

# **Floreat Education Academies Trust**

## **Annual Report and Financial Statement**

**Year ended 31 August 2016**

**(A Company Limited by Guarantee)**

**Company Registration Number: 09007740 (England and Wales)**

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# **Floreat Education Academies Trust**

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## **Floreat Education Academies Trust**

### **Reference and Administrative Details**

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<b>Members</b>	Professor James Arthur James Cox Floreat Education Sam Freedman Martyn Rose Dr. Caroline Whalley
<b>Trust Directors (Trustees)</b>	Professor James Arthur (resigned 30 September 2015) Chris Benson Colin Brereton Richard Briance (appointed 30 September 2015) James Cox Olivia Deighton (appointed 30 September 2015) Jennifer Emery (appointed 30 September 2015 resigned 17 May 2016) Sam Freedman Dame Sylvia Morris (resigned 17 March 2016) Martyn Rose – Chairman Amanda Spielman (appointed 30 September 2015 resigned 12 June 2016) Dr. Caroline Whalley (resigned 30 September 2015)
<b>Company Secretary</b>	Tom Webster
<b>Executive Management Team</b> <ul style="list-style-type: none"><li>• Chief Executive Officer</li><li>• Managing Director</li><li>• Chief Operating Officer</li></ul>	Janet Hilary Lord James O'Shaughnessy (resigned 31 January 2016) Tom Webster
<b>Company Name</b>	Floreat Education Academies Trust
<b>Principal and Registered Office</b>	Floreat Wandsworth Primary School 305 Garratt Lane London SW18 4EQ
<b>Company Registration Number</b>	09007740
<b>Independent Auditor</b>	Mazars LLP Times House, Throwley Way Sutton SM1 4JQ
<b>Bankers</b>	Lloyds Bank Plc 3 <sup>rd</sup> Floor Queens Square Wolverhampton WV1 1TF
<b>Solicitors</b>	Browne Jacobson Victoria Square House Victoria Square Birmingham, B2 4BU

## **Floreat Education Academies Trust**

### **Reference and Administrative Details (continued)**

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#### **Directory of Academies**

##### ***Floreat Brentford Primary School***

Address	Ground Floor Trico House Brentford TW8 0GD
Chair of Governors:	Lord James O'Shaughnessy
Senior Leadership Team:	
• Headteacher	Aisling McKeever

##### ***Floreat Wandsworth Primary School***

Address	305 Garratt Lane Earlsfield, SW18 4EQ
Chair of Governors:	Lord James O'Shaughnessy (resigned 31 August 2016) Paul White (appointed 1 September 2016)
Senior Leadership Team:	
• Headteacher	Matthew Custance

# **Floreat Education Academies Trust**

## **Trustees' Report**

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The Trustees present their annual report together with the financial statements and auditors' report of Floreat Education Academies Trust (the Trust) for the year 1<sup>st</sup> September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the year, the Trust opened two new primary academies in Brentford (one reception class) and Wandsworth (nursery and two reception classes). When full the academies have a combined pupil capacity of 873 and had a roll of 109 (out of 123 places available) in the school census on January 2016.

### **Structure, Governance and Management**

#### **Constitution**

The Trust is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees are also the directors of the charitable company for the purposes of company law.

Details of trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

Each member of the Trust undertakes to contribute to the assets of the Trust 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**

In accordance with normal commercial practice the company has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on company business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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

Trustees are appointed by nomination of the Members.

In accordance with the Memorandum and Articles of Association, the Trust has appointed a strong board with a range of experience and expertise who enforce strong accountability and lead the company through a period of growth.

#### **Policies and Procedures adopted for the Induction and Training of Trustees**

Trustees bring a variety of experience from a number of different backgrounds in both education and industry and commerce. Where necessary additional training will be provided on charity, educational, legal and financial matters. All Trustees are routinely involved with meetings, accounts, reports, budgets, plans and other information necessary to enable them to carry out their roles. Assistance and advice is always available from trust staff or professional advisors.

#### **Organisation Structure**

The Trustees have overall responsibility and ultimate decision making for all the work of the Trust, including the establishing and running of schools. This is largely exercised through strategic planning and the setting of policy guidance. It is managed through business planning, monitoring of budgets, performance management, the setting of standards and the implementation of quality management processes. The Trustees delegate the day-to-day responsibility for running the Trust to the senior management team led by the Chief Executive Officer. The day-to-day running of individual academies is delegated to the senior leadership team, led by the headteachers. The Chief Executive Officer is the Accounting Officer.

# Floreat Education Academies Trust

## Trustees' Report (continued)

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### Arrangements for Setting Pay and Remuneration of Key Management Personnel

The pay of teaching staff in schools is set with reference to the National Pay Scales. The pay of all other staff is agreed by the Chief Executive Officer, and for Key Management by the Board of Trustees.

### Related Parties and other Connected Charities and Organisations

Floreat Education Limited, which raises funds for the Trust is a registered charity with the registered company number 08643692. Related party transactions involving Trustees are set in notes 11 and 23 to the financial statements.

## Objectives and Activities

### Objects and Aims

The Trust aims to:

- Provide education for pupils of different abilities within the age range of 4-11 under a clear and specific educational ethos that develops pupils' character virtues and provides them with a knowledge-rich academic education.
- Ensure that every child, irrespective of background or ability, accesses and enjoys the same high standard of education.
- Seek to raise standards and opportunities for all pupils within the Trust and effectively to deploy available and ring-fenced funds (for example: Pupil Premium) to this end.
- Keep the curriculum structure and effectiveness under continual review and comply with the appropriate statutory curriculum requirements.
- Monitor the performance of pupils by analysing attainment and progress against individual targets and national/ local benchmarks.
- Monitor the performance of staff via approved systems of appraisal, with a view to maintaining the highest possible pupil outcomes and providing high quality professional development.
- Provide value for money and deploy finances within a fair, transparent framework in order to achieve the highest educational standards.

The Trust seeks to enable children to flourish in school by giving them a knowledge-rich academic education and developing their character strengths and virtues. Our pupils learn, think and express themselves effectively, conduct themselves with dignity and serve others. This ensures they are joyful in school and set up for a future of success and wellbeing, whatever they choose to do in their lives.

The Trust has designed, and is now continuing to resource, a complete and scalable educational model for use in Floreat's schools: the *Virtue and Knowledge School Model*. Our model is based on the classical ideal of education: it introduces children to the best that has been thought and created while preparing them to seek a good life for themselves and others. The model has three key elements:

#### 1. *Virtue and Knowledge Curriculum*

Our curriculum helps pupils develop a sophisticated understanding of the world in which they live. It starts with rapid development of the *core skills* of English and Maths and includes subject-based lessons that deepen and broaden pupils' *cultural knowledge*. The academic curriculum is infused with opportunities for children to develop their *character virtues* and our schools provide regular opportunities for pupils to develop their intellectual *curiosity* by applying their skills and knowledge to projects that involve adventure learning in the outdoors and service learning in their community.

#### 2. *Teacher Flourishing*

We believe that teacher and pupil flourishing are a common cause. Teachers must be flourishing in order to inspire their pupils. To achieve this, the Trust provides a unique preparation, training and development programme – *Teacher Flourishing* – that will ensure all staff are able to deliver the *Virtue*

## **Floreat Education Academies Trust**

### **Trustees' Report (continued)**

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*and Knowledge Curriculum with confidence and understanding.*

#### **3. Assessment for Flourishing**

In order to provide regular measurement of pupils' academic and character development, we are partnered with the University of Birmingham's Jubilee Centre for Character and Virtues. We will work with them to develop our character education programme including a range of different assessment techniques. This will enable staff and parents to track children's progress against various indicators that reflect their development, both academic and character.

#### **Objectives, Strategies and Activities**

The main aim of the Trust over the year was to operate the two schools that opened in September 2015 and to progress the pre-open projects and bids for new schools.

At the end of the year, the Trust had two open schools (Floreat Wandsworth and Floreat Brentford). Floreat Montague Park opened in September 2016. Three further schools are in pre-opening; Floreat Colindale and Floreat Silver Meadow, planned to open in September 2017 and a further school in Wokingham to open in 2018/19.

- Floreat Wandsworth is a 420 place primary school located in Earlsfield. It has its own newly built school premises.
- Floreat Brentford is a 420 place primary school located in Brentford. It is currently in temporary accommodation while a permanent site is being built.
- Floreat Montague Park is a 420 place primary school located in Wokingham. It has its own newly built school premises.
- Floreat Colindale will be a 420 place primary school located in Colindale. It will be newly built.
- Floreat Silver Meadow will be a 420 place primary school located in Wokingham. A site is being sought for the school.
- A further Wokingham school will be a 210 place primary school located in Wokingham. A site is being sought for the school.

#### **Public Benefit**

In setting the objectives and planning activities, the Trustees have given careful consideration to ensuring compliance with the Charity Commission's general guidance on public benefit.

# **Floreat Education Academies Trust**

## **Trustees' Report (continued)**

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### **Strategic Report**

#### **Achievements and Performance**

##### **Key Performance Indicators**

This report marks the end of the second year of operations of the Trust. During this time:

- Floreat Wandsworth Primary School and Floreat Brentford Primary School opened in September 2015. Floreat Wandsworth opened with a nursery and two-form Reception intake and Floreat Brentford opened with a single form Reception intake.
- Floreat Montague Park opened in September 2016 with a single form of entry in Reception plus a nursery.
- The Trust won further bids to open three new schools.
- The Trust won a "Character Grant" bid for £124,000 funded by the Department of Education. This one-year grant enabled the Trust to invest in its curriculum development, creating a taught course in virtues-based character education for pupils in year Reception, Year 1 and Year 2.
- The Trust hosted the Department for Education's first Character Education Symposium in January 2016.
- The recruitment of a full set of leadership and teaching staff for the schools, including a Chief Executive Officer and a Chief Operating Officer.

The Trust performed very well in the period from incorporation, meeting the growth targets that were set. These include:

- Opening our first two schools and achieving over-subscription for 2016;
- Recruiting all the necessary leadership, teaching and other staff for the schools and the Trust;
- Developing and implementing a curriculum and assessment model for the schools;
- Winning bids to open further schools;
- Completing the appointments to the Board of Trustees.

Floreat Wandsworth Primary School achieved 88% Good Level of Development and judged itself as Good in all areas in its self-evaluation, including the quality of teaching, supported by the Local Authority's link advisor.

The school was over-subscribed in two forms of entry and a 33 place nursery, for September 2016.

Floreat Brentford Primary School ended the year with 24 pupils. The school achieved 84% Good Level of Development and judged itself as Good in all areas in its self-evaluation, including the quality of teaching, supported by the Department for Education link advisor. The school was over-subscribed as a single form Reception intake in September 2016.

##### **Going Concern**

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



# **Floreat Education Academies Trust**

## **Trustees' Report (continued)**

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### **Financial Review**

Most of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted. The grants received from the EFA during the year ended 31st August 2016 of £1.2m and the associated expenditure of £1.2m are shown as restricted funds in the Statement of Financial Activities.

Total funds at the year-end were £6.65m of which £6.62m related to fixed assets, £0.06m unrestricted general funds and a pension deficit of £0.03m.

### **Reserves Policy**

The Trust aims to set a budget each year that will achieve a cumulative revenue (general funds) surplus after all costs. It is intended that the reserves will be held to allow the Trust in future years to target necessary improvements throughout its property portfolio and its operational and organisation structure that improve the teaching facilities and environment throughout the schools.

On 31 August 2016, the level of reserves held as restricted general funds was nil (31 August 2015: £11,230) and the level of reserves held as restricted fixed assets, was £6.6m (31 August 2015: £6.4m) as shown on the balance sheet.

### **Investment Policy**

The Trust manages and holds its bank balances and makes investment decisions with regards to use of those funds which are directed towards the provisions of educational activities in line with the curricula of the Trust.

### **Principal Risks and Uncertainties**

Principal risks are reviewed annually. Amongst these are the importance of maintaining pupil numbers as this directly drives the amount of income the Trust receives. It is also important that the Trust maintains its further sources of funding including private donations, project grants and school pre-opening grants, to support the central services that it provides to the schools of the Trust. Other key risks include the protection of both pupils and staff, and the maintenance and protection of its key assets. Systems and procedures to minimise each of these key risks are reviewed by the Board and its audit and finance committee.

### **Plans for Future Years**

The Trust intends in time to bring existing schools into the group through the academy conversion route, adding capacity and expertise. Such growth will be steady and organic, and occur at a measured pace which only strengthens the Trust in the process.

### **Funds Held as Custodian Trustee on Behalf of Others**

The Trust does not hold such funds and does not act as the custodian trustees of any other charity.

## **Floreat Education Academies Trust**

### **Trustees' Report (continued)**


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#### **Auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust'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.

This report, incorporating a strategic report, was approved by order of the Board of Trustees on 20 December 2016 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Martyn Rose', followed by a small flourish.

**Martyn Rose**  
**Chair of Board of Trustees**

# Floreat Education Academies Trust

## Governance Statement

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### Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Floreat Education 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 Chief Executive Officer 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 Floreat Education Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees and 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 four times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Director	Meetings attended	Eligible Meetings
Chris Benson	2	4
Colin Brereton	2	4
Richard Briance	4	4
James Cox	4	4
Olivia Deighton	4	4
Jennifer Emery	2	3
Samuel Freedman	3	4
Dame Sylvia Morris	0	2
Martyn Rose (chairman)	4	4
Amanda Spielman	1	3

The **Audit and Finance Committee** is a sub-committee of the main Board of Trustees. Its purpose is to hold the Accounting Officer and Chief Operating Officer to account for their financial statements, budgeting and value for money and to monitor, review and evaluate financial propriety. Attendance during the year at meetings was as follows:

Director	Meetings attended	Eligible Meetings
Chris Benson	3	3
Colin Brereton	2	3
Richard Briance	2	3
James Cox (chairman)	3	3

## **Floreat Education Academies Trust**

### **Governance Statement (continued)**

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#### **Review of Value for Money**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered value for money during the year in the following ways:

- The Trust is committed to outstanding education results at each of the schools and this forms the heart of how spending decisions are made. The Trust tracks the attendance and performance of all students and both are above the national average. We operate a school review process in the school year which allows schools to target spending in areas focused keenly on school effectiveness.
- Procurement procedures result in value for money – contract and services are regularly appraised and renegotiated when appropriate to ensure value for money. The Trust always assesses the cost and benefits of options before making an optimal long-term decision. The Trust has been able to make economies and savings as a result of being able to share resources between schools and due to a larger buying power through our combined purchases. The Trust has robust procedures in place for assessing need and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost.
- The Trust has used its facilities efficiently by generating extra income from the premises. The Trust has let out unused rooms in its building to educational and community groups. The Trust plans to increase the income its buildings facilities can generate.

Trustees and school leaders have applied the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of our schools;
- The targeting of resources to best improve standards and quality of provision;
- The use of resources to best support the learning needs of all pupils, staff, parents and Trustees; and,
- Arranging service contracts.

This demonstrates that we have provided excellent value for money and our children make rapid progress and succeed at our schools.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives. The Trust evaluates the likelihood of risks manifesting and the impact should they do so, and seeks to manage risk efficiently and effectively. The system of internal control has been in place in Floreat Education Academies 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 Trust is exposed, together with the

## **Floreast Education Academies Trust**

### **Governance Statement (continued)**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed MLG Education Services Ltd as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current year included:

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/bank reconciliations.

The auditor reports to the Board of Trustees, through the Audit and Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

#### **Review of Effectiveness**

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

- the work of internal auditor;
- work of external auditors;
- the financial management and governance self-assessment process; and
- 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 advised the Audit and Finance Committee of their findings and proposed a plan to address weaknesses and ensure continuous improvement of the systems.

Approved by order of the members of the Board of Trustees on 20 December 2016 and signed on its behalf by:

  
**Martyn Rose**  
Chair of Board of Trustees

  
**Janet Hilary**  
Accounting Officer

## **Floreat Education Academies Trust**

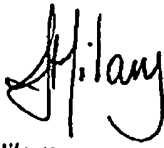
### **Statement on Regularity, Propriety and Compliance**

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As Accounting Officer of Floreat Education Academies Trust, I have considered my responsibility to notify the 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 Trust and the Secretary of State. 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 Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.



**Janet Hilary**  
**Accounting Officer**

## **Floreat Education Academies Trust**

### **Statement of Trustees' Responsibilities**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its income and expenditure, for that 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 2015;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust 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 Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 20 December 2016 and signed on its behalf by:



**Martyn Rose**  
Chair of Board of Trustees

# **Floreat Education Academies Trust**

## **Independent Auditor's Report to the Members of Floreat Education Academies Trust**

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We have audited the financial statements of Floreat Education Academies Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

### **Respective Responsibilities of Governors and Auditor**

As explained more fully in the Governors' responsibilities statement, the governors (who are also the directors of the charitable company for the purposes of company law and trustees for the purpose of charity 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.

This report is made solely to the members, as a body. Our audit work has been undertaken so that we might state to the 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 charity and the charities members' for our audit work, for this report, or for the opinion we have formed.

### **Scope of the Audit of the Financial Statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the Financial Statements**

In our opinion the financial statements:

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



**Floreat Education Academies Trust**  
**Independent Auditor's Report to the Members of The Floreat**  
**Education Academies Trust (continued)**

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**Opinion on Other Matter Prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*N J Wakefield*

Nicola Wakefield  
(Senior statutory auditor)  
for and on behalf of

**Mazars LLP**

Chartered Accountants and  
Statutory Auditors

Times House, Throwley Way, Sutton, Surrey, SH1 4JQ

Date: 21st December 2016

# **Floreat Education Academies Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to The Floreat Education Academies Trust and the Education Funding Agency**

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In accordance with the terms of our engagement letter 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 Floreat Education 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 Floreat Education 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 the Floreat Education 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 the Floreat Education Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Floreat Education Academies Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Floreat Education Academies Trust's funding agreement with the Secretary of State for Education dated 20 March 2015 and the Academies Financial Handbook extant from 1 September 2013, 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 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 Trust's income and expenditure.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing of controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

**Floreat Education Academies Trust**  
**Independent Reporting Accountant's Assurance Report on Regularity**  
**to The Floreat Education Academies Trust and the Education Funding**  
**Agency (continued)**

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**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 ended 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.*

*Mazars LLP*

**Mazars LLP**

Reporting Accountants  
Times House  
Throwley Way  
Sutton  
Surrey  
SH1 4JQ

Date: *21st December 2016*

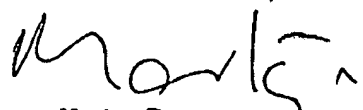
**Floreat Education Academies Trust**  
**Statement of Financial Activities for the Year Ended 31 August 2016**  
**(including Income and Expenditure Account)**

	Note	Un- restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	40,056	-	524,005	564,061	105,124
Transfer from Local Authority on conversion	3	-	-	-	-	6,300,000
<b>Charitable Activities:</b>						
• Funding for the Academy's educational operations	4	-	1,620,466	-	1,620,466	259,333
Other trading activity	5	50,820	-	-	50,820	-
Investment income	6	169	-	-	169	53
<b>Total Income</b>		<b>91,045</b>	<b>1,620,466</b>	<b>524,005</b>	<b>2,235,516</b>	<b>6,664,510</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>	8					
• Academy's educational operations		-	1,661,965	308,004	1,969,969	250,015
<b>Total expenditure</b>		<b>-</b>	<b>1,661,965</b>	<b>308,004</b>	<b>1,969,969</b>	<b>250,015</b>
<b>Net income (expenditure) before transfers</b>		<b>91,045</b>	<b>(41,499)</b>	<b>216,001</b>	<b>265,547</b>	<b>6,414,495</b>
Gross transfers between funds	16	(31,269)	31,269	-	-	-
<b>Net Income / (expenditure) for the year</b>		<b>59,776</b>	<b>(10,230)</b>	<b>216,001</b>	<b>265,547</b>	<b>6,414,495</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses) / gains on defined benefit pension schemes	16	-	(29,000)	-	(29,000)	-
<b>Net movement in funds</b>		<b>59,776</b>	<b>(39,230)</b>	<b>216,001</b>	<b>236,547</b>	<b>6,414,495</b>
<b>Reconciliation of funds</b>						
Funds brought forward at 1 September 2015		53	11,230	6,403,212	6,414,495	-
<b>Funds carried forward at 31 August 2016</b>	16	<b>59,829</b>	<b>(28,000)</b>	<b>6,619,213</b>	<b>6,651,042</b>	<b>6,414,495</b>

**Floreat Education Academies Trust**  
**Balance Sheet as at 31 August 2016**  
 Company Number 09007740

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	13	6,619,213	6,403,212
<b>Current assets</b>			
Debtors	14	243,961	138,263
Cash at bank and in hand		<u>180,021</u>	<u>160,089</u>
		423,982	298,352
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	15	(364,153)	(287,069)
<b>Net current assets</b>		59,829	11,283
<b>Net assets excluding pension liability</b>		<u>6,679,042</u>	<u>6,414,495</u>
Defined benefit pension scheme liability	22	(28,000)	-
<b>Total net assets including pension liability</b>		<u>6,651,042</u>	<u>6,414,495</u>
<b>Funds of the Academy:</b>			
<b>Restricted Income funds</b>			
• Fixed asset fund	16	6,619,213	6,403,212
• Restricted Income fund	16	-	11,230
• Pension reserve	16	(28,000)	-
<b>Total restricted funds</b>		<u>6,591,213</u>	<u>6,414,442</u>
<b>Unrestricted Income funds</b>	16	59,829	53
<b>Total funds</b>		<u>6,651,042</u>	<u>6,414,495</u>

The financial statements on pages 18 to 36 were approved by the Trustees, and authorised for issue on 20 December 2016, and are signed on their behalf by:

 X to AE  
 Martyn Rose  
 Chair of Trustees

**Floreat Education Academies Trust**  
**Statement of Cash Flows for the Year Ended 31 August 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	18	19,763	160,036
<b>Cash flows from Investing activities</b>	19	169	53
<b>Change in cash and cash equivalents in the reporting period</b>		<u>19,932</u>	<u>160,089</u>
Cash and cash equivalents 1 September 2015		<u>160,089</u>	-
<b>Cash and cash equivalents 31 August 2016</b>	20	<u>180,021</u>	<u>160,089</u>

# **Floreat Education Academies Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2016**

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### **1. Statement of Accounting Policies**

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

#### **Basis of Preparation**

The financial statements of the 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 FRS 102 (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 Issued by the Education Funding Agency, the Charities Act 2011 and the Companies Act 2006.

Floreat Education Academies Trust meets the definition of a public benefit entity under FRS 102.

#### **▪ First time adoption of FRS 102**

These financial statements are the first financial statements of Floreat Education 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 Floreat Education Academies Trust for the period ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

#### **▪ Explanation of transition to FRS 102**

It is the first year that the Trust has presented its financial statements under SORP 2015 and FRS 102. 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.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The opening fund balances at the date of transition have been restated for the following item:

- Reclassification of governance costs between expenditure on raising funds and charitable activities.

No subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 September 2014.

#### **Going Concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees have reviewed the budgeted income including pledged donations as well as the level of agreed pre-opening grants for the new schools. The budgeted expenditure has also been reviewed and is considered to be sustainable and allowing a margin for contingencies. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

# **Floreat Education Academies Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2016**

### **(continued)**

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#### **1. Statement of Accounting Policies (continued)**

##### **Income**

All income is recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### **Grants**

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

Sponsorship Income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### **Donations**

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

##### **Other Income**

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

##### **Donated goods, facilities and services**

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

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



# **Floreast Education Academies Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2016**

### **(continued)**

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#### **1. Statement of Accounting Policies (continued)**

##### **Expenditure**

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

##### **▪ Expenditure on Raising Funds**

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

##### **▪ Charitable Activities**

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

All expenditure is inclusive of irrecoverable VAT.

##### **Tangible Fixed Assets**

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

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

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

Long Leasehold buildings	2% (50 years)
Fixtures and Fittings	25% (4 years)
Computer equipment	20% (5 years)

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

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

##### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

# **Floreat Education Academies Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2016**

### **(continued)**

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#### **1. Statement of Accounting Policies (continued)**

##### **Provisions**

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

##### **Leased Assets**

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

##### **Taxation**

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 23, 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

# **Floreat Education Academies Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2016**

### **(continued)**

#### **1. Statement of Accounting Policies (continued)**

##### **Fund Accounting**

Unrestricted Income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 Education Funding Agency/Department for Education, where the asset acquired or created is held for a specific purpose.

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

##### **Critical accounting estimates and areas of judgment**

Estimates and judgments 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 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 2015. 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.

#### **2. General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State, the Trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Trust has not exceeded these limits during the year ended 31 August 2016.

#### **3. Donations and Capital Grants**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Capital Grants		524,005	524,005	105,124
Donated Fixed Assets	-	-	-	6,300,000
Other donations	40,056	-	40,056	-
<b>Total</b>	<b>40,056</b>	<b>524,005</b>	<b>564,061</b>	<b>6,405,124</b>
<b>Total 2015</b>		<b>6,405,124</b>	<b>6,405,124</b>	

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2016**  
**(continued)**

**4. Funding for the Trust's Educational Operations**

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
<b>DfE/EFA revenue grant</b>				
General Annual Grant	-	621,628	621,628	-
Start-up grants	-	339,335	339,335	236,665
Other DfE / EFA grants	-	265,345	265,345	22,668
	<u>-</u>	<u>1,226,308</u>	<u>1,226,308</u>	<u>259,333</u>
<b>Other Government grants</b>				
Local Authority grants	-	339,362	339,362	-
	<u>-</u>	<u>339,362</u>	<u>339,362</u>	<u>-</u>
<b>Other Income from the Trust's educational operations</b>				
	-	54,796	54,796	-
	<u>-</u>	<u>1,620,466</u>	<u>1,620,466</u>	<u>259,333</u>
<b>Total 2015</b>	<u>-</u>	<u>259,333</u>	<u>259,333</u>	

**5. Other Trading Activities**

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
School trips	3,151	-	3,151	-
Lettings income	43,219	-	43,219	-
Other income	4,450	-	4,450	-
	<u>50,820</u>	<u>-</u>	<u>50,820</u>	<u>-</u>
<b>Total 2015</b>	<u>-</u>	<u>-</u>	<u>-</u>	

**6. Investment Income**

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Short term deposits	169	-	169	53
	<u>169</u>	<u>-</u>	<u>169</u>	<u>53</u>
<b>Total 2015</b>	<u>53</u>	<u>-</u>	<u>53</u>	

**Floreast Education Academies Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2016**  
**(continued)**

**7. Expenditure**

	Staff Costs	Non Pay Expenditure		Total 2016	Total 2015
		Premises	Other Costs		
	£	£	£	£	£
Trust's educational operations					
Direct costs	154,330	-	344,742	499,072	-
Support costs	883,132	127,961	459,804	1,470,897	250,015
	<u>1,037,462</u>	<u>127,961</u>	<u>804,546</u>	<u>1,969,969</u>	<u>250,015</u>
Total 2015	<u>78,899</u>	<u>4,376</u>	<u>166,740</u>		<u>250,015</u>

Net Income / (expenditure) for the period  
includes:

	2016 £	2015 £
Depreciation	308,004	1,912
Fees payable to the auditor for Audit	<u>10,750</u>	<u>4,500</u>

**8. Charitable Activities - Academy's educational operations**

		Total 2016 £	Total 2015 £
Direct costs		499,072	-
Support costs		<u>1,470,897</u>	<u>250,015</u>
Total direct and support costs		<u>1,969,969</u>	<u>250,015</u>
	Educational operations	Total 2016 £	Total 2015 £
Analysis of support costs	£	£	£
Support staff costs	883,132	883,132	78,899
Depreciation	-	-	1,912
Technology costs	1,998	1,998	-
Premises costs	127,961	127,961	4,376
Other support costs	431,784	431,784	148,014
Governance costs	26,022	26,022	16,814
Total Support Costs	<u>1,470,897</u>	<u>1,470,897</u>	<u>250,015</u>

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2016**  
**(continued)**

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**9. Staff**

**a. Staff costs**

	2016 £	2015 £
Wages and salaries	847,762	66,412
Social security costs	84,185	7,652
Operating costs of pension schemes	79,321	4,835
	<u>1,011,268</u>	<u>78,899</u>
Supply staff costs	26,194	-
	<u>1,037,462</u>	<u>78,899</u>

**b. Staff numbers**

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

	2016 Number	2015 Number
Teachers	4	-
Administration and support	11	1
Management	8	1
	<u>23</u>	<u>2</u>

**c. Higher paid staff**

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

	2016 Number	2015 Number
£60,001 - £70,000	3	1
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-

**d. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the executive management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by three key management personnel for their services to the Trust was £222,677 (2015: £128,058). No Trustee received any remuneration.

**10. Central Services**

The Trust has provided the following central services to its academies during the year: project management, human resources support, financial services, legal services and educational support.

**Floreath Education Academies Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2016**  
**(continued)**

The actual amounts charged during the year were as follows:

	2016 £
Floreath Wandsworth	15,357
Floreath Brentford	8,736
	<u>24,093</u>

**11. Related Party Transactions - Trustees' Remuneration & Expenses**

No Trustee received any payments from the Trust in respect of their role as a Trustee. Other related party transactions involving the Trustees are set out in note 23.

**12. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

**13. Tangible Fixed Assets**

	Leasehold Land & buildings £	Fixtures and fittings £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 September 2015	6,300,000	38,378	66,746	6,405,124
Additions	-	106,527	45,296	151,823
Capital grants from the EFA	372,182	-	-	372,182
<b>At 31 August 2016</b>	<u>6,672,182</u>	<u>144,905</u>	<u>112,042</u>	<u>6,929,129</u>
<b>Depreciation</b>				
At 1 September 2015	-	800	1,112	1,912
Charged in year	250,061	36,026	21,917	308,004
<b>At 31 August 2016</b>	<u>250,061</u>	<u>36,826</u>	<u>23,029</u>	<u>309,916</u>
<b>Net book values</b>				
At 31 August 2016	<u>6,422,121</u>	<u>108,079</u>	<u>89,013</u>	<u>6,619,213</u>
At 31 August 2015	<u>6,300,000</u>	<u>37,578</u>	<u>65,634</u>	<u>6,403,212</u>

The Trust's transactions relating to Fixed Assets included:

- the acquisition of the leasehold on Floreath Brentford Primary School (funded by the EFA Capital Grant).
- the acquisition of the fixtures, fittings and computer equipment.

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2016**  
**(continued)**

**14. Debtors**

	2016 £	2015 £
Trade debtors	1,536	-
VAT Recoverable	121,431	-
Other debtors	5,608	32,820
Prepayments and accrued income	115,386	105,443
	<u>243,961</u>	<u>138,263</u>

**15. Creditors: Amounts Falling Due within one Year**

	2016 £	2015 £
Trade Creditors	44,185	174,968
Other taxation and social security	34,504	10,195
EFA creditor: abatement of General Annual Grant	89,417	-
Other creditors	72,635	2,150
Accruals	45,113	5,520
Deferred income	78,299	94,336
	<u>364,153</u>	<u>287,169</u>

	2016 £	2015 £
Deferred Income		
As at 1 September 2015	94,336	-
Released from previous years	(94,336)	-
Resources deferred in the year	78,299	94,336
Deferred income at 31 August 2016	<u>78,299</u>	<u>94,336</u>

Deferred income at the year-end is in relation to Universal Infant Free School Meal payments from the EFA and "Post Opening Grants" from Wandsworth Local Authority.



**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2016**  
**(continued)**

**16. Funds**

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	-	621,628	(621,628)	-	-
Start Up Grant	11,230	339,335	(350,565)	-	-
Pupil Premium	-	7,920	(7,920)	-	-
Other Grants	-	651,583	(682,852)	31,269	-
Pension Reserve			1,000	(29,000)	(28,000)
	<u>11,230</u>	<u>1,620,466</u>	<u>(1,661,965)</u>	<u>2,269</u>	<u>(28,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	6,300,000	-	(250,061)	-	6,049,939
DfE / EFA capital grants	103,212	524,005	(57,943)	-	569,274
	<u>6,403,212</u>	<u>524,005</u>	<u>(308,004)</u>	<u>-</u>	<u>6,619,213</u>
<b>Total restricted funds</b>	<u>6,414,442</u>	<u>2,144,471</u>	<u>(1,969,969)</u>	<u>2,269</u>	<u>6,591,213</u>
<b>Total unrestricted funds</b>	<u>53</u>	<u>91,045</u>	<u>-</u>	<u>(31,269)</u>	<u>59,829</u>
<b>Total funds</b>	<u>6,414,495</u>	<u>2,235,516</u>	<u>(1,969,969)</u>	<u>(29,000)</u>	<u>6,651,042</u>

The transfer of £31,269 from general funds to restricted funds has been made to offset the deficit for the year on the restricted general fund.

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

Pupil Premium Income is included within restricted funds and relates to the funding provided by the Education Funding Agency for the relevant schools to provide additional support to pupils from low income families.

**Analysis of Fund balance**

Funds at 31 August 2016 were allocated as follows:

	Balance at 31 August 2016 £
Trust	<u>59,829</u>
Total before fixed assets and pension reserve	<u>59,829</u>
Restricted fixed asset fund	<u>6,619,213</u>
Pension reserve	<u>(28,000)</u>
<b>Total</b>	<u>6,651,042</u>

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2016**  
**(continued)**

**16. Funds (continued)**

**Total cost analysis by academy**

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 (exc. Dep)	Total
	£	£	£	£	£
Floreat Wandsworth	168,103	325,596	22,963	82,809	599,471
Floreat Brentford	64,227	147,740	8,744	168,233	388,944
Central Services	-	331,795	-	341,755	673,550
Trust	<u>232,330</u>	<u>805,131</u>	<u>31,707</u>	<u>592,797</u>	<u>1,661,965</u>

**17. Analysis of Net Assets between Funds**

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	6,619,213	6,619,213
Current assets	423,982	-	-	423,982
Current liabilities	(364,153)	-	-	(364,153)
Pension Scheme liability	-	(28,000)	-	(28,000)
Total net assets	<u>59,829</u>	<u>(28,000)</u>	<u>6,619,213</u>	<u>6,651,042</u>

**18. Reconciliation of Net Income to Net Cash Inflow from Operating Activities**

	2016 £	2015 £
Net income for year (as per SoFA)	265,547	6,414,495
Adjusted for:		
Depreciation charges (note 13)	308,004	1,912
Capital grants from DfE and other capital income	(524,005)	(105,124)
Interest receivable (note 6)	(169)	(53)
Defined benefit pension scheme current service cost (note 22)	(1,000)	-
(Increase) in debtors	(105,698)	(138,263)
Increase in creditors	77,084	287,069
Transfer from Local Authority	-	(6,300,000)
Net cash provided by operating activities	<u>19,763</u>	<u>160,036</u>

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2016**  
**(continued)**

**19. Cash flows from Investing activities**

	2016	2015
	£	£
Dividends, interest and rents from investments	169	53
Purchase of tangible fixed assets	(524,005)	(105,124)
Capital grants from DfE and other capital income	524,005	105,124
<b>Net cash provided by investing activities</b>	<b>169</b>	<b>53</b>

**20. Analysis of cash and cash equivalents**

	At 1 September 2015	Cash flows	At 31 August 2016
	£	£	£
Cash in hand and at bank	160,089	19,932	180,021

**21. Members' Liability**

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

**22. Pension and Similar Obligations**

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

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

There were outstanding contributions at 31 August 2016 of £6,709, (2015 £nil).

**Teachers' Pension Scheme**

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 voluntary for full-time teachers in academies.

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

# Floreat Education Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2016

### (continued)

#### 22 Pension and Similar Obligations (continued)

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)
- 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.
- and total scheme employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2019, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £54,301 (2015 £4,835).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2016 was £25,000 (2015: £nil), of which employer's contributions totalled £19,000 (2015: £nil) and employees' contributions totalled £6,000 (2015: £nil). The agreed contribution rates for current years are 19% for employers and between 5.5% and 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	At 31 August 2016 Wandsworth	At 31 August 2016 Brentford
Rate of increase for pensions in payment / inflation	2.3%	2.3%
Rate of increase in salaries	4.1%	4.2%
Inflation assumption (CPI)		
Discount rate for scheme liabilities	2.2%	2.2%
Commutation of pensions to lump sums		

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2016**  
**(continued)**

**22. Pension and Similar Obligations (continued)**

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

	At 31 August 2016 Wandsworth	At 31 August 2016 Brentford
<i>Retiring today</i>		
Males	23.9	22.1
Females	25.4	26.7
<i>Retiring in 20 years</i>		
Males	26.1	24.4
Females	27.7	29.1

The Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2016 £
Equities	22,000
Bonds	4,000
Gilts	4,000
Total market value of assets	<u>30,000</u>

The actual return on scheme assets was £2,000 (2015:£nil).

**Amounts recognised in the statement of financial activities**

	2016 £
Current service cost (net of employee contributions)	1,000
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(2,000)
Total operating charge	<u>(1,000)</u>

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

	2016 £
As at 1 September 2015	-
Current service cost	23,000
Employee contributions	6,000
Changes in financial assumptions (Trust share of pension scheme deficit)	29,000
At 31 August 2016	<u>58,000</u>

# **Floreat Education Academies Trust** **Notes to the Financial Statements for the Year Ended 31 August 2016** **(continued)**

## **22. Pension and Similar Obligations (continued)**

Changes in the fair value of academy's share of scheme assets:	
	2016
	£
As at 1 September 2015	-
Interest income	2,000
Employer contributions	6,000
Employer contributions	19,000
Plan introductions, benefit changes, curtailments and settlements	3,000
At 31 August 2016	<u>30,000</u>

## **23. Related Party Transactions**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from the 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 Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period:

During the year ended 31 August 2016, Floreat Education Academies Trust had donations receivable totalling £40,056 from Floreat Education Limited, a company and registered charity that shares common Trustees with Floreat Education Academies Trust. At 31 August 2016 £5,608 (2015: £320) was due to Floreat Education Academies Trust.

During the year ended 31 August 2016, Lord O'Shaughnessy was employed by Floreat Education Academies Trust as Managing Director until 31 January 2016 and then as Senior Advisor from 1 February 2016 to 11 August 2016. His remuneration is included within note 9d. Prior to becoming an employee of Floreat Education Academies Trust on 1 October 2015, Lord O'Shaughnessy provided consultancy services as Managing Director through Mayforth Consulting Limited, which received payments totalling £6,249.

## **24. Operating lease commitments**

At 31 August 2016, the Trust commitments under non-cancellable operating leases as follows:

	Land and buildings	Land and Buildings
	2016	2015
	£	£
Less than 1 year	80,000	80,000
Between 2 and 5 years	80,000	160,000
Total commitment	<u>160,000</u>	<u>240,000</u>

## **25. Capital commitments**

At 31 August 2016, there were no outstanding capital commitments. At 31 August 2015, outstanding capital commitments totaled £289,616, relating to the refurbishment of the Floreat Brentford temporary classroom building.