

# Floreat Education Academies Trust

## Report and Financial Statements

Period ended 31 August 2015

(A Company Limited by Guarantee)

Company Registration Number: 09007740 (England and Wales)

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COMPANIES HOUSE

# **Floreat Education Academies Trust**

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## **Floreat Education Academies Trust**

### **Reference and Administrative Details**

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#### **Members:**

Floreat Education (appointed 23 April 2014)  
Professor James Arthur (appointed 23 April 2014)  
James Cox (appointed 23 April 2014)  
Sam Freedman (appointed 10 October 2014)  
Martyn Rose (appointed 23 April 2014)  
Dr Caroline Whalley (appointed 30 September 2015)

#### **Trustee Board:**

Professor James Arthur (appointed 23 April 2014,  
resigned 30 September 2015)  
Chris Benson (appointed 25 September 2014)  
Colin Brereton (appointed 25 September 2014)  
Richard Brance (appointed 30 September 2015)  
James Cox (appointed 23 April 2014)  
Olivia Delighton (appointed 30 September 2015)  
Jennifer Emery (appointed 30 September 2015)  
Samuel Freedman (appointed 23 April 2014)  
Dame Sylvia Morris (appointed 25 September 2014)  
Martyn Rose – Chair (appointed 23 April 2014)  
Patricia Sowter (appointed 23 April 2014, resigned  
11 December 2014)  
Amanda Spielman (appointed 30 September 2015)  
Dr Caroline Whalley (appointed 23 April 2014,  
resigned 30 September 2015)

#### **Senior Management Team:**

##### **Managing Director**

Lord O'Shaughnessy

##### **Executive Principal**

Janet Hilary

##### **Heads of School**

Matthew Custance (Wandsworth)

Aisling McKeever (Brentford)

#### **Principal and Registered Office:**

Floreat Wandsworth Primary School,  
305 Garratt Lane,  
London,  
SW18 4EQ

#### **Company Registration Number:**

09007740

#### **Independent Auditor:**

Mazars LLP  
Times House,  
Throwley Way,  
Sutton,  
Surrey,  
SM1 4JQ

#### **Bankers:**

Lloyds Bank PLC  
3<sup>rd</sup> Floor Queen Square,  
Wolverhampton,  
WV1 1TF

**Floreat Education Academies Trust**  
**Reference and Administrative Details (continued)**

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**Solicitor:**

Browne Jacobson  
Victoria Square House,  
Victoria Square,  
Birmingham,  
West Midlands,  
B2 4BU

Directory of Academies period ended 31 August 2015 (both opened September 2015)

Floreat Wandsworth  
305 Garratt Lane,  
Earlsfield,  
SW18 4EQ

Floreat Brentford  
Ground Floor,  
Trico House,  
Brentford,  
TW8 0GD

## **Floreat Education Academies Trust**

### **Trustees' Report**

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The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the period to 31 August 2015.

#### **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.

Floreat Education Academies Trust was formed on 23 April 2014 under the Academies Act 2010 and so has been a Charitable Company now for over one year. These financial statements cover the full period of operations under Academy Trust status.

The Trustees of Floreat Education Academies Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Floreat Education Academies Trust, or FEAT.

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

##### **Members' Liability**

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

##### **Trustees' Indemnities**

The Academy Trust provides indemnity insurance to cover the liability of Trustees which by virtue of any rule of law that would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which may be guilty in relation to the Academy Trust.

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

In accordance with the Memorandum and Articles of Association, FEAT has appointed a strong board with a range of experience and expertise, with further additions in the Autumn of 2015. This leaves the Trust well placed to enforce strong accountability and to lead the organisation through a period of growth.

James Cox has been appointed as Deputy Chair of the Board, as well as chairing the Finance Committee. Olivia Deighton chairs the Standards and Performance Committee.

## **Floreat Education Academies Trust**

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

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

Training and induction for Trustees depends on their prior experience and/or knowledge. Most induction is carried out "in house", with external trainers brought in, or Trustees attending external training provision, as appropriate. Trustees are provided with copies of all the documents that they will need to undertake their role. Trustee induction follows a set procedure whereby each Trustee is allocated to one or more committees, provided with a copy of terms of reference for the committee(s) and attends a meeting with the chair. In addition, there is an on-going training file for Trustees and an initial training course on governance is attended as a basic expectation.

#### **Organisational Structure**

The full Board of Trustees meets formally 4 times a year. Discussions are held and decisions are made or ratified as appropriate.

#### **Committees**

The Trust Board has created two sub-committees to provide further examination and scrutiny of Trust activities:

- The Finance Committee deals with all financial, budgetary, audit and operational issues, including services, procurement, ICT, legal and HR
- The Standards and Performance Committee deals with all issues relating to teaching and learning, leadership and management, professional development, curriculum, assessment and other educational issues

#### **Connected Organisations, Including Related Party Relationships**

Floreat Education, a registered charity, is a member of Floreat Education Academies Trust and is also the DfE-approved Sponsor of the Trust. Floreat Education was incorporated in August 2013 in order to further educational outcomes, including through the creation of primary schools. It became an Academy sponsor that year and was awarded its first school, Floreat Wandsworth. The Trust is now the main focus of activity of Floreat Education, and going forward its role will be to receive private and institutional donations for the benefit of the FEAT, thereby supporting the ability of the Trust to realise its educational and organizational objectives.

# Floreat Education Academies Trust

## Trustees' Report (continued)

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### Objectives and Activities

#### Objects and Aims

FEAT's mission is 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 how to work hard and think well, and also to be good and to do good for others. This will set them up for a future of success and wellbeing, whatever they choose to do in their lives.

FEAT has designed and is now continuing to resource a complete and scalable educational model for use in FEAT'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 known while preparing them to seek a good life for themselves and others. The model is based on extensive research into successful schools in the UK and across the world, as well as being informed by the latest research. It 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, FEAT provides a unique preparation, training and development programme – *Teacher Flourishing* – that will ensure all staff are able to deliver the *Virtue 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 working with a university partner to bring together a range of different assessment techniques into a single tool – *Assessment for Flourishing*. This will enable staff and parents to track children's progress against various indicators that reflect their development, both academic and character.

In addition to the above, FEAT's aims are:

- 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 world class, knowledge-rich academic education.
- To ensure that every child, irrespective of background or ability, accesses and enjoys the same high standard of education.
- To seek to raise standards and opportunities for all pupils within the Trust and to effectively deploy available and ring-fenced funds (for example: Pupil Premium) to this end.
- To keep the curriculum structure and effectiveness under continual review and comply with the appropriate statutory curriculum requirements.
- To closely monitor the performance of pupils by analysing attainment and progress against individual targets and national/ local benchmarks.
- To monitor the performance of staff via approved systems of appraisal, with a view to maintaining the highest standards and providing high quality professional development.
- To provide value for money and deploy finances within a fair, transparent framework in order to achieve the highest standards.

## **Floreat Education Academies Trust**

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

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FEAT's object is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum

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

The main aim of FEAT over the period was to open two new schools in September 2015 and to successfully bid for the opening of further schools in September 2016.

At the end of the period, FEAT had five schools in pre-opening, with two schools (Floreat Wandsworth and Floreat Brentford) opened on 14<sup>th</sup> September 2015, and three further schools (Floreat Alperton, Floreat Southall and Floreat Montague Park) are set to open in September 2016:

- Floreat Wandsworth is a two form entry primary school located in Earlsfield. It has its own newly built and purpose designed school premises
- Floreat Brentford is a one form entry primary school located in Brentford. It is currently in temporary accommodation while a permanent site is secured.
- Floreat Alperton will be a two form entry primary school located in Alperton. A site is being sought for the school
- Floreat Southall will be a two form entry primary school located in Southall. A site is being sought for the school.
- Floreat Montague Park is a two form entry primary school located in Wokingham. A site has been secured for the school and building of the permanent home for the school is underway

#### **Public Benefit**

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission and consider all the activities undertaken to further the Trust's purposes to be of public benefit



# **Floreat Education Academies Trust**

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

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### **Strategic Report**

#### **Achievements and Performance**

This report marks the end of the first period of operations of the Trust. During this time:

- Following the successful bid of Floreat to open Floreat Wandsworth Primary School in December 2013, the Academy Trust won 4 further bids to open new schools, namely
  - Floreat Brentford
  - Floreat Alperton
  - Floreat Southall
  - Floreat Montague Park
- Floreat Wandsworth opened in September 2015 and has two forms of entry in Reception, as well as a Nursery
- Floreat Brentford opened in September 2015 and has a single form of entry in Reception
- The Trust won a "Character Grant" bid for £124,000 funded by the Department of Education. This grant enables the Trust to invest in its curriculum development, allowing us to create a taught course in virtues-based character education for pupils in year Reception, Year 1 and Year 2
- The recruitment of a full set of leadership and teaching staff for our schools, including an Executive Principal recognised as a National Leader of Education, two Heads of School, four teachers and a number of teaching assistants and administrative staff.

#### **Going Concern**

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

#### **Key Performance Indicators**

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

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

#### **Financial Review**

The main source of income for the trust during this first period of operation has been start up grant funding for the new schools that opened in September 2015 (namely Floreat Wandsworth and Floreat Brentford). In addition to this income, the first claim was made on the Department of Education Character grant for £22,668, and the trust benefited from £105,124 of capital monies due for furniture and equipment that was purchased for the 2 new schools. The surplus in the first year of £6,414,495, is due to the recognizing of the Floreat Wandsworth land and buildings of £6,300,000 and capital funding of £105,124. There was a small surplus on general funds of £11,283.

## **Floreat Education Academies Trust**

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

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#### **Risk Management**

The Trust has an on-going risk management process. Overall responsibility for risk management rests with the Board. A Finance Committee has been created and has a remit to review the risk log of the trust on a regular basis.

The Trust retains an updated list of current insurances and consults on these with the Trust board on an annual basis, seeking external and expert advice where necessary. The list of insurances is regularly reviewed on an operational basis by the Executive team.

The Trust operates a Safer Recruitment policy and associated recruitment documents, which are regularly reviewed.

The Trust complies with current Health and Safety legislation

#### **Principal Risks and Uncertainties**

Principal risks are identified in the financial risk document, the latest version of which was presented to the Board at its meeting on 22 April 2015 and which will be 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 Finance Committee.

#### **Reserves Policy**

A Reserves Policy has been drafted and will be approved by the Board during its cycle of meetings in academic year 2015/16. The Policy will state the level of reserves held and why they are held. Where material funds have been designated, the Reserves Policy statement will quantify and explain the purpose of the designations and, where set aside for future expenditure, the likely timing of that expenditure. Where any fund is materially in deficit, the Academy Trust will provide details of the circumstances giving rise to the deficit and details of the steps being taken to eliminate the deficit.

The Trustees review the resources of the Trust and recognise the need to have sufficient reserves to protect against possible reductions in funding. The reserves will be held in line with Department of Education guidelines.

The policy will aim to carry forward sufficient funds to meet the Academy Trust's long term aims and objectives, ensuring that this does not affect its current operational activities.

#### **Investment Policy**

An Investment Policy has been consulted upon and agreed with Trustees in 2015. In the identified period, the Academy did not seek to make any specific investments. The Managing Director will ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

#### **Plans for Future Periods**

The Trust is planning on continuing to expand, as evidenced by its successful bids to open Floreat Alperton, Floreat Southall and Floreat Montague Park in September 2016. It is anticipated that a further three schools will open in 2017, taking the total number of schools to 8. A similar rate of growth is expected in subsequent years. In addition, 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.

## **Floreat Education Academies Trust**

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

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#### **Funds held as Custodian Trustee on behalf of others**

There are no funds held as custodian trustee by the Academy on behalf of others

#### **Auditor**

Insofar as the Trustees are aware.

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 31st December 2015 and signed on the board's behalf by.



James Cox

**Vice Chair 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 Trust Board has delegated the day-to-day responsibility to the Managing Director, as Accounting Officer, for ensuring financial controls conform to 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 FEAT and the Secretary of State for Education. The Managing Director is also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

### **Governance**

The governance framework of the Trust is set out below:

- The Board of Trustees and its sub-committees meet regularly throughout the year;
- The structure of the Board of Trustees includes a chair and vice-chair, and,
- Each of the sub-committees has an elected chair.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Trust board has formally met 2 times during the period. Attendance during the year at meetings of the governing body was as follows.

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Professor James Arthur	0	2
Chris Benson	2	2
Colin Brereton	2	2
Richard Bnance	-	- (appointed after period end)
James Cox	2	2
Olivia Deighton	-	- (appointed after period end)
Jennifer Emery	-	- (appointed after period end)
Samuel Freedman	1	2
Dame Sylvia Morns	1	2
Martyn Rose	1	2
Patricia Sowter	0	0 (resigned before first meeting)
Amanda Spielman	-	- (appointed after period end)
Dr Caroline Whalley	0	2

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

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during the period, 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 period by using comprehensive procurement procedures for all elements of expenditure. The Trust is now planning a new procurement framework for use when resourcing future new schools.

The Trust has reviewed its segregation of duties within regard to financial control and will expand its administration team to broaden capacity and reduce reliance on specific individuals in financial matters. Audit recommendations are reviewed and action taken if necessary.

## **Floreat Education Academies Trust**

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

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#### **Review of Value for Money (continued)**

Controls are in place to ensure all orders are authorised at the appropriate level and there has been separation of duties between ordering, receiving, invoice processing for goods and services, payment runs and reconciliation. There are also systems in place for segregation of duties regarding staffing processes. Monthly bank reconciliations are completed to ensure all monies are accounted for, cash flow is adequately maintained and balances to the trial balance. Regular monitoring reports are provided to the Finance Committee and full Trust Board.

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.

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 various 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 academy.

#### **The Purpose of the Systems 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. By reviewing reports from the Finance Committee, the scheme of delegation, finance policy and conducting a Trustee self-review annually, Trustees are able 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 review has been in place in FEAT for the period ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Trust Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

The Trust undertakes an annual financial competences review which identifies key responsibilities under risk management.

The Accounting Officer (Managing Director) and the Academy Trust are responsible for ensuring that the appropriate training is provided and that risk is regularly reviewed.

The Academy Trust ensures that staff are trained or equipped to manage risk in a way appropriate to their authority and duties, and regular professional development is sought and provided, commensurate with specific responsibilities.

## **Floreat Education Academies Trust**

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

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#### **Review of Effectiveness**

As Accounting Officer, the Managing Director has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- Regular reports from the Finance team, Executive Principal and Heads of School
- Regular meetings with the Executive Principal and Heads of School
- Meetings with the Chair of the Finance and Resources Committee
- Preparation and presentation of the audited accounts
- Review of the finance policy and associated policies regarding financial control and delegation of duties
- Regular budget monitoring and reports to the Trust Board
- Work of the Senior Management Team within the Trust, who have responsibility for the development and maintenance of the internal control framework.

Following the opening of our first schools, the Accounting Officer has reviewed the system of internal controls with the Finance and Resources Committee; a plan to address any weaknesses and ensure continuous improvement of the system will be put in place as necessary.

Approved by order of the members of the Trustee Board on 31st December 2015 and signed on its behalf by:



James Cox  
Vice Chair of Trustees



Lord O'Shaughnessy  
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.

I confirm that I and the 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 irregular, 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.

A handwritten signature in black ink, consisting of a large, stylized 'L' followed by a horizontal line and a small loop.

Lord O'Shaughnessy  
Accounting Officer

## **Floreat Education Academies Trust**

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

The Trustees (who act as Trustees of Floreat Education Academies Trust 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 published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2005
- 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of Trustees on 31 December 2015 and signed on its behalf by:

  
James Cook  
Vice Chair of Trustees



## **Floreat Education Academies Trust**

### **Independent Auditor's Report on the Financial Statements to the Board of Trustees of The Floreat Education Academies Trust**

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We have audited the financial statements of Floreat Education Academies Trust for the period ended 31 August 2015 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, the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees Responsibilities Statement set out on page 14, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the members as a body for our audit work, for this report, or for the opinions 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 web-site 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 Academy Trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

#### **Opinion on the other matter prescribed by the Companies Act 2006**

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

## **Floreat Education Academies Trust**

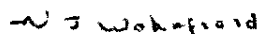
### **Independent Auditor's Report on the Financial Statements to the Board of Trustees of The Floreat Education Academies Trust**

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#### **Matters on which we are required to report by exception**

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

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



Nicola Wakefield (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Times House  
Throwley Way  
Sutton  
Surrey  
SM1 4JQ

Date 31st December 2015

# Floreat Education Academies Trust

## Statement of Financial Activities for the Period Ended 31 August 2015 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

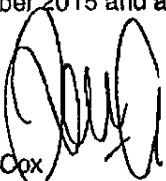
	Note	Un- restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
• Transfer from Local Authority on conversion	2	-	-	6,300,000	<b>6,300,000</b>
• Investment income	3	53	-	-	<b>53</b>
<i>Incoming resources from charitable activities:</i>					
• Funding for the Academy's educational operations	4	-	259,333	105,124	<b>364,457</b>
<b>Total incoming resources</b>		<b>53</b>	<b>259,333</b>	<b>6,405,124</b>	<b>6,664,510</b>
<b>Resources expended</b>					
<i>Charitable activities</i>					
• Academy's educational operations	5	-	231,289	1,912	<b>233,201</b>
<i>Governance costs</i>	7	-	16,814	-	<b>16,814</b>
<b>Total resources expended</b>	6	-	<b>248,103</b>	<b>1,912</b>	<b>250,015</b>
<b>Net Incoming/(outgoing) resources before transfers</b>		<b>53</b>	<b>11,230</b>	<b>6,403,212</b>	<b>6,414,495</b>
Gross transfers between funds	14	-	-	-	-
<b>Net Income/ (expenditure) for the period</b>		<b>53</b>	<b>11,230</b>	<b>6,403,212</b>	<b>6,414,495</b>
<b>Funds carried forward at 31 August 2015</b>		<b>53</b>	<b>11,230</b>	<b>6,403,212</b>	<b>6,414,495</b>

All of the Academy's activities derive from continuing operations during the above financial period  
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

**Floreat Education Academies Trust**  
**Company Number 09007740**  
**Academy Balance Sheet as at 31 August 2015**

	Notes	2015 £	£
<b>Fixed assets</b>			
Tangible assets	11		6,403,212
<b>Current assets</b>			
Debtors	12	138,263	
Cash at bank and in hand		<u>160,089</u>	
		298,352	
<b>Creditors: Amounts falling due within one year</b>	13	<u>(287,069)</u>	
<b>Net current assets</b>			<u>11,283</u>
<b>Total assets less current liability</b>			<u>6,414,495</u>
<b>Funds of the Academy:</b>			
<b>Restricted income funds</b>			
• Fixed asset fund	14	6,403,212	
• General fund	14	<u>11,230</u>	
<b>Total restricted funds</b>		<u>6,414,442</u>	
<b>Unrestricted income funds</b>			
• General fund	14	<u>53</u>	
<b>Total unrestricted funds</b>		<u>53</u>	
<b>Total funds</b>			<u>6,414,495</u>

The financial statements on pages 17 to 32 were approved by the Trustees, and authorised for issue on 31st December 2015 and are signed on their behalf by:

  
James Cox  
Vice Chair of Trustees

**Floreat Education Academies Trust**  
**Cash Flow Statement for the Period Ended 31 August 2015**

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	Notes	2015 £
Net cash Inflow from operating activities	16	160,036
Returns on investments and servicing of finance	17	53
Capital expenditure	18	-
Increase in cash in the period	19	<u>160,089</u>
<b>Reconcillation of net cash flow to movement in net funds</b>		
Increase in cash in period		<u>160,089</u>
Inherited on conversion	19	<u>-</u>
Net funds at 31 August 2015		<u>160,089</u>

# **Floreat Education Academies Trust**

## **Notes to the Financial Statements for the Period Ended 31 August 2015**

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

The standard format for the financial statements as required by the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Charities SORP and reflects the activities of the Academy.

#### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the 'Statement of Recommended Practice' ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

#### **Going Concern**

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

#### **Incoming Resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### **▪ Grants Receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

#### **▪ Donations**

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

#### **▪ Other Income**

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

#### **▪ Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured.

# **Floreat Education Academies Trust**

## **Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)**

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

#### **Resources Expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **▪ Charitable Activities**

These are costs incurred on the Academy Trust's educational operations.

#### **▪ Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Tangible Fixed Assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Freehold Property	2% (50 years)
Motor vehicles	10% (10 years)
Fixtures, fittings and equipment	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.

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Period Ended 31 August 2015**  
**(continued)**

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

**Taxation**

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

**Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS'). These are defined benefit schemes, are contracted out of the State Earnings Related Pension Scheme ('SERPS') until April 2016, 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 quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

**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 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.



# **Floreat Education Academies Trust**

## **Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)**

### **2. Voluntary Income**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Donations – Capital assets	-	6,300,000	6,300,000
Other donations	-	-	-
	<u>-</u>	<u>6,300,000</u>	<u>6,300,000</u>

### **3. Investment Income**

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

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

	<b>Restricted Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>DfE/EFA capital grant</b>			
• Capital grants	-	105,124	105,124
<b>DfE/EFA revenue grant</b>			
• Start up grants	236,665	-	236,665
• Other DfE/EFA grants	<u>22,668</u>	<u>-</u>	<u>22,668</u>
	<u>259,333</u>	<u>105,124</u>	<u>364,457</u>

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)**

**5. Resources Expended**

	Staff Costs	Non Pay Expenditure	Other Costs	Total 2015
	£	Premises £	£	£
Costs of activities for generating funds	-	-	-	-
Academy's educational operations				
• Allocated support costs	78,899	4,376	149,926	233,201
	<u>78,899</u>	<u>4,376</u>	<u>149,926</u>	<u>233,201</u>
Governance costs including allocated support costs	-	-	16,814	16,814
	<u>78,899</u>	<u>4,376</u>	<u>166,740</u>	<u>250,015</u>

**Incoming/outgoing resources for the period include:**

	2015 £
Depreciation	1,912
Fees payable to auditor - audit	<u>4,500</u>

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)**

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

	Total 2015 £
<b>Direct costs</b>	
Teaching and educational support staff costs	-
Technology costs	-
Educational supplies	-
Depreciation	-
Staff development	-
Other direct costs	-
	<u>-</u>
<b>Allocated support costs</b>	
Support staff costs	78,899
Consultancy fees	109,482
Depreciation	1,912
Marketing	12,845
Curriculum development	7,565
Recruitment and support	1,862
Heat and light	4,376
Other support costs	16,260
	<u>233,201</u>
	<u>233,201</u>

**7. Governance costs**

	Total 2015 £
Legal and professional fees	3,947
Auditor's remuneration	
Audit of financial statements	4,500
Other services	8,367
	<u>16,814</u>

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)**

**8. Staff**

**a. Staff costs**

	2015 £
Wages and salaries	66,412
Social security costs	7,652
Pension costs	4,835
	<u>78,899</u>
Supply teacher costs	-
Staff restructuring costs	-
	<u>78,899</u>

Various members of staff were paid on a consultancy basis prior to being included in payroll. Consultancy fees for the year are £109,482

**b. Non statutory / non contractual staff severance payments**

There were no staff severance payments in the period

**c. Staff numbers**

The average number of persons (including senior management team) employed by the Academy Trust during the period expressed as full time equivalents was as follows:

	2015 Number
Teachers	-
Administration and support	1
Management	1
	<u>2</u>

The number of employees whose emoluments exceeded £60,000 was

	2015 Number
£60,001-£70,000	1
£90,001-£100,000	1

One of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions (Employers) for the employee amounted to £3,272.

**9. Trustees' Remuneration and Expenses**

There were no payments made to Trustees during the period

# **Floreat Education Academies Trust**

## **Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)**

### **10. 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 sum insured for professional indemnity and Trustees' liability is £3,000,000. The cost of this insurance is included in the total insurance cost

### **11. Tangible Fixed Assets**

	Leasehold Land & buildings £	Fixtures and equipment £	Computer Equipment £	Total £
<b>Cost</b>				
On Conversion	6,300,000	-	-	<b>6,300,000</b>
Additions	-	38,378	66,746	<b>105,124</b>
<b>At 31 August 2015</b>	<b>6,300,000</b>	<b>38,378</b>	<b>66,746</b>	<b>6,405,124</b>
<b>Depreciation</b>				
Charged in period	-	800	1,112	<b>1,912</b>
<b>At 31 August 2015</b>	<b>-</b>	<b>800</b>	<b>1,112</b>	<b>1,912</b>
<b>Net book values</b>				
<b>At 31 August 2015</b>	<b>6,300,000</b>	<b>37,578</b>	<b>65,634</b>	<b>6,403,212</b>

### **12. Debtors**

	2015 £
Other debtors	32,820
Prepayments	105,443
	<b>138,263</b>

### **13. Creditors: Amounts falling due within one year**

	2015 £
Trade creditors	174,968
Taxation and social security	10,195
Other creditors	2,150
Accruals and deferred income	99,756
	<b>287,069</b>

	2015 £
<b>Deferred Income</b>	
Resources deferred in the period	94,336
Amounts released from previous periods	-
<b>Deferred income at 31 August 2015</b>	<b>94,336</b>

Deferred income at the year end is in relation to start up grant monies received in advance.

# Floreat Education Academies Trust

## Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)

### 14. Funds

	On Conversion	Incoming Resources £	Resources Expended £	Balance at 31 August 2015 £
<b>Restricted general funds</b>				
Start up grant	-	236,665	(225,435)	11,230
Other DfE/EFA grants	-	22,668	(22,668)	-
	-	259,333	(248,103)	11,230
<b>Restricted fixed asset funds</b>				
DfE/EFA capital grants	-	105,124	(1,912)	103,212
Assets on conversion	6,300,000	-	-	6,300,000
	6,300,000	105,124	(1,912)	6,403,212
<b>Total restricted funds</b>	<b>6,300,000</b>	<b>364,457</b>	<b>(250,015)</b>	<b>6,414,442</b>
<b>Unrestricted funds</b>	-	53	-	53
<b>Total funds</b>	<b>6,300,000</b>	<b>364,510</b>	<b>(250,015)</b>	<b>6,414,495</b>

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of General Annual Grant that it could carry forward at 31 August 2015.

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

#### Restricted general funds

The balance of £11,230 on the restricted general funds will be used for educational purposes in accordance with the restrictions attached to the funding.

#### Restricted fixed asset funds

The restricted fixed assets funds relate predominantly to the assets acquired on conversion to an Academy Trust

#### Unrestricted funds

The unrestricted funds represent the surplus generated by the trust on activities for generating funds

#### Analysis of Fund by Academy balance

Funds at 31 August 2015 were allocated as follows:

	Balance at 31 August 2015 £'000
Floreat Brentford	11,283
Floreat Wandsworth	-
Floreat Alperton	-
Floreat Southall	-
<b>Total before fixed assets and pension reserve</b>	<b>11,283</b>
Restricted fixed asset fund	6,403,212
Pension reserve	-
<b>Total</b>	<b>6,414,495</b>

**Floreat Education Academies Trust**  
**Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)**

**14. Funds (continued)**

**Analysis of Academies by cost**

Expenditure incurred by each Academy during the period was as follows:

	Teaching and Educational support staff costs	Other Support staff costs	Educational supplies	Other costs (exc. Dep)	Total
	£	£	£	£	£
Floreat Brentford	-	62,235	-	171,116	233,351
Floreat Wandsworth	-	-	-	-	-
Floreat Alperton	-	8,322	-	-	8,322
Floreat Southall	-	8,342	-	-	8,342
<b>Academy Trust</b>	<b>-</b>	<b>78,899</b>	<b>-</b>	<b>171,116</b>	<b>250,015</b>

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

# Floreat Education Academies Trust

## Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)

### 15. Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	6,403,212	6,403,212
Current assets	53	298,299	-	298,352
Current liabilities	-	(287,069)	-	(287,069)
Pension scheme liability	-	-	-	-
<b>Total net assets</b>	<b>53</b>	<b>11,230</b>	<b>6,403,212</b>	<b>6,414,495</b>

### 16. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2015 £
Net income	6,414,495
Depreciation (note 11)	1,912
Capital grants from DfE and other capital income	(105,124)
Interest receivable	(53)
(Increase) in debtors	(138,263)
Increase in creditors	287,069
Transfer from Local Authority	(6,300,000)
<b>Net cash inflow from operating activities</b>	<b>160,036</b>

### 17. Returns on Investments and servicing of finance

	2015 £
Interest received on cash balances	53
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>53</b>

### 18. Net cash inflow / (outflow) from returns on Investment and servicing of finance

	2015 £
Purchase of tangible fixed assets	(105,124)
Capital grants from DfE/EFA	105,124
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>	<b>-</b>

### 19. Analysis of Changes in Net Funds

	Cash flows	On Conversion	At 31 August 2015
	£	£	£
Cash in hand and at bank	160,089	-	160,089



# Floreat Education Academies Trust

## Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)

### 20. 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

### 21. Related Party Transactions

Owing to the nature of the Trust's operations and the composition of the board of Trustees being drawn from the 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 trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

Mayforth Consulting Limited – a limited company of which Lord O'Shaughnessy (Managing Director of the Trust) is the director.

- The Trust purchased the services of James O'Shaughnessy from Mayforth Consulting Limited totalling £61,734 during the period. There was an amount of £24,160 outstanding at 31 August 2015
- The Trust made the purchase at arms length, and negotiated a rate that provided value for money
- In entering into the transaction the Trust has complied with the requirements of the EFA's Academies Financial Handbook.

Floreat Education – a registered charity of which Professor James Arthur, Chris Benson, Colin Brereton, James Cox, Sam Freedman, Dame Sylvia Morris, Martyn Rose and Dr Caroline Whalley are Trustees.

- The Trust recharged staff and consultancy costs to Floreat Education totalling £148,210 during the period. There was an amount due to the Trust of £320 from Floreat Education at 31 August 2015
- The recharges were made at cost.
- In entering into the transaction the Trust has complied with the requirements of the EFA's Academies Financial Handbook

### 22. Capital commitments

	2015 £
Contracted for, but not provided in the financial statements	289,616

The capital commitment at the period end relates to the refurbishment of the Floreat Brentford temporary building that was completed in September 2015. Floreat are able to reclaim an equal amount from the EFA as a capital grant

### 23. Pension and Similar Obligations

The Trust's employees belong to the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff. 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.

There was an amount of £2,150 of outstanding contributions at the end of the financial period.

#### 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 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.

## **Floreat Education Academies Trust**

### **Notes to the Financial Statements for the Period Ended 31 August 2015 (continued)**

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

##### **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 year the employer contribution rate was 14.1%. 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 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs payable to TPS in the period amounted to £4,835

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

## **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 dated 17 December 2015 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2014 to 2015, 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 period 24 April 2014 to 31 August 2015 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 dated 17 December 2015. 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 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 24 April 2014 to 31 August 2015 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 2014 to 2015 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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion

## **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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#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 24 April 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*N J Wakefield*

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Date

*31st December 2015*