

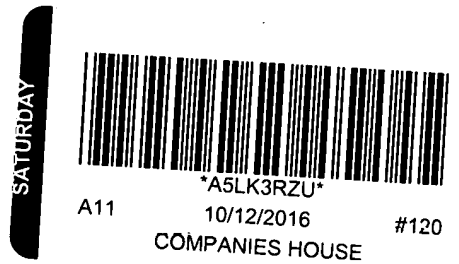
Registered number: 08563153 (England & Wales)

**KOINONIA ACADEMIES TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**



**KOINONIA ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/TRUSTEES AND ADVISERS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**Trustees**

Rev K Cribb, Chairperson  
Mr J Dugmore, Headteacher – Resigned 31.08.16  
Ms N Wordsworth  
Mrs S Moxon  
Mrs C Thomas, Headteacher – Appointed 01.09.16

**Company Registered Number**

08563153

**Principal and registered office**

Porter Croft Church of England Primary Academy  
Pomona Street  
Sheffield  
South Yorkshire  
S11 8JN

**Accounting Officer**

Mr J Dugmore - Resigned 31.08.16  
Mrs C Thomas - Appointed 01.09.16

**Senior Leadership Team – Porter Croft Church of England Primary**

Mr J Dugmore, Headteacher – to 31.08.16  
Mrs C Thomas, Deputy Headteacher - Headteacher from 01.09.16  
Miss S Holman, Deputy Headteacher - from 01.09.16  
Ms L Chalmers-Robson, Literacy Coordinator - to 31.08.16  
Mrs H Ray, Literacy Coordinator - from 01.09.16  
Mrs L Ashmore, Maths Curriculum Leader  
Miss L Brown, EAL Strategic Lead - to 31.08.16  
Miss R Hocking, SEN Coordinator - from 01.09.16  
Mrs S Moxon, School Business Manager

**Independent auditors**

Harris & Co Limited  
Chartered Accountants  
Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW

**Bankers**

RBS  
Church Street  
Sheffield  
S1 1HF

**Solicitors**

Lee Bolton Monier-Williams  
1 The Sanctuary  
London  
SW1P 3JT

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(continued)

The trustees (who are also directors of the charity for the purposes of the Companies Act and members of the Academy's Governing Body ("Governors")) present their annual report together with the audited financial statements and Auditors report of Koinonia Academies Trust (the Academy Trust) for the year ended 31 August 2016. The trustees confirm that the Annual report and financial statements for the Academy Trust comply with the current statutory requirements, the requirements of the academy's Trust governing document and the provisions of the Statement of Recommended Practice (SORP). The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a wide area across the city of Sheffield. It has a capacity of 210 and had a roll of 213 in the school census in October 2016.

**Structure, Governance and Management**

**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Koinonia Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Koinonia Academies Trust, which currently includes one academy school, Porter Croft Church of England Primary Academy.

Details of the trustees who served during the period 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.

**Directors, Member and Governors Indemnities**

The Academy Trust has purchased Governors and Trustees Liability insurance at a cost of £100.

**Method of Recruitment and Appointment or Election of Trustees**

**Members**

The members of the company shall comprise:

- a the signatories to the memorandum, who shall be:
  - i The Diocese of Sheffield Educational Trust acting corporately by hand of its Director;
  - ii The Incumbent; and
  - iii Rev Karen Cribb
- b the chairman of the Directors; and
- c any person appointed under Article 16.

Each of the persons entitled to appoint Members shall have the right from time to time by written notice delivered to the Office to remove a member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

**Directors**

The Members shall appoint a minimum of 3 Directors. The number of Directors shall be not less than 3, and is not subject to any maximum.

**Governors of Porter Croft Church of England Primary Academy**

The Board of Governors is made up of: Seven Foundation Governors, Two Parent Governors, One Staff Governor, One Local Authority Governor, the Headteacher. The Board of Governors also enlists the assistance of Associate Governors who have no voting rights and are not recorded in the instrument of government.

The Bishop of Sheffield shall appoint the seven Foundation Governors.

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**(continued)**

The Staff Governor shall be elected by staff employed by the Academy. A Staff Governor must have been employed by the Academy for at least one year and hold a permanent contract. The Governing Body makes all necessary arrangements for, and determine all other matters, relating to an election of Staff Governors. Any election of Staff Governors which is contested shall be held by secret ballot.

The Local Authority / Community Governor may be appointed by the Governing Body provided that the person who is appointed as a Community Governor is: a person who lives or works in the community served by the Academy; or a person who, in the opinion of the Governing Body is committed to the governance and success of the Academy.

The Headteacher shall be treated for all purposes as being an ex-officio governor.

**Policies and Procedures Adopted for the Induction and Training of Trustees / Governors**

At Porter Croft C of E Primary Academy, the Governing Body and Headteacher believe that all new governors should receive a comprehensive induction package covering a broad range of issues and topics. We are committed to ensure that the new governors are given the necessary information and support to fulfil their role with confidence. We see this as an investment, leading to more effective governance and retention of governors. We want to make new governors feel welcome to their governing body.

New governors will:

- Be welcomed to the Governing Body by the Chair.
- Be invited by the Headteacher to visit the academy to experience its atmosphere and understand its ethos.
- Have the opportunity to tour the academy and meet staff and children.
- Receive an informal briefing of the academy from the Headteacher to explain the partnership between the Headteacher, academy and governing body.
- Be encouraged to join the committee(s) of their choice
- Be given background material on the academy and current issues
- Be encouraged to ask questions about their role and or the academy
- Be encouraged to access training including induction training for governors
- Be encouraged to attend governor locality briefings held by Learn Sheffield

New governors will receive and be encouraged to read:

- The Department for Education's Governors' Handbook
- Academy Prospectus
- Ofsted Report
- Last Headteacher's report to governors
- List of staff, responsible areas and job titles
- List of governors' names and responsible areas (committee member etc)
- List of academy term dates
- Dates of forthcoming governing body meetings

Areas that the Headteacher will cover include:

- Background of the Academy
- Current issues facing the academy
- Visiting the Academy
- The relationship between the Headteacher and governing body

**Organisational Structure**

The governing body's role in the Academy is, essentially, a strategic one. Acting on the advice of the Headteacher, the governing body sets aims and objectives for the academy and policies and targets which will achieve these aims and objectives. It also monitors the progress of the academy towards the achievement of the aims and objectives, in the light of that progress, review the strategic framework it has established.

To facilitate the working of the governing body, some of its functions are delegated to committees, the Headteacher and Senior Leadership Team. The committees are: Finance, Leadership and Management; Premises, Behaviour and Safeguarding of pupils; Curriculum and Achievement of Pupils and Quality of

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(continued)

**Teaching.**

The Finance, Leadership and Management Committee is responsible for matters relating to income and expenditure, financial standards, reviewing the budget, school fund monitoring, all matters relating to personnel matters and performance pay progression. The committee meets up to 6 times per year.

The Premises, Behaviour and Safeguarding of Pupils committee is responsible for premises issues including health and safety, pupil behaviour and safeguarding of pupils. The committee meets up to three times a year.

The Curriculum and Achievement of Pupils and Quality of Teaching committee is responsible for matters relating to exam results, pupil progress, SEN, target setting and monitoring, teaching and learning. The committee meets four times a year.

The Headteacher is responsible for: monitoring monthly expenditure, miscellaneous financial decisions; appointment of staff; dismissal of staff; suspension of staff; establishing and implementing the curriculum policy; standards of teaching; individual children's education; implementing the performance management policies; ensuring that health and safety regulations are followed; ensuring the school meets for 195 days per academic year; school prospectus; additional needs services and acting as the Academy's Accounting Officer.

**Arrangements for setting pay and remuneration of key management personnel**

All pay for employed key management personnel at Porter Croft CE Primary Academy is set in line with Sheffield City Council in conjunction with the School Teachers Pay & Conditions and the Green Book for Non-Teaching Staff. Rev K Cribb and Ms N Wordsworth give their time voluntarily to the Trust and no remuneration is made.

**Related Parties and other Connected Charities and Organisations**

Mr J Dugmore is a Trustee of the DS Academies Trust, set up in conjunction with the Diocese of Sheffield to offer local schools a viable alternative to the Local Authority that carries the ethos and values of the Church of England within the Sheffield and Rotherham region. Mr Dugmore gives his time to the role voluntarily and there are no transactions between the trust and the DS Academies trust during this year. The Chair of Trustees, Rev K Cribb, is also the Associate Vicar at St Mary's Church with which the Trust has very close links. There have been transactions between Porter Croft CE Primary Academy and St Mary's Church during this period relating to hiring a room and catering for recruitment interviews.

**Objective and Activities**

**Objects and Aims**

The Academy Trust's object is specifically restricted to the advancement, for the public benefit, of education in the United Kingdom. Our mission is at the heart of everything we do. We aim to truly serve our community, children, families and staff alike, in the widest sense by developing a Church of England School designated as such offering a broad and balanced curriculum.

The principal aim of the Academy Trust is to provide high quality learning that helps all students to fulfil their potential and become good and emotionally well-balanced young people.

Further aims are as follows:

- To be at the heart of our community and in the service of it.
- To hold high expectations of each individual and encourage true partnership between stakeholders in order to build and develop community aspirations.
- For every child to be included; to work in partnership with local agencies to ensure a personalised curriculum for all.
- For trust, compassion and fairness to be the principles on which relationships are founded and for tolerance rather than intolerance to be the norm.
- For the academy to operate on principles; social responsibility, honesty, equality and consideration for others.
- To develop and maintain high performing academies that deliver for every family their entitlement to a good education.
- For Trust settings to be ground-breaking and supportive learning environments which develop both

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children and staff, where independence, resilience and innovation is encouraged.

**Objectives, Strategies and Activities**

Key influences on the Academy Trust's Development Plan for the period under review were priorities raised during our latest Ofsted report along with the implementation of a new curriculum and 'life without levels'.

Key activities and targets have included the following:

- To continue to improve standards and progress across the Academy, particularly focussing on children who are in multiple vulnerable groups.
- Developing the new curriculum that meets the needs of learners.
- To improve attendance across the academy and in particular those who are vulnerable to lower rates of progress.
- Implementing a new pupil data tracking programme and new levels of progress.
- Developing and providing continuing professional development for serving teachers at all levels.
- Premises development and improvement re fire safety and security.

**Public Benefit**

Porter Croft CE Primary Academy is proud of its reputation as a friendly, happy school. We want our children to enjoy their work and to achieve the highest standards in all aspects of their lives. We are a Church school but also a local community school. One of our strengths is the wide range of backgrounds and cultures from which our families come. We are determined that each child should be valued and recognised as an individual but also that each one should feel a sense of belonging to our school community.

**Strategic report – Porter Croft Church of England Primary Academy**

**Achievements and Performance**

In March 2015 the school was rated 'Outstanding' in all areas by Ofsted. This is an amazing achievement given that just 8 years previous the school was facing substantial challenges and demonstrates the rapid improvement that has taken place.

The latest Ofsted report is the first after the school converted to an academy and highlights the outstanding leadership and the 'exciting curriculum' as some of the key reasons it is performing so well.

During the current year, the Senior Leadership Team have been working to develop and refine the new assessment system. We are currently looking at a number of different schemes and will be meeting to discuss which ones we feel will be appropriate for our school. There is a political shift in terms of assessment to move away from the old Assessing Pupil Progress (APP) grids and three levels progress throughout the year. This also coincides with the move to teach a mastery curriculum, so we need to be clear about the way in which we assess this mastery curriculum so that it reflects the values of what we teach. This is a huge piece of work for all the staff and it is something we will be trialling throughout this year. We do have the baselines for each class using the School Tracking and Assessment Tools (STAT) grids, however, we are not confident that this data is a true reflection of where our pupils are.

Year 6 SATS tests provisional results and progress measures.

	Reading EXS%	Writing EXS%	Maths EXS%	GPS EXS%	Combined EXS%	Progress reading	Progress writing	Progress maths
Porter Croft	50	67.9	75	78.6	32.1	-2.3	-3.3	-0.6
National	66	74	70	72	53	0.0	0.0	0.0
Sheffield	61.7	73.4	68.7	69.9	51.8	-0.3	0.5	0.0

EXS% is the percentage of pupils achieving or exceeding the new expected level.

GPS is Grammar, Punctuation and Spelling.

No comparison to previous year can be made due to different and new testing regime.

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Schools will be below floor if:

fewer than 65% of pupils reach the expected standard in ALL of reading, writing and maths

**AND**

the school is below the floor standard for **ANY** of the individual progress measures in reading (-5), writing (-7) or maths (-5):

**KS1 provisional results**

	Reading		Writing		Maths	
	EXS%	GDS%	EXS%	GDS%	EXS%	GDS%
<b>Porter Croft</b>	79.3	44.8	58.6	13.8	82.8	13.8
<b>National</b>	74	24	65	13	73	18
<b>Sheffield</b>	71.4	23.4	64.7	14.2	77.7	24

EXS% is the percentage of pupils achieving or exceeding the new expected level.

GDS% is the percentage of children achieving the greater depth standard.

No comparison to previous years can be made due to the different and new testing regime.

**FS2 provisional results and Year one**

	2015 Achieving GLD	2016 Achieving GLD	2015 Required Standard in Phonics	2016 Required Standard in Phonics
<b>Porter Croft</b>	70%	69%	78.6%	80%
<b>National</b>	66%	69%	77%	81%
<b>Sheffield</b>	64.9%	68.7%	72.8%	76.7%

GLD is Good Level of Development

The outcomes for pupils at the school is judged to be Grade 2 (Good.) Our KS2 results show we are above national in maths, slightly below in writing, but then drops drastically in reading, being well below the expected standard. Reading is an area we have identified as a whole school priority this year. Our KS1 results show that we were above the national average in reading and maths and below in writing, however our results in writing for pupils achieving a greater depth standard were in line with national figures (13% compared to our 13.8%). As for our FS2 pupils we achieved 69% at GLD in line with national levels and again in line with the phonics tests.

**Financial Review**

The largest proportion of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA and associated expenditure for the year-ended 31 August 2016 are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants from the EFA and from other government bodies. In accordance with SORP 2015 such grants are also shown in the Statement of Financial Activities as restricted income.

During the year-ended 31 August 2016 total income was £1,206,383 (2015: £1,157,127) and expenditure totalled £1,222,916 (2015: £1,177,407), resulting in a net deficit for the period of £16,533 excluding pension scheme actuarial losses (2015: £20,280 deficit excluding pension scheme actuarial losses).

An actuarial loss of £362,000 (2015: £1,000) arose on the Trust's share of the Local Government Pension Scheme ("LGPS") during the year which, with other movements, has resulted in an LGPS deficit of £877,000 at 31 August 2016 (2015: £499,000). This very substantial increase in the deficit in the year reflects the collapse in corporate bond yields after the Brexit vote on 23 June 2016, as a result of which the discount rate used to calculate the present value of future pension scheme liabilities fell to 2.2% at 31 August 2016 (2015: 4.0%); this increase in scheme liabilities was partially offset by positive investment returns on the Trust's share of LGPS assets in the year. This significant increase in the Trust's LGPS deficit is a major issue shared by the whole academy schools sector. Based on initial actuarial advice following conversion to academy status, the pension deficit was being eliminated by additional LGPS pension contributions over an agreed period of 20 years.



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However, in view of the significant increase in deficit this year, these additional contributions may be required to increase in future years, although no increases have yet been notified by the actuary. This is an important issue facing the Trust in future years, in common with the rest of the academy schools sector.

The Trust showed a net reduction of funds in the year of £378,533 (2015: £21,280) to £591,654 (2015: £970,187), comprising the actuarial loss of £362,000 together with the £16,533 shortfall of income over expenditure for the year.

At 31 August 2016 the Trust had fixed assets with a net book value of £1,426,835 (2015: £1,434,127), other assets of £90,099 (2015: £79,141) (including bank balances of £22,815 (2015: £28,894)) and liabilities (excluding the LGPS pension deficit) of £48,280 (2015: £44,081). Net current assets were £41,819 (2015: £35,060)

**Going Concern**

The board of trustees and governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence of 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 note of the financial statements.

**Investment Policy**

The Academy trust does not hold investments other than Cash at Bank. Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Governors' management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the Financial Services Authority (FSA) approved list included in the Financial Services Compensation Scheme (FSCS).

The entirety of the Trust's funds are used directly in the achievement of its Objects and Aims. There are no unrestricted funds available for investment.

**Reserves Policy**

The Board of Trustees consider it prudent that the Academy Trust maintains sufficient reserves to meet unexpected expenditure. There are no restrictions on the amount of unrestricted income which can be held in reserves and under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

At 31 August 2016, the Trust had total funds of £591,654 (2015: £970,187) of which £555,293 (2015: £939,682) were restricted in use. Unrestricted reserves were £36,361 and restricted income funds were £5,458 (excluding fixed assets and pensions reserves) which together total £41,819 (2015: £35,061).

The pension reserve was a deficit of £877,000 at 31 August 2016 (2015: £499,000).

**Principal Risks and Uncertainties**

Governors have identified the following principal risks and uncertainties facing the Academy Trust:

**Financial Risks**

The Academy is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focussed on offering the best possible provision in the context of diminishing public funding. Governors have also given due consideration to the risks associated with financial management and compliance.

Financially the budget has been set in the next financial year with savings made on new, less expensive staff. This surplus will be managed closely and reserves kept to help if and when the Academy is affected by the new funding reform.

**Safeguarding and Child Protection Risks**

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Governors continue to ensure that the highest standards are maintained in the selection and monitoring of staff, volunteers and contractors and the control of visitors. They give a high priority to the operation of child protection policies in school including training and support.

The Academy follows a strict Safer Recruitment policy, which covers recruitment of all new staff, volunteers, contractors and visitors to the school. All receive an induction on safeguarding, which includes the Trust's Social Media Policy.

**Reputational Risk**

The continuing success of the academy depends upon offering the best possible education of all our pupils. Governors are clearly focused on monitoring and reviewing the achievement and success of students.

**Staff Recruitment**

Governors have identified the possibility of the inability to recruit staff due to the recruitment problems that are nationwide.

The Academy has during the financial year recruited new key staff and experienced no problems, this however is due to the outstanding reputation which is the key area to maintain. Directors, Governors and the Senior Leadership Team are clearly focused on monitoring and reviewing the achievement and success of students and staff.

**Funds held as Custodian**

The Academy Trust does not hold any funds as custodian trustee for other persons or organisations.

**Financial and Risk Management Objectives and Policies**

The Trust's activities expose it primarily to cash flow risk. The Governors and Senior Leadership Team monitor cash flow closely to ensure that the trust has significant funds available to meet liabilities as and when they fall due. The Trust maintains significant cash reserves at all times.

**Plans for Future Periods**

The Academy plans to maintain a clear focus on learning and the teaching that promotes it, including continuing to raise achievement and skills of pupils.

Specific Plans Include:

- Continuing Senior Leadership Team succession planning
- Ensuring Pupil Premium funding is used to the maximum benefit
- Leading the academy through a critical financial period
- Ensuring high quality non-teaching staff support teachers to maximise the life chances of students

**Auditor**

In so far as the Governors are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 8th December 2016 and signed on the board's behalf by:

.....*Karen E. Cribb*.....  
**Rev K Cribb**  
**Chair of Trustees**

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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Koinonia Academies 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 once during the year, and the Board of Governors met 4 times. Attendance during the year at meetings was as follows:

**Members of Koinonia Academies Trust:**

Rev K Cribb

H Thomas

Rev J Sullivan (representative of The Diocese of Sheffield Academies Trust)

No members meetings were held during the year.

**Board of Trustees:**

	Meetings attended	Out of a possible
Rev K Cribb, Chairperson	1	1
Mr J Dugmore, Headteacher (resigned 31.08.16)	1	1
Ms N Wordsworth, Vice Chairperson	1	1
Mrs S Moxon, School Business Manager	1	1
Mrs C Thomas (appointed 01.09.16)	0	0

Attendance at committee meetings in the year was as follows:

**Governors of Porter Croft CE Primary Academy**

Name	Meetings attended	Out of a possible
Mr J Dugmore	4	4
Rev K Cribb	4	4
Mrs S Moxon	4	4
Ms N Wordsworth	2	4
Mrs S Corker	1	4
J Sullivan (appointed 31.12.16)	1	1
P Bickley	2	4
V Smith	3	4
M West	4	4
K Hanson	4	4
C Thomas	3	4
N Denno	2	4
A Gooljar	2	4
M Kelly	3	4

The Finance, Leadership and Management Committee is a sub-committee of the main board of governors. Its purpose is to ensure proper financial administration arrangements are in place which enable the Governing Body to fulfill its statutory responsibilities for financial management and meet key administration standards required by OFSTED

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**GOVERNANCE STATEMENT (continued)**

The other committees of the academy and their respective members are as follows:

**Finance, Leadership & Management**

Name	Meetings Attended	Out of a Possible
N Wordsworth	5	5
J Dugmore	5	5
S Moxon	5	5
S Corker	1	5
K Cribb	5	5

**Premises, Behaviour & Safeguarding of Pupils**

Name	Meetings Attended	Out of a Possible
S Moxon	1	1
S Corker	0	1
C Thomas	1	1
K Hanson	0	1
B Carpenter	0	1

**Curriculum & Achievement of Pupils & Quality of Teaching**

Name	Meetings Attended	Out of a Possible
M West	4	4
N Denno	4	4
M Kelly	3	4
J Dugmore	4	4
V Smith	1	4

The governor self-evaluation is due to take place in the Autumn Term 2016.

**REVIEW OF VALUE FOR MONEY**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by obtaining three quotes for any single item or building work that exceed the value of £750. All amounts over £5,000 are discussed and agreed at the Finance, Leadership and Management Committee.

We also request samples of new technologies / books, if possible, to trial to help us ensure that no commitment is made before its suitability has been assessed.

**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'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 has been in place in Porter Croft C of E Primary Academy for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the

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**GOVERNANCE STATEMENT (continued)**

academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to 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 trust's system of internal financial control is based on a framework of regular management information and administrative procedures including 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 of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has continued with their appointment of Harris & Co Limited to perform an appropriate programme of checks on the Academy Trust's financial systems.

During the year ended 31st August 2016 the programme of risk review comprised 2 visits by Harris & Co Limited to perform a supplementary programme of checks on the academy's financial systems, the results of which were reported to the board of trustees.

During the period ending 31 August 2016 the programme of risk review and control checks have been fully delivered in line with the requirements of the Education Funding Agency.


**REVIEW OF EFFECTIVENESS**


As Accounting Officer, the Headteacher 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 work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 8 December 2016 and signed on their behalf, by:

  
.....  
**Rev K Cribb**  
**Chair of Trustees**

  
.....  
**Mrs C Thomas**  
**Accounting Officer**

**KOINONIA ACADEMIES TRUST**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Koinonia Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.


I was appointed as Accounting Officer on 1 September 2016, after the period end and so did not hold this position during the period in question. However, I have made appropriate enquiries of, and taken into account information made available to me by:

- The Board of Trustees
- The Trust's Finance Officer
- The Internal and External Auditors

On this basis, and to the best of my knowledge and belief:

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

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

  
.....  
**Mrs C Thomas**  
**Accounting Officer**

Date: 8 December 2016

**KOINONIA ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

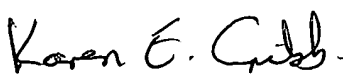
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education 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 8 December 2016 and signed on its behalf by:

  
.....  
**Rev K Cribb**  
**Chair of Trustees**

**KOINONIA ACADEMIES TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KOINONIA ACADEMIES TRUST**

We have audited the financial statements of Koinonia Academies Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the 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.

**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.



**KOINONIA ACADEMIES TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KOINONIA ACADEMIES TRUST**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

*Paul Hinchliffe*

Paul Hinchliffe BA FCA (Senior Statutory Auditor)  
for and on behalf of

**Harris & Co Limited**

Chartered Accountants  
Registered Auditors

Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW  
8 December 2016

Harris & Co Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**KOINONIA ACADEMIES TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KOINONIA ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 September 2015 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 Koinonia Academies 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 Koinonia Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Koinonia Academies 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 Koinonia Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF KOINONIA ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Koinonia Academies Trust's funding agreement with the Secretary of State for Education dated 31 July 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 Trust's income and expenditure.

- 1) consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- 2) evaluation of the general control environment of the Academy Trust;
- 3) assessment and testing of a sample of the specific control activities over regularity of a particular activity;
- 4) consideration of whether the activity is permissible within the Academy Trust's framework of authorities.

**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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KOINONIA  
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

govern them.

*KoHL*

**Harris & Co Limited**

Chartered Accountants  
Reporting Accountants

Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW

Date: *8 December 2016*

**KOINONIA ACADEMIES TRUST**  
(A company limited by guarantee)

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

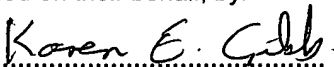
	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	150	-	6,351	6,501	6,781
Charitable activities	3	-	1,144,389	-	1,144,389	1,106,784
Other trading activities	4	54,884	-	-	54,884	43,015
Investments	5	609	-	-	609	547
<b>TOTAL INCOME</b>		<b>55,643</b>	<b>1,144,389</b>	<b>6,351</b>	<b>1,206,383</b>	<b>1,157,127</b>
<b>EXPENDITURE ON:</b>						
Raising funds		18,127	-	-	18,127	12,514
Charitable activities		2,418	1,176,051	26,320	1,204,789	1,164,893
<b>TOTAL EXPENDITURE</b>	8	<b>20,545</b>	<b>1,176,051</b>	<b>26,320</b>	<b>1,222,916</b>	<b>1,177,407</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	35,098 (29,242)	(31,662) 16,564	(19,969) 12,678	(16,533) -	(20,280) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		5,856	(15,098)	(7,291)	(16,533)	(20,280)
Actuarial losses on defined benefit pension schemes	21	-	(362,000)	-	(362,000)	(1,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>5,856</b>	<b>(377,098)</b>	<b>(7,291)</b>	<b>(378,533)</b>	<b>(21,280)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		30,505	(494,444)	1,434,126	970,187	991,467
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>36,361</b>	<b>(871,542)</b>	<b>1,426,835</b>	<b>591,654</b>	<b>970,187</b>

**KOINONIA ACADEMIES TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08563153**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	2015 £
<b>FIXED ASSETS</b>				
Tangible assets	14		1,426,835	1,434,127
<b>CURRENT ASSETS</b>				
Debtors	15	67,284	50,247	
Cash at bank and in hand		22,815	28,894	
		<u>90,099</u>	<u>79,141</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(48,280)</u>	<u>(44,081)</u>	
<b>NET CURRENT ASSETS</b>			<u>41,819</u>	<u>35,060</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,468,654</u>	<u>1,469,187</u>
Defined benefit pension scheme liability	21	(877,000)	(877,000)	(499,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>591,654</u></u>	<u><u>970,187</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	17	5,458	4,556	
Restricted fixed asset funds	17	<u>1,426,835</u>	<u>1,434,126</u>	
Restricted income funds excluding pension liability		<u>1,432,293</u>	<u>1,438,682</u>	
Pension reserve		<u>(877,000)</u>	<u>(499,000)</u>	
Total restricted income funds			<u>555,293</u>	<u>939,682</u>
Unrestricted income funds	17		<u>36,361</u>	<u>30,505</u>
<b>TOTAL FUNDS</b>			<u><u>591,654</u></u>	<u><u>970,187</u></u>

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

  
.....  
**Rev K Cribb**  
**Chair of Trustees**

**KOINONIA ACADEMIES TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>5,989</u>	<u>23,420</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		610	546
Purchase of tangible fixed assets		(19,029)	(24,497)
Capital grants from DfE/EFA		6,351	6,081
<b>Net cash used in investing activities</b>		<u>(12,068)</u>	<u>(17,870)</u>
<b>Change in cash and cash equivalents in the year</b>		(6,079)	5,550
Cash and cash equivalents brought forward		<u>28,894</u>	<u>23,344</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>22,815</u></u>	<u><u>28,894</u></u>

**KOINONIA ACADEMIES 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 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.

Koinonia Academies Trust constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

**1.2 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 Department for Education.

**KOINONIA ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the Academy Trust 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 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 in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

**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 allocated on the portion of the asset's use.

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

Charitable activities and Governance costs are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.



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

**1. ACCOUNTING POLICIES (continued)**

**1.5 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 Trust 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..

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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

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.

The Trust recognises as an asset on its balance sheet interests in school land & buildings which are owned by a Diocese of the Church of England and occupied by the Trust under a Supplemental Agreement which grants to the Trust a 2 year licence to occupy the premises. This is in accordance with both the Academies Accounts Direction issued by the Education Funding Agency and FRS 102 which defines an asset as 'a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow'.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. 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:

Land	-	Not depreciated
Long-term leasehold property	-	Straight line over 50 years
Fixtures and fittings	-	Straight line over 4 years
Computer equipment	-	Straight line over 3 years

**1.7 Interest receivable**

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

**KOINONIA ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.8 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.

**1.9 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.

**1.10 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.

**1.11 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

**1.12 Taxation**

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

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**KOINONIA ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

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

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

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

Critical areas of judgement:

There are no further judgements that have not already been disclosed in the accounting policies.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	150	-	6,351	6,501	6,781

In 2015, of the total income from donations and capital grants, £ 700 was to unrestricted funds and £6,081 was to restricted funds

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	989,237	989,237	949,466
Pupil premium	-	117,480	117,480	115,634
Special educational grants	-	2,333	2,333	8,000
PE grant	-	8,900	8,900	8,775
UIFSM	-	26,439	26,439	24,909
	-	1,144,389	1,144,389	1,106,784

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £1,106,784 was to restricted funds.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Teacher cover income	1,950	-	1,950	2,439
Catering	1,812	-	1,812	350
Uniform	1,015	-	1,015	1,588
Educational visits	16,411	-	16,411	11,168
Fundraising	955	-	955	4,121
School clubs	13,114	-	13,114	9,132
Hire of staff	18,127	-	18,127	12,514
Other	1,500	-	1,500	1,703
	54,884	-	54,884	43,015

In 2015, of the total income from other trading activities, £43,015 was to unrestricted funds and £ NIL was to restricted funds.

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**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	609	-	609	547

In 2015, of the total investment income, £ 547 was to unrestricted funds and £ NIL was to restricted funds.

**6. CHARITABLE ACTIVITIES**

	2016 £	2015 £
Direct costs - educational operations	710,362	706,792
Support costs - educational operations	494,427	455,102
Total	1,204,789	1,161,894

**7. ANALYSIS OF SUPPORT COSTS**

	Boarding £	Educational Operations £	Total 2016 £	Total 2015 £
Support staff costs	-	260,357	260,357	222,420
Depreciation	-	1,606	1,606	1,672
Technology costs	-	1,558	1,558	-
Premises costs	-	42,292	42,292	47,380
Other support costs	-	134,558	134,558	130,211
Governance costs	-	54,056	54,056	53,419
Total	-	494,427	494,427	455,102

All of the support costs in 2015 related to educational operations.

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**8. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	18,127	-	-	18,127	12,514
Educational operations:					
Direct costs	577,814	24,715	107,833	710,362	706,792
Support costs	294,783	43,898	155,746	494,427	455,102
	<u>890,724</u>	<u>68,613</u>	<u>263,579</u>	<u>1,222,916</u>	<u>1,174,408</u>

In 2016, of the total expenditure, £20,545 (2015 - £18,023) was to unrestricted funds and £1,202,371 (2015 - £1,156,385) was to restricted funds.

**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	26,321	24,067
Auditors' remuneration	<u>8,950</u>	<u>8,950</u>

**10. AUDITORS' REMUNERATION**

The Auditor's remuneration amounts to an Audit fee of £7,950 (2015 - £7,950), and the provision of other services of £1,000(2015 - £1,000).

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**11. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	689,092	683,072
Social security costs	49,927	42,500
Operating costs of defined benefit pension schemes	121,343	107,095
	<u>860,362</u>	<u>832,667</u>
Agency costs	30,362	14,591
	<u>890,724</u>	<u>847,258</u>

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

	2016 No.	2015 No.
Teaching	24	27
Administration and support	7	8
Management	2	2
	<u>33</u>	<u>37</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teaching	18	21
Administration and support	4	4
Management	2	2
	<u>24</u>	<u>27</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

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2016, pension contributions for this staff member amounted to £10,665.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £340,001 (2015: £321,664).

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 2 Trustees (2015 - 2) in respect of defined benefit pension schemes.

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

		2016 £	2015 £
J Dugmore	Remuneration	60,000-65,000	60,000-65,000
	Pension contributions paid	10,000-15,000	5,000-10,000
S Moxon	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	0-5,000	0-5,000

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

**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 £2,000,000 on any one executive or organisation liability claim and £250,000 on any one employment practices liability claim. The cost for the year ended 31 August 2016 was £100 (2015: £3,175). The cost of this insurance is included within total insurance costs.

**14. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	1,438,013	32,722	10,346	1,481,081
Additions	-	19,029	-	19,029
At 31 August 2016	1,438,013	51,751	10,346	1,500,110
<b>Depreciation</b>				
At 1 September 2015	29,235	12,602	5,117	46,954
Charge for the year	14,294	10,413	1,614	26,321
At 31 August 2016	43,529	23,015	6,731	73,275
<b>Net book value</b>				
At 31 August 2016	1,394,484	28,736	3,615	1,426,835
At 31 August 2015	1,408,778	20,120	5,229	1,434,127



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**14. TANGIBLE FIXED ASSETS (continued)**

Included in land and buildings is leasehold land at valuation of £694,000 which is not depreciated.

**15. DEBTORS**

	2016 £	2015 £
Trade debtors	850	-
VAT recoverable	30,097	14,081
Prepayments and accrued income	36,337	36,166
	<u>67,284</u>	<u>50,247</u>

**16. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	16,664	6,324
Other taxation and social security	15,093	12,525
Accruals and deferred income	16,523	25,232
	<u>48,280</u>	<u>44,081</u>

	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	14,531	12,864
Resources deferred during the year	15,423	14,531
Amounts released from previous years	(14,531)	(12,864)
Deferred income at 31 August 2016	<u>15,423</u>	<u>14,531</u>

At the balance sheet date the academy trust was holding funds received in advance for universal infant free school meals for 2016/17.

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**17. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds - all funds	30,505	55,643	(20,545)	(29,242)	-	36,361
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	989,237	(1,005,801)	16,564	-	-
Pupil Premium	-	117,480	(117,480)	-	-	-
SEN	-	2,333	(2,333)	-	-	-
PE Grant	1,247	8,900	(4,689)	-	-	5,458
Universal Infant Free School Meals	3,309	26,439	(29,748)	-	-	-
Pension reserve	(499,000)	-	(16,000)	-	(362,000)	(877,000)
	<u>(494,444)</u>	<u>1,144,389</u>	<u>(1,176,051)</u>	<u>16,564</u>	<u>(362,000)</u>	<u>(871,542)</u>
<b>Restricted fixed asset funds</b>						
Assets funded from GAG	37,482	-	(5,775)	12,678	-	44,385
Assets transferred on conversion	1,379,646	-	(15,609)	-	-	1,364,037
Other DfE Capital Grants	11,373	6,351	(3,529)	-	-	14,195
Other Capital Donations	5,625	-	(1,407)	-	-	4,218
	<u>1,434,126</u>	<u>6,351</u>	<u>(26,320)</u>	<u>12,678</u>	<u>-</u>	<u>1,426,835</u>
Total restricted funds	<u>939,682</u>	<u>1,150,740</u>	<u>(1,202,371)</u>	<u>29,242</u>	<u>(362,000)</u>	<u>555,293</u>
Total of funds	<u>970,187</u>	<u>1,206,383</u>	<u>(1,222,916)</u>	<u>-</u>	<u>(362,000)</u>	<u>591,654</u>

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

- 1) Restricted general funds must be used for the normal running costs of the Academy in line with the Master Funding Agreement and restrictions from other sources of funding.
- 2) Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Academy.

The transfers between restricted funds and restricted fixed asset funds relates to fixed assets purchased from GAG and the PE Grant. Other transfers relate to the funding of deficits that have arisen in restricted funds.

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**17. STATEMENT OF FUNDS (continued)**

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

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	1,426,835	1,426,835	1,434,127
Current assets	36,363	53,736	-	90,099	79,141
Creditors due within one year	-	(48,280)	-	(48,280)	(44,081)
Provisions for liabilities and charges	-	(877,000)	-	(877,000)	(499,000)
	<u>36,361</u>	<u>(871,542)</u>	<u>1,426,835</u>	<u>591,654</u>	<u>970,187</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(16,533)	(20,280)
<b>Adjustment for:</b>		
Depreciation charges	26,321	24,067
Dividends, interest and rents from investments	(610)	(546)
(Increase)/Decrease in debtors	(17,036)	11,701
Increase/(Decrease) in creditors	4,198	(1,441)
Capital grants from DfE and other capital income	(6,351)	(6,081)
FRS 102 defined benefit adjustments	16,000	16,000
<b>Net cash provided by operating activities</b>	<u>5,989</u>	<u>23,420</u>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	22,815	28,894
<b>Total</b>	<u>22,815</u>	<u>28,894</u>

**21. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension

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**21. PENSION COMMITMENTS (continued)**

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 South Yorkshire Pensions Authority. Both are Multi-employer defined benefit pension schemes.

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 period amounted to £64,981 (2015 - £53,852).

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](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has

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**21. PENSION COMMITMENTS (continued)**

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 £73,325 (2015 - £69,738), of which employer's contributions totalled £58,252 (2015 - £55,242) and employees' contributions totalled £15,073 (2015 - £14,495). The agreed contribution rates for future years are 13.1% 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.65 %	3.95 %
Rate of increase for pensions in payment / inflation	2.00 %	2.20 %
Inflation assumption (CPI)	1.90 %	2.20 %

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	23.0	23.0
Females	25.7	25.6
Retiring in 20 years		
Males	25.4	25.3
Females	28.5	28.4

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	146,000	87,000
Government and other bonds	54,000	30,000
Property	28,000	17,000
Cash/liquidity	4,000	3,000
Other	19,000	10,000
<b>Total market value of assets</b>	<b>251,000</b>	<b>147,000</b>

The actual return on scheme assets was £36,000 (2015 - £3,000).

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**21. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of Financial Activities are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(52,000)	(52,000)
Net interest cost	(18,000)	(18,000)
Total	<u>(70,000)</u>	<u>(70,000)</u>
Actual return on scheme assets	<u>36,000</u>	<u>3,000</u>

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

	2016 £	2015 £
Opening defined benefit obligation	646,000	557,000
Current service cost	52,000	52,000
Interest cost	25,000	22,000
Actuarial losses	390,000	-
Member contributions	15,000	15,000
Liabilities assumed on conversion	-	-
Closing defined benefit obligation	<u>1,128,000</u>	<u>646,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	147,000	75,000
Return on plan assets (excluding net interest on the net defined pension liability)	7,000	4,000
Actuarial gains and (losses)	28,000	(1,000)
Contributions by employer	55,000	55,000
Member contributions	15,000	15,000
Administrative expenses	(1,000)	(1,000)
Closing fair value of scheme assets	<u>251,000</u>	<u>147,000</u>

**22. OPERATING LEASE COMMITMENTS**

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

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**AMOUNTS PAYABLE:**

	2016 £	2015 £
Within 1 year	1,528	1,528
Between 1 and 5 years	509	1,910
After more than 5 years	-	-
Total	<u>2,037</u>	<u>3,438</u>

**23. MEMBERS' LIABILITY**

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

**24. RELATED PARTY TRANSACTIONS**

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

As noted in the Trustees' Report, St Mary's Church, a diocese in which the Chair of Trustees, Rev K Cribb is also the Associate Vicar provided meeting and catering facilities for recruitment interviews. The transaction took place with St Mary's (Conference & Catering) Ltd, a company within St Mary's Church totaling £656 (2015: £Nil).

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**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.

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

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	<b>1 September 2014</b>	<b>31 August 2015</b>
		<b>£</b>	<b>£</b>
Total funds under previous UK GAAP		991,467	970,187
Total funds reported under FRS 102		<u>991,467</u>	<u>970,187</u>

<b>Reconciliation of net (expenditure)</b>	<b>Notes</b>	<b>31 August 2015</b>
		<b>£</b>
Net (expenditure) previously reported under UK GAAP		(17,280)
Changes in recognition of LGPS interest cost	A	(3,000)
Net movement in funds reported under FRS 102		<u>(20,280)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on defined benefitplan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenses. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenses by £3,000 and decrease the debit in other recognised gains and losses in the SOFA by an equivalent amount.
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