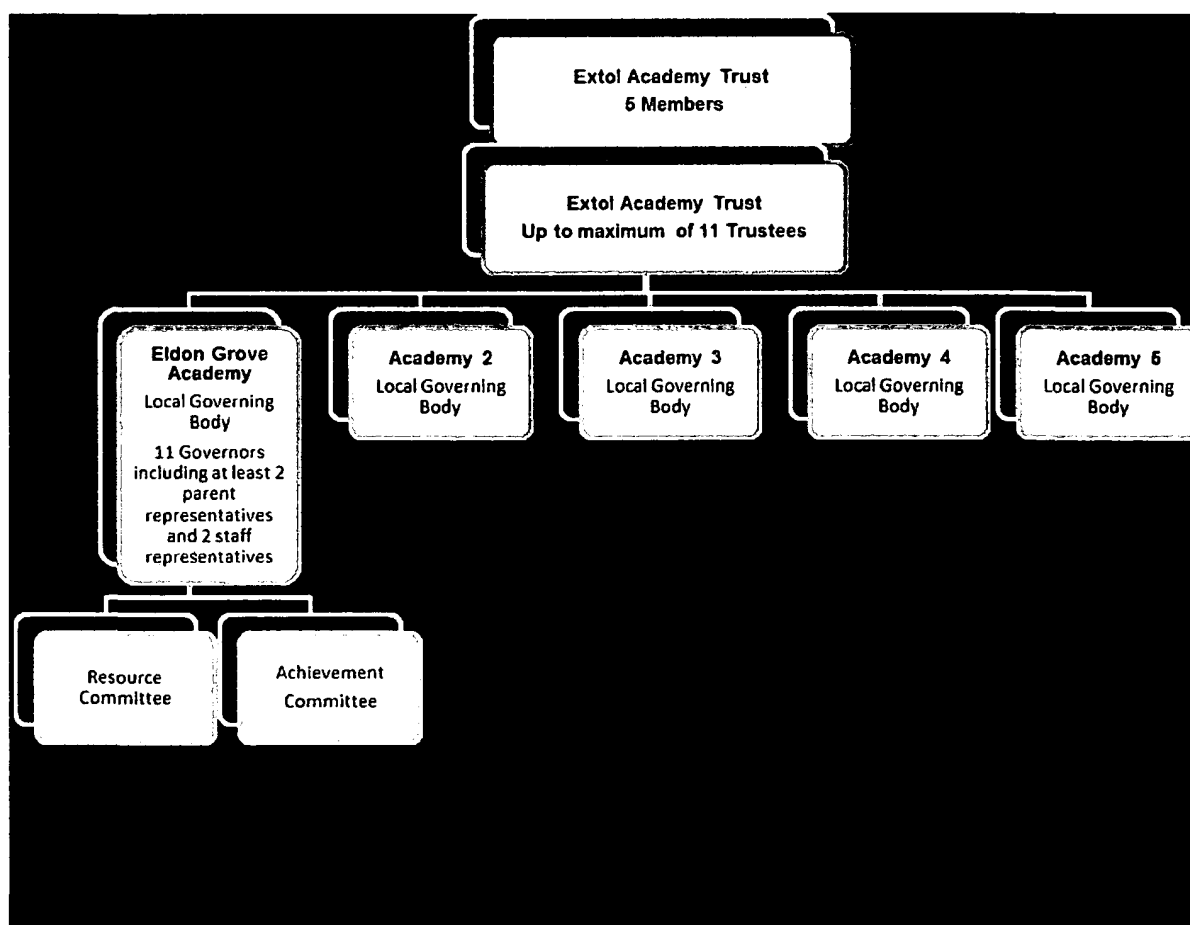
M Bretherick attended a conference for Local Governance for MATS on 14th April 2016

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

ORGANISATIONAL STRUCTURE

Structure, Governance and Management



Extol Academy Trust Board is ultimately responsible to the Department of Education and must ensure that its academies act in accordance with the Master Funding Agreement, Supplementary Funding Agreement, Academies Financial Handbook and all other relevant legislation. The Academy Board has established a Local Governing Body in Eldon Grove Academy in accordance with the Local Governing Body Terms of reference. The Local Governing Body receives delegated authority from the Trust Board as set out in Scheme of Delegation; to support the Board in fulfilling its obligation.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

As per the Trust's Pay Policy all staff with responsibilities for Teaching and Learning are paid in line with the School Teachers Pay and Conditions document, other personnel are paid in line with Standard Local Government National Pay Spines.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

ADMISSION POLICY

Eldon Grove Academy is a large urban primary school catering for 3 to 11 year olds situated in the centre of Hartlepool. The school serves the surrounding community of Eldon Grove and the Burn Valley Area. Although the School has a standard admission number of 75 per year, it is regularly oversubscribed with regular appeals being heard in places.

OBJECTIVES and ACTIVITIES

OBJECTS AND AIMS

The principle objective and activity of the Academy, in accordance with the 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 schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

Ethos:

- Everyone can succeed
- Everyone deserves the widest opportunities to achieve success
- Good pupil behaviour is expected at all times
- Outstanding standards are expected
- External factors must not be a barrier to learning or success
- Staff are expected to provide the highest standards as role models

OBJECTIVES, STRATEGIES AND ACTIVITIES

The overarching target for all schools in our Trust:

Each school should be an outstanding school; developing young people who achieve highly and are well rounded, ambitious individuals equipped in all respects for a modern, diverse society

ACTIVITIES FOR ACHIEVING OBJECTIVES

The Academy endeavours to make a real difference to schools within the Trust. We have invested in resources to develop educational performance.

Highly effective leadership and management; NSS - Executive Headteacher, successful NLE deployments undertaken

A proven track record of raising standards and achievement, achieved an "outstanding" judgements in all areas Ofsted inspection (February 2015)

The capacity to facilitate further improvement in other schools; i.e. Lead Practitioner, SLEs, Inclusion Lead, links with Hartlepool Teaching School

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

Public benefit

The primary purpose of the Trust is to provide the highest quality of education to the communities it serves. We see the role within the schools as being integral to the community, in raising aspirations and helping local people strive for a better life.

The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Commission.

Strategic Report

REVIEW OF ACTIVITIES

Over the course of the year the Trust engaged with school improvement activities over three LA; Northumberland, Darlington and Hartlepool. This consisted of:

Executive Head was commissioned by Northumberland on 30 Day contract as Partnership Co-ordinator, undertook NLE deployments and undertook SIP work in Darlington schools. Other personnel in the Trust supported this work.

Within Spring Term, the Trust were approached by DfE around sponsorship of schools; after presentations to LGBs and due diligence work in summer term it was agreed that New Silksworth Infant School and New Silksworth Junior School would join the Trust 1st September 2016.

ACHIEVEMENTS AND PERFORMANCE

Eldon Grove Academy

KEY PERFORMANCE INDICATORS

Attainment in line or above national.
Progress in line or above national.
Attendance higher than National Average
Positive Ofsted inspection and local authority health check.
Retain national support school status
To set a balanced budget and not to overspend

Early Years Foundation Stage 2016

% of pupils in school achieving GLD
78

% of pupils achieving GLD Nationally
66

Year 1 Phonics Screening 201

% of pupils in school meeting standard Nationally
87

% of pupils meeting standard
81

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

School and National Results 2016 KS1 Assessments

	% Expected Level or above		% Greater Depth	
	School	National	School	National
Reading	90	74	28	24
Writing	87	65	20	13
Mathematics	87	73	22	18

School and National Results 2016 KS2 Assessments

Attainment	% Expected Level or above		% High		Average score Expected standard 100	
	School	National	School	National	School	National
Reading	65	66	20	19	102.6	102.6
Writing	83	74	32	15		
Mathematics	65	70	20	17	102.8	103.0
Spelling, Punctuation and Grammar	72	72	22	22	103.7	104.0
RWM combined	55	53	13	5		

Progress from KS1 to KS2 for 2016 cohort

Progress	Score		National sufficient progress score
	School		
Reading	-1.32	-5	
Writing	2.09	-7	
Mathematics	-1.14	-5	

Attendance Data

	2013/14		2014/15		2015/16	
	School	National	School	National	School	National
Overall Attendance	96.2	96.1	95.9	96.0	95.98	*
Persistent Absence (15%)	1.7	2.8	1.7	2.7	0.5	*
Exclusions FTE	0	0.49	0	*	0	*
Exclusions PEX	0	0.02	0	*	0	*

* data not yet confirmed

GOING CONCERN

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy 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 Accounting Policies.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

INVESTMENT POLICY AND PERFORMANCE

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The Academy does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties are centred around changes in the level of EFA/DFE funding. In addition the Trust is a member of a local government pension scheme, which has resulted in the recognition of a significant deficit on the Trust's balance sheet.

As part of the conversion of New Silksworth Infant Academy, the academy operates a 2 year old provision which is a new venture to the Academy Trust. Such a provision brings with it increased risk with regard to required pupil numbers. Legislation dictates that the staff to pupil ratio should be 4:1. Furthermore if 2 or more children attend the provision the minimum number of staff required is 2. Therefore the Academy is inclined to ensure places are filled in order to obtain sufficient funding to cover associated staffing costs.

RISK MANAGEMENT

Extol Academy has been through a process to assess its current and future risks and to identify and implement strategies for addressing these risks. The Trust Board have reviewed the risks to which the Trust is exposed, and considered in particular those relating to the strategic development of the Trust, as well as its operational activities, and its finances.

The Academy has an effective system of internal controls and this is explained in more detail in the governance statement. Where significant financial risk still remains they have ensured they have adequate insurance cover.

FINANCIAL REVIEW

The majority of the Trust's income is obtained from Department of Education via the Education Funding Agency, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received and the associated expenditure are shown in the Statement of Financial Activities.

In addition capital grants are received and these are shown as restricted income in the fixed asset fund. Total income for the year excluding capital funds was £2,396k and expenditure excluding depreciation was £2,272k, giving a surplus for the year of £124k before movement on capital and the pension scheme. All expenditure in the year was in furtherance of the Trust's objectives.

At 31 August 2016 the net book value of fixed assets was £4,211k and the movements in the year are shown in note 15. All assets are used exclusively for providing education and associated support services to pupils of the Trust.

The provision of FRS 102 relating to pension schemes have been applied resulting in a deficit of £803k. Payments to fund the deficit will be made out of future income

At the 31 August 2016 the Trust held fund balances of £4,012k being £3,614k restricted funds and £398k of unrestricted funds.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

RESERVES POLICY

The purpose of carrying forward reserves is to ensure the stability of the school's organisational operations, to enable the Trust to manage unplanned one off costs. Reserves are also held to support larger projects such as contributions to fund capital expenditure. Holding reserves also enables the Trust to smooth out fluctuations in funding received from the Education Funding Agency and external income.

The Trustees will review the level of reserves of the Trust annually. The Trustees agree that the Trust should hold an appropriate level of balances in order to deal with unexpected or unforeseen events.

Free reserves at 31 August 2016 total £398k, of which £193k is held by the Trust and £205k by the school (see note 18). Of this amount £31k was used to set the 2016/17 budget. Funds also totalling £40k are included within the capital funds and relate to an environmental improvement grant received for New Silksworth Infant Academy.

Included in restricted funds is £158k which represents start up grants and sponsorship grants for the two new schools.

PLANS FOR FUTURE DEVELOPMENTS

Extol Academy Trust has on 1 September 2016 sponsored two schools in Sunderland; one is a fast track sponsor with an attached grant of £70k and one is a full sponsor which attracts grants of £110k in total. It is the role of the Trust to ensure the schools rapidly improve so that pupil outcomes are seen to be at least in line with national figures.

The Trust has also submitted a bid for a sponsor capacity grant as it is the intention of the Trust to grow. Within the course of the next academic year, we intend to have moved from being classified as a 'starter trust' to being an 'established trust', with the longer term aim of becoming a 'regional trust', working across LA boundaries. To this end the Trust has engaged in initial discussions with a local outstanding special school; presentation to LGB June 16. These discussions are to be developed in the new academic year. The Trust is also actively seeking 2 good/outstanding schools to join the Trust in 2016/17. This would enhance capacity to sponsor another 2 schools moving into 2017/18.

End of Strategic Report

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the strategic report, was approved by order of the board of Trustees on ^{2/12/16} and signed on the board's behalf by:



Jacqueline Butterworth
Chair of Directors

EXTOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Extol 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 Executive Head Teacher, 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 Extol Academy Trust and the Secretary of State for Education. They are 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 6 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Julie Deville, Chief Executive, Executive Head teacher	5	6
Stephen Wallace (resigned 3 March 2016)	0	2
Carole Bradley (resigned 10 April 2016)	3	3
Paul Hamilton (resigned 29 June 2016)	3	5
Jacqueline Butterworth	6	6
Leo Gillen	4	6
Michael Bretherick (appointed 1 September 2016)	0	0
Derek Richardson (appointed 11 April 2016)	4	4

The Trust does not have a committee structure and the finance and audit committee roles are carried out by the full board of Trustees.

Governance Reviews:

Governance at local level is reviewed in line with the individual school's School Self Evaluation Cycle and forms part of the judgement on Leadership. Governance is also audited by the use of a self audit tool which supports schools in deploying the skill set of governance to for the most impact.

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the academy'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 appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

1. Improving Educational Standards

The academy was judged as outstanding in all five Ofsted judgements in Feb 2015. It is subject to a LA Health Assessment annually and this confirms that the academy is still outstanding. A bespoke curriculum has been developed which reflects the new National Curriculum; attainment and progress are measured by Key

EXTOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Performance Indicators of the age related

Programmes of Study, this enabled leaders to continue to ensure high educational standards.

2. Financial governance and oversight

The Full Local Governing Body approved the annual budget as per scheme of delegation from the Trust. It was mindful of the need to balance expenditure against income, whilst ensuring best possible pupil outcomes. The academy also instigated internal audit to verify that financial procedures were compliant.

3. Better purchasing and ensuring value for money

The Governors and school managers applied the principles of best value when making decisions about: the allocation of resources to best promote the aims and values of the school, the targeting of resources to best improve standards and the quality of provision, and the use of resources to best support the various educational needs of all pupils.

Governors, and the school managers, made comparisons with other/similar schools using data provided by the LA and the Government, e.g. RAISEonline, quality of teaching & learning, and levels of expenditure. They challenged proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets. They required suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of ICT support and hardware.

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 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 Extol Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 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 of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- regular reviews by the board of Trustees 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.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Hartlepool Borough Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the internal auditor reports to the board of Trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The Internal Auditor attended the school in September 2015.

The aim of the visit was to identify and evaluate the procedures in place and identify any improvements to controls/processes, testing was carried out on the income collection system. Some issues were identified and the internal auditor carried out a review later in the year of the period November 2015 to May 2016. At this stage evidence reviewed during the course of the audit provided satisfactory assurance that the school's control environment was operating as intended. No further recommendations were made.

REVIEW OF EFFECTIVENESS

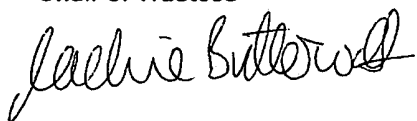
As Accounting Officer, the Executive Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 12/12/16 and signed on their behalf, by:

Jacqueline Butterworth
Chair of Trustees



Julie Deville
Accounting Officer



EXTOL ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Extol 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



Julie Deville
Accounting Officer

12/12/16

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

The Trustees (who act as governors of Extol Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the strategic report, 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 of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 12/12/16 and signed on its behalf by:



Jacqueline Butterworth
Chair of Directors

EXTOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EXTOL ACADEMY TRUST

We have audited the financial statements of Extol Academy Trust for the year ended 31 August 2016 which comprise the statement of financial activities incorporating income and expenditure account, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy'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 ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

EXTOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EXTOL ACADEMY TRUST

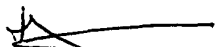
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Heather O'Driscoll FCA (senior statutory auditor)

for and on behalf of

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX
12 December 2016

EXTOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO EXTOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 April 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 Extol Academy Trust during the year 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 Extol Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Extol Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Extol Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF EXTOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of Extol Academy Trust's funding agreement with the Secretary of State for Education dated 27 June 2013, 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

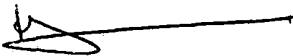
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO EXTOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.



Heather O'Driscoll FCA (senior statutory auditor)

for and on behalf of

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

12 December 2016

EXTOL ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Funds transferred from Local Authority on conversion	2	-	-	-	-	1,723
Other donations and capital grants	2	13,035	-	49,083	62,118	23,135
Charitable activities	5	-	2,251,547	-	2,251,547	2,075,062
Other trading activities	3	131,177	-	-	131,177	152,688
Investments	4	493	-	-	493	534
TOTAL INCOME		144,705	2,251,547	49,083	2,445,335	2,253,142
EXPENDITURE ON:						
Raising funds	7	33,479	-	-	33,479	31,768
Charitable activities		122,458	2,115,830	61,200	2,299,488	2,196,795
TOTAL EXPENDITURE	6	155,937	2,115,830	61,200	2,332,967	2,228,563
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(11,232)	135,717	(12,117)	112,368	24,579
Transfers between Funds	18	-	(19,644)	19,644	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES		(11,232)	116,073	7,527	112,368	24,579
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(505,000)	-	(505,000)	19,000
NET MOVEMENT IN FUNDS		(11,232)	(388,927)	7,527	(392,632)	43,579
RECONCILIATION OF FUNDS:						
Total funds brought forward		409,043	(247,882)	4,243,575	4,404,736	4,361,157
TOTAL FUNDS CARRIED FORWARD		397,811	(636,809)	4,251,102	4,012,104	4,404,736

The notes on pages 24 to 46 form part of these financial statements.

EXTOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08561360

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	14		10,450		-
Tangible assets	15		4,200,652		4,243,575
			<u>4,211,102</u>		<u>4,243,575</u>
CURRENT ASSETS					
Debtors	16	175,127		133,650	
Cash at bank and in hand		507,623		430,838	
		<u>682,750</u>		<u>564,488</u>	
CREDITORS: amounts falling due within one year	17	(78,748)		(137,327)	
NET CURRENT ASSETS			<u>604,002</u>		<u>427,161</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,815,104</u>		<u>4,670,736</u>
Defined benefit pension scheme liability	22	(803,000)		(266,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>4,012,104</u></u>		<u><u>4,404,736</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	166,191		18,118	
Restricted fixed asset funds	18	4,251,102		4,243,575	
		<u>4,417,293</u>		<u>4,261,693</u>	
Restricted funds excluding pension liability					
Pension reserve		(803,000)		(266,000)	
		<u></u>		<u></u>	
Total restricted funds			3,614,293		3,995,693
Unrestricted funds	18		397,811		409,043
TOTAL FUNDS			<u><u>4,012,104</u></u>		<u><u>4,404,736</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 12/12/16 and are signed on their behalf, by:



Jacqueline Butterworth
Chair of Directors

The notes on pages 24 to 46 form part of these financial statements.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	55,936	55,224
Cash flows from investing activities:			
Interest from investments		493	534
Purchase of tangible fixed assets		(18,277)	(20,475)
Capital grants from DfE/EFA		49,083	9,056
Cash transferred on conversion to an academy trust		-	1,723
Purchase of intangible fixed assets		(10,450)	-
Net cash provided by/(used in) investing activities		20,849	(9,162)
Change in cash and cash equivalents in the year		76,785	46,062
Cash and cash equivalents brought forward		430,838	384,776
Cash and cash equivalents carried forward		507,623	430,838

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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 of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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.

1.2 Company status

The academy is a company limited by guarantee and registered in England and Wales. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

The registered office address is:

Eldon Grove Academy
Eldon Grove
Hartlepool
Cleveland
TS26 9LY

1.3 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 and include grants from the Education Funding Agency.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.5 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.

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

Charitable activities 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.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 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 academy 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.

1.7 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided at the following rates:

Computer software	-	5 years straight line
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1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. New projects which require purchasing in bulk will also be capitalised with subsequent replacements written off to repairs in the year of purchase.

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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	125 years straight line
Plant & machinery	-	10 years straight line
Furniture & equipment	-	5 years straight line
Computer equipment	-	3-5 years straight line
Long term leasehold property improvements	-	50 years straight line

EXTOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Taxation

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

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 Pensions

Retirement benefits to employees of the academy 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 academy.

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

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

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.17 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 22, 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.

1.18 Change in accounting estimate

The Academy has reviewed the policy for depreciation of long term land and buildings. In the previous year the land was not depreciated and the buildings were written off over 50 years straight line. Upon review the academy has decided that a depreciation rate of 125 years for both land and buildings would be more accurate as this will match with the life of the lease. An amendment has therefore been made to the accounting policy to write off these assets over the remaining life of the lease.

Had this policy not been changed the depreciation in the current year would increase by £17,751 and the net book value of land and buildings would decrease by £17,751.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Funds transferred from Local Authority on conversion	-	-	-	-	1,723
Donations	13,035	-	-	13,035	14,079
Capital grants	-	-	49,083	49,083	9,056
Subtotal	13,035	-	49,083	62,118	23,135
Total donations and capital grants	13,035	-	49,083	62,118	24,858

In 2015, of the total income from donations and capital grants, £15,596 was to unrestricted funds, £206 was to restricted funds and £9,056 was to restricted fixed asset funds

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Catering income	45,002	-	45,002	38,417
Breakfast club	10,238	-	10,238	5,205
Provision of staff	35,904	-	35,904	57,210
Uniform sales	1,147	-	1,147	2,474
Educational visits and trips	32,123	-	32,123	34,182
Receipts from supply teacher insurance claims	6,763	-	6,763	15,200
	131,177	-	131,177	152,688

In 2015, of the total income from other trading activities, £152,688 was to unrestricted funds, £NIL was to restricted funds and £NIL was to restricted fixed asset funds.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	493	-	493	534

In 2015, of the total investment income, £534 was to unrestricted funds, £NIL was to restricted funds and £NIL was to restricted fixed asset funds

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General annual grant (GAG)	-	1,596,732	1,596,732	1,572,424
Pupil premium	-	192,251	192,251	182,487
Sponsorship grant	-	130,000	130,000	-
Nursery milk income	-	1,498	1,498	2,074
Universal free school meals	-	65,987	65,987	56,810
Start up grant	-	50,000	50,000	-
	-	2,036,468	2,036,468	1,813,795
Other government grants				
Funding for higher educational needs	-	36,703	36,703	88,783
Early year's funding	-	154,195	154,195	144,604
	-	190,898	190,898	233,387
Other funding				
School to School support grant	-	12,500	12,500	12,000
Teacher training income	-	8,120	8,120	15,880
Other grant income	-	3,561	3,561	-
	-	24,181	24,181	27,880
	-	2,251,547	2,251,547	2,075,062

In 2015, of the total funding for educational operations, £NIL was to unrestricted funds £2,075,062 was to restricted funds and £NIL was to restricted fixed asset funds.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	-	-	33,479	33,479	31,768
Activities:					
Direct costs	1,525,189	-	172,138	1,697,327	1,657,638
Support costs	119,587	123,278	359,296	602,161	539,157
	<u>1,644,776</u>	<u>123,278</u>	<u>564,913</u>	<u>2,332,967</u>	<u>2,228,563</u>

7. RAISING FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Trips and activities	32,467	-	32,467	29,930
Uniforms	1,012	-	1,012	1,838
	<u>33,479</u>	<u>-</u>	<u>33,479</u>	<u>31,768</u>

In 2015, of the total expenditure on raising funds, £31,768 was to unrestricted funds, £Nil was to restricted funds and £Nil was to restricted fixed asset funds.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

8. CHARITABLE ACTIVITIES

	Total funds 2016 £	<i>Total funds 2015 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,238,596	1,244,922
National insurance	94,336	82,752
Pension cost	192,257	175,033
Educational supplies	76,249	45,994
Staff development and training	38,314	24,589
Insurance	14,996	19,812
HR and professional costs	6,882	9,932
Other staff costs	35,697	54,604
	<u>1,697,327</u>	<u>1,657,638</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	82,967	73,412
National insurance	3,751	1,587
Pension cost	32,869	33,315
Depreciation	61,200	72,977
Catering	131,576	128,940
Postage and telephone	5,365	5,370
Repairs and maintenance	54,446	49,696
Energy costs	21,712	22,399
Rates	15,755	15,555
Cleaning	31,365	24,801
Travel	14,701	11,121
Insurance	14,882	17,599
Printing postage and stationery	20,382	14,914
HR and professional costs	48,006	30,844
Bank and finance charges	407	796
Other staff costs	8,037	30,997
Pension finance cost	9,000	(9,000)
Governance costs	45,740	13,834
	<u>602,161</u>	<u>539,157</u>
	<u><u>2,299,488</u></u>	<u><u>2,196,795</u></u>

In 2015, of the total expenditure on charitable activities, £382 was to unrestricted funds, £2,123,436 was to restricted funds and £72,977 was to restricted fixed asset funds.

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

9. GOVERNANCE COSTS

	2016	2015
	£	£
Auditors' remuneration	7,055	6,000
Internal audit	345	921
Start up costs	21,114	-
Accountancy	14,701	3,445
Legal fees	668	3,468
Governance support	1,857	-
	<hr/>	<hr/>
Total	45,740	13,834
	<hr/>	<hr/>

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	61,200	72,977
Auditors' remuneration - audit	7,055	6,000
Auditors' remuneration - other services	260	760
Governance internal audit costs	345	921
Operating lease rentals	13,904	8,160
	<hr/>	<hr/>

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,319,063	1,288,965
Social security costs	98,087	84,338
Operating costs of defined benefit pension schemes	225,126	208,349
	<u>1,642,276</u>	<u>1,581,652</u>
Supply teacher costs	-	15,055
Compensation payments	2,500	14,315
	<u>1,644,776</u>	<u>1,611,022</u>

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

	2016 No.	2015 No.
Teaching staff	54	56
Administration and support	11	10
	<u>65</u>	<u>66</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teaching staff	45	46
Administration and support	5	5
	<u>50</u>	<u>51</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0

EXTOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. STAFF COSTS CONTINUED

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 employer's pension contributions for these staff amounted to £23,040 (2015: £20,644).

Related party transactions - Trustees' remuneration and expenses

The executive headteacher and other staff directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as 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 Trustees' remuneration was as follows:

J Deville (Executive Headteacher and Trustee)
Remuneration £80,000 - £85,000 (2015: £80,000 - £85,000)
Employer's pension £10,000 - £15,000 (2015: £10,000 - £15,000)

C Bradley (staff Trustee)
Remuneration £35,000 - £40,000 (2015: £75,000 - £80,000)
Employer's pension £5,000 - £10,000 (2015: £5,000 - £10,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £294 (2015: £209) were reimbursed to 2 (2015: 4) Trustees.

Other related party transactions involving the Trustees are set out in note 24.

Included in compensation payments is one non-statutory/non-contractual severance payment totalling £2,500 (2015: £13,800).

The total remuneration, including pension, paid to key management personnel was £251,508 (2015: £271,362).

12. CENTRAL SERVICES

No central services were provided by the academy to its academies during the year and no central charges arose.

13. 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 £20,000,00 on any one claim and the cost for the year ended 31 August 2016 was £788 (2015 - £1,259).

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

14. INTANGIBLE FIXED ASSETS

	Develop- ment £
Cost	
At 1 September 2015	-
Additions	10,450
At 31 August 2016	10,450
Carrying amount	
At 31 August 2016	10,450
At 31 August 2015	-

15. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Long term leasehold property improvements £	Total £
Cost						
At 1 September 2015	4,252,000	52,124	10,099	48,579	30,170	4,392,972
Additions	-	-	10,417	7,860	-	18,277
At 31 August 2016	4,252,000	52,124	20,516	56,439	30,170	4,411,249
Depreciation						
At 1 September 2015	111,496	11,293	526	24,875	1,207	149,397
Charge for the year	33,708	5,212	3,660	18,017	603	61,200
At 31 August 2016	145,204	16,505	4,186	42,892	1,810	210,597
Net book value						
At 31 August 2016	4,106,796	35,619	16,330	13,547	28,360	4,200,652
At 31 August 2015	4,140,504	40,831	9,573	23,704	28,963	4,243,575

The academy continues to occupy the land and buildings which were used by the predecessor school prior to conversion. These properties were gifted to the academy on conversion on a 125 year lease by Hartlepool Borough Council. The council continue to own the freehold and the academy has the right to occupy the properties for a peppercorn rent. The property is shown above in long term leasehold property and is written off over the life of the lease.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

16. DEBTORS

	2016 £	2015 £
Trade debtors	7,229	60,653
VAT	13,248	13,224
Accrued income	125,322	30,410
Other debtors	18	2,094
Prepayments	29,310	27,269
	<u>175,127</u>	<u>133,650</u>

17. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	249	-
Accruals and deferred income	78,499	137,327
	<u>78,748</u>	<u>137,327</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	33,140	31,492
Resources deferred during the year	44,493	33,140
Amounts released from previous years	(33,140)	(31,492)
Deferred income at 31 August 2016	<u>44,493</u>	<u>33,140</u>

At the balance sheet date the academy was holding funds received in advance relating to grant funding for free school meals and an NSS bursary for use in the 2016-17 academic year.

EXTOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	409,043	144,705	(155,937)	-	-	397,811
Restricted funds						
General Annual Grant	4,618	1,596,732	(1,576,577)	(19,644)	-	5,129
Pupil Premium	-	192,251	(192,251)	-	-	-
Teacher Training Income	-	8,120	(8,120)	-	-	-
National Leader of Education						
Deployment Fund	6,000	-	(6,000)	-	-	-
Sponsor Grant	7,500	130,000	(8,006)	-	-	129,494
Funding for Higher Educational Needs	-	36,703	(36,703)	-	-	-
Early Years Funding	-	154,195	(154,195)	-	-	-
Nursery Milk Income	-	1,498	(1,498)	-	-	-
School to School support grant	-	12,500	(12,500)	-	-	-
Universal Free School Meals	-	65,987	(65,987)	-	-	-
Start up grant	-	50,000	(21,114)	-	-	28,886
Other grant funding	-	3,561	(879)	-	-	2,682
Pension Reserve	(266,000)	-	(32,000)	-	(505,000)	(803,000)
	(247,882)	2,251,547	(2,115,830)	(19,644)	(505,000)	(636,809)

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Assets Transferred on Conversion	4,185,314	-	(42,901)	-	-	4,142,413
Other Capital Grants	43,060	49,083	(9,587)	-	-	82,556
Capital expenditure from GAG	15,201	-	(8,712)	19,644	-	26,133
	<u>4,243,575</u>	<u>49,083</u>	<u>(61,200)</u>	<u>19,644</u>	<u>-</u>	<u>4,251,102</u>
Total restricted funds	3,995,693	2,300,630	(2,177,030)	-	(505,000)	3,614,293
Total of funds	<u>4,404,736</u>	<u>2,445,335</u>	<u>(2,332,967)</u>	<u>-</u>	<u>(505,000)</u>	<u>4,012,104</u>

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

General Annual Grant - this is the money provided to the academy for normal school running costs.

The Pupil Premium is paid based upon the number of pupils with service parents or who are entitled to free school meals. This funding has paid for support assistants within classrooms.

The Teacher Training Income was for the training of new teachers.

The NLE Deployment Fund was to help another school with training and support and has been spent on a leadership conference and books and materials.

The Sponsor Grant brought forward was additional funding supplied for help with the costs of conversion and improvement of a second academy when one is added to the trust. This funding remains unspent at the year end. The Trust has received an additional £130k in the current year to help with the conversion of two new academies which joined the Trust post year end. The balance of this £130k will be spent in the new year.

The Funding for Higher Educational Needs and Early Years has been used to pay for classroom assistants.

Nursery Milk Income is money received from the NHS to pay for milk for nursery children.

The Universal Free School Meals funding was to allow the provision of free school meals to all pupils in reception, year 1 and year 2.

The start up grant was two installments of £25k which was to assist with the costs involved in two new academies joining the Trust. The expenditure on this fund so far has been towards the legal costs of conversion and the balance will be spent in the new year.

The Assets Transferred on Conversion represents the land and buildings and other assets transferred to the school at nil consideration from Hartlepool Borough Council upon conversion to an Academy. This fund is being depreciated in line with the assets represented.

EXTOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

18. STATEMENT OF FUNDS (continued)

Other Capital Grants are government funds received for the purchase of capital equipment and expenditure on repairs projects. The amount carried forward represents assets purchased in the year at their net book value and funding yet to be spent.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	<i>As restated Total 2015 £</i>
Eldon Grove Primary School	210,297	205,932
Trust	353,705	221,229
Total before fixed asset fund and pension reserve	564,002	427,161
Restricted fixed asset fund	4,251,102	4,243,575
Pension reserve	(803,000)	(266,000)
Total	4,012,104	4,404,736

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	<i>Total 2015 £</i>
Eldon Grove						
Primary School	1,480,980	100,973	75,652	497,151	2,154,756	2,067,332
Trust	44,209	18,614	597	53,592	117,012	85,193
	1,525,189	119,587	76,249	550,743	2,271,768	2,152,525

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Intangible fixed assets	-	-	10,450	10,450	-
Tangible fixed assets	-	-	4,200,652	4,200,652	4,243,575
Current assets	397,811	244,939	40,000	682,750	564,487
Creditors due within one year	-	(78,748)	-	(78,748)	(137,326)
Provisions for liabilities and charges	-	(803,000)	-	(803,000)	(266,000)
	<u>397,811</u>	<u>(636,809)</u>	<u>4,251,102</u>	<u>4,012,104</u>	<u>4,404,736</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	112,368	24,579
Adjustment for:		
Depreciation charges	61,200	72,977
Interest from investments	(493)	(534)
Increase in debtors	(41,477)	(81,338)
(Decrease)/increase in creditors	(58,579)	33,319
Capital grants from DfE and other capital income	(49,083)	(9,056)
Defined benefit pension scheme finance cost	32,000	17,000
Net (loss) on assets and liabilities from local authority on conversion	-	(1,723)
Net cash provided by operating activities	<u>55,936</u>	<u>55,224</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	507,623	430,838
Total	<u>507,623</u>	<u>430,838</u>

22. PENSION COMMITMENTS

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

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

22. PENSION COMMITMENTS (continued)

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £152,998 (2015 - £132,984).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

EXTOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £67,000 (2015 - £65,000), of which employer's contributions totalled £49,000 (2015 - £49,000) and employees' contributions totalled £18,000 (2015 - £16,000). The agreed contribution rates for future years are 14.6% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.80 %
Rate of increase in salaries	3.00 %	3.50 %
Rate of increase for pensions in payment / inflation	1.90 %	2.00 %
Inflation assumption (CPI)	1.90 %	2.00 %

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

	2016	2015
Retiring today		
Males	23.1	23
Females	25.6	25.2
Retiring in 20 years		
Males	25.3	25.5
Females	28	27.8

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

22. PENSION COMMITMENTS (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	703,725	483,101
Government bonds	6,600	9,979
Property	60,225	36,394
Corporate bonds	6,600	9,392
Cash	47,850	37,568
Other	-	10,566
Total market value of assets	<u>825,000</u>	<u>587,000</u>

The amounts recognised in the statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(71,000)	(78,000)
Interest cost	(9,000)	8,000
Total	<u>(80,000)</u>	<u>(70,000)</u>
Actual return on scheme assets	<u>109,000</u>	<u>(7,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	913,000	835,000
Current service cost	71,000	78,000
Interest cost	35,000	31,000
Contributions by employees	19,000	20,000
Actuarial losses/(gains)	588,000	(49,000)
Benefits paid	(2,000)	(2,000)
Closing defined benefit obligation	<u>1,624,000</u>	<u>913,000</u>

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	647,000	587,000
Actuarial gains and (losses)	83,000	(30,000)
Contributions by employer	48,000	49,000
Contributions by employees	19,000	20,000
Expected return on assets	26,000	23,000
Benefits paid	(2,000)	(2,000)
	<u>821,000</u>	<u>647,000</u>
Closing fair value of scheme assets	<u>821,000</u>	<u>647,000</u>

23. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	2,940	2,940
Between 1 and 5 years	5,145	8,085
	<u>8,085</u>	<u>11,025</u>
Total	<u>8,085</u>	<u>11,025</u>

24. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.

25. FIRST TIME ADOPTION OF 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.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

Our ref T0158/HOD/MW
Please quote document ID 185881
Your ref

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16 December 2016

Registrar of Companies
Companies House
Crown Way
MAINDY
Cardiff
CF4 3UZ

Dear Sir

CLIENT NAME: TUDHOE LEARNING TRUST

REGISTRATION NUMBER: 8270151

We enclose the following as indicated by a tick against the item(s):-

1. Accounts for the year ended 31 August 2016
2. Form AR01
3. Form AD01
4. Form AP(01) (03)
5. Form TM(01) (02)
6. Form CH(01) (03)
7. Form SH01
8. Form AA01
9. Form DS01
10. Cheque in the amount of £40.00
11. Resolution
12. Special Resolution
13. Other item(s) as stated

✓

Yours faithfully

Way

WALTONS CLARK WHITEHILL

Encls

Waltons Clark Whitehill Limited is a limited company in England and Wales, Number 08931751 and is an independent member of HCWA, with associated offices and firms throughout the UK and worldwide,
Waltons Clark Whitehill Limited is registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.

Registered with The Chartered Institute of Taxation as a firm of Chartered Tax Advisers

Details about our audit registration can be viewed at www.auditregister.org.uk, under reference number C003789561.

Directors:

D R Boyd FCA, G L Surtees CTA ATT, H O'Driscoll FCA, P C A Harrison MSc BSc FCA, G M Hardey CTA, ATT

