

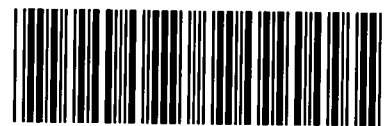
Registered number: 09646939 (England and Wales)

ARGENT TRUST
(A company limited by guarantee)

Annual Report and Financial Statements

For the period ended 31 August 2016

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ARGENT TRUST
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Governance statement	12 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 19
Independent auditors' assurance report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 41

ARGENT TRUST
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Trustees and Advisers
For the period ended 31 August 2016

Members	Mrs Julie Anderson Dr Alan Beattie (appointed 17 October 2015) Mr Timothy Butcher Mr Glyn Griffiths
Trustees	Julie Anderson ² Simon Guy (appointed 29 January 2016) ² Elizabeth Lee ² Saun Singh (resigned 14 September 2016) Michael Smith ² John Somers (resigned 31 August 2016) ² Jeffrey Talbot, Chair ² Victoria Inanli ¹ Antony Kendall (resigned 16 October 2015) Martin Walker (resigned 12 October 2015) ¹ Re-appointed - 1st September 2016 ² Member of the Finance Committee including Audit & Salaries
Company registered number	09646939
Company name	Argent Trust
Principal and registered office	Danecourt School Hotel Road Watling Street Gillingham Kent ME8 6AA
Senior management team	Mr John Somers, Chief Executive Officer & Accounting Officer Ms Deanne Daburn, Interim Headteacher of Danecourt School Mrs Michelle Stagg, Acting Chief Financial Officer
Independent auditors	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Natwest PLC 117 High Street Gillingham Kent ME7 1AG
Solicitors	Brait Ltd 67 Lapins Lane Kings Hill West Malling Kent ME19 4LE

ARGENT TRUST
(A company limited by guarantee)

Trustees' Report
For the period ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 18 June 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils ages 4 to 11 serving a catchment area in the Medway Towns. It has a pupil capacity of 151 and had a roll of 151 in the school census on 20th May 2016.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing document of the academy trust.

The Trustees of Argent Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Argent Trust.

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

b. 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.

ARGENT TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the period ended 31 August 2016

c. Method of recruitment and appointment or election of Trustees

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

Argent Trust actively pursues the recruitment of new Trustees through various means; this includes but is not limited to encouraging parents/carers to become a Parent Trustee, contacting local businesses, working with specialist Trustee recruitment agencies, working with Medway Governance Services and networking.

Appointment or Election of Trustees takes place as set out in the Trusts Articles of Association:-

- 50. The Members may appoint by ordinary resolution up to 8 Trustees.
- 50AA. The Members may appoint Staff Trustees through such process as they may determine.
- 50B. The total number of Trustees including the Chief Executive Officer if they so choose to act as Trustee under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.
- 54. Parent Trustees and Parent Local Governors shall be elected or, if the number of parents, or individuals exercising parental responsibility, standing for election is less than the number of vacancies, appointed (in accordance with the terms of reference determined by the Trustees from time to time).
- 56. In appointing a Parent Trustee or Parent Local Governor the Trustees shall appoint a person who is the parent, or an individual exercising parental responsibility, of a registered pupil at an Academy as described in Articles 54 and 54AA; or where the Trustees are exercising their power to appoint a Parent Trustee or Parent Local Governor and it is not reasonably practical to appoint a parent, or an individual exercising parental responsibility, as described in Articles 54 and 54AA, then the Trustees may appoint a person who is the parent, or an individual exercising parental responsibility, of a child within the age range of at least one of the Academies or, in the case of an appointment to a Local Governing Body, the age range of at least one of the Academies overseen by that Local Governing Body.
- 58. The Trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.

d. Policies and procedures adopted for the induction and training of Trustees

New trustees receive a Welcome Pack, sign the Trustees Code of Practice, and are asked to complete new trustee training within 3 months of their appointment. We are committed to continuously expand the knowledge of the Board of Trustees and expect that each trustee will complete a minimum of two relevant professional development opportunities each academy year. Trustees are able to access training through various means including through Medway Governance Services, GEL Online, Modern Governor, outside sources and in house training sessions.

All trustees receive guidance on and have access to the documents, policies and procedures of the trust and wider legislative and reference documentation.

e. Pay policy for key management personnel

The CEO and staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff and not in respect of their services as trustees. Other trustees did not receive any payment, other than expenses, from the academy trust in respect of their roles as trustees.

The setting of the pay and remuneration of the trusts senior management personnel, CEO, CFO and Head Teacher of Danecourt School, are set by the Board of Trustees under advice from the trusts HR provider and using current market comparisons. These are reviewed on an annual basis.

ARGENT TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the period ended 31 August 2016

f. Organisational structure

The Board of Trustees monitor the performance of the Trust through full Board of Trustees meetings four times a year. Reports are provided to the Board of Trustees by each of the Trust's committees which allows them to review the work of and the decisions made by the committees and to consider any recommendations made. Each entity under the Trust provides a written report which is presented to the Board of Trustees at each full meeting allowing them to monitor and review each entities management.

The Board of Trustees reviews the Terms of Reference and delegation for each of its committees on an annual basis.

The Chief Executive Officer is responsible for the overall management of the Trust and is also the Accounting Officer.

The Buildings and Health and Safety Committee meets at least once a year.

The Curriculum Committee meets at least three times a year.

The Finance Committee including Audit & Salaries meets at least three times a year.

All other committees, as per the Argent Trust Terms of Reference, meet as and when required.

ARGENT TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the period ended 31 August 2016

Strategic report

Objectives and Activities

a. Objects and aims

The Academy objects are set out in its Articles of Association and referred to specifically in Sections 4 and 5 of the document.

Argent Trust aims to develop high quality education, training and services for children and adults with or without special needs/disabilities.

- Develop – The trust will strive to develop and grow where it has capacity and there is a need
- High Quality – Services will be delivered to a high standard, and any provision that is not in the interests of the users will be decommissioned.
- Education, training and services – the Argent Trust will develop a wide range of activities as there is a clear commitment to lifelong learning
- With or without special needs/disabilities – the Argent Trust has a fundamental commitment to inclusive services where practical.

Furthermore Argent Trust is committed to the following:

Confidentiality

We are committed to maintaining the highest degree of integrity in all our dealings with potential, current and past clients*, both in terms of normal commercial confidentiality, and the protection of all personal information received in the course of providing the business services concerned. We extend the same standards to all our funders**, suppliers and associates.

Ethics

We always conduct our own services honestly and honorably, and expect our clients* and suppliers to do the same. Our activities and provisions will undertake ethical considerations, together with the protection and enhancement of the moral position of our clients* and funders**.

Duty of care

Our actions and advice will always conform to relevant law, and we believe that all businesses and organizations, including us, should avoid causing any adverse effect on the human rights of people in the organisations we deal with, the local and wider environments, and the well-being of society at large.

Conflict of interest

Due to the person centred nature of our particular services, we will support the clients' rights above the request of the funding provider if we feel it is not in the clients' interests.

Contracts

Our contract will usually be in the form of a general proposal, including aims, activities, costs, timescales and deliverables. The quality of our service and the value of our support provide the only true basis for continuity. We always try to meet our funders** contractual requirements, and particularly for situations where an external funding provider requires more official parameters and controls.

Fees

Our fees will always be competitive for what we provide, which is high quality, tailored, specialised services. As such we do not generally offer arbitrary discounts; generally a reduction in price is only enabled by reducing the level or extent of services to be delivered. Wherever possible we agree our fees and basis of charges clearly in advance, so that we and our clients*/funding providers can plan reliably for what lies ahead, and how it is to be achieved and financially justified.

ARGENT TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the period ended 31 August 2016

Payment

We aim to be as flexible as possible in the way that our services are charged. Some clients* prefer fixed project fees; others are happier with retainers, and we try to fit in with what will be best for the client*. We make no attempt to charge interest on late payments, so we expect payments to be made when agreed. Our terms are generally net monthly in arrears.

Intellectual property and moral rights

We retain the moral rights in, and ownership of, all intellectual property that we create unless agreed otherwise in advance with our clients*. In return we respect the moral and intellectual copyright vested in our clients' intellectual property.

Quality assurance

We maintain the quality of what we do through constant ongoing review with our clients*, of all aims, activities, outcomes and the cost-effectiveness of every activity. We encourage regular review meetings and provide regular progress reports. We aim to continue previous accreditations under a number of quality assurance schemes. Further details are available on request.

Professional conduct

We conduct all of our activities professionally and with integrity. We take great care to be completely objective in our judgement and any recommendations that we give, so that issues are never influenced by anything other than the best and proper interests of our clients*.

Equality and discrimination

We always strive to be fair and objective in our advice and actions, and we are never influenced in our decisions, actions or recommendations by issues of gender, race, creed, colour, age or personal disability.

*Client = the child or adult for whom we are providing an education, training or service

**Funder = the commissioning or funding agency

ARGENT TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the period ended 31 August 2016

b. Objectives, strategies and activities

The vision of Argent Trust is to continue to develop as a consistently outstanding SEN education provider of exceptional educational and life opportunities. We will ensure that our curriculum is diverse, personalised and enriched to meet the very individual needs of our learners. We will continue to develop and adapt as the needs and aspirations of our children and young people change. We seek to ensure that we accommodate our learners in a safe and vibrant learning environment where everybody's voice is heard and the learner is at the centre of everything we do.

The vision and values of Danecourt School

DANECOURT SCHOOL VISION AND VALUES STATEMENT

Danecourt is a community school where every individual is;

Valued

Supported

Inspired

Successful

Valued-

We believe every individual is unique and special.

We respect the rights and needs of everyone.

We foster a sense of self-esteem and self-worth.

We encourage everyone to realise their full potential

We want our children to be happy, confident young people who will contribute to their community

Supported-

We believe that a good learning environment stems from a committed teaching staff who work as a team to support all children

We provide a happy, secure and stable environment

We give a high level of individual support

We work in partnership with parents

We help children to develop communication, social and self-help skills

Inspired-

We believe that children succeed best when teachers have high expectations and inspire learning

We deliver a curriculum that is enhanced, balanced and relevant

We use assessment to set challenging individual targets

We expect high standards of behaviour

We provide opportunities for our pupils to join with their mainstream peers wherever possible

Successful-

We believe that success is important to every individual and to have that success recognised encourages further achievement

We measure success in many ways across the range of social and academic achievements

We provide a range of opportunities to maximise success

We recognise every achievement however small the step

We praise and reward success

Our Development Priorities:

Stabilise Danecourt School after a period of major extension and change in leadership in preparation for Ofsted
Ensure that the quality of teaching is consistently good or better, ensuring all students make measurable progress.

Implement and review the new assessment format to ensure the effective monitoring of progress, setting of learning targets, future planning and relevant reporting to all stakeholders.

Develop Rainbow Court as an independent training centre allowing it to change and expand to support the aims

ARGENT TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the period ended 31 August 2016

of Argent Trust.

We support these aims, values and development priorities by means of rigorous self-evaluation and our evolving Academy Improvement Plan.

c. Public benefit

The principal public benefit arising from the trust's charitable activities is the educational outcomes to the students educated under the trust

The Trustees of Argent Trust have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Achievements and performance

a. Key financial performance indicators

As the trust has just completed its first year the analysis against key financial performance indicators cannot be given. The trust has complied with all the statutory targets set during the first year and preliminary information shows that the pupil progress has not been adversely affected.

Since the conversion to Danecourt Academy School on 1st September 2015, staff have continued to adapt the curriculum and assessment programmes in the light of the National Agenda and the on-going changes in the severe and complex learning needs of our children. During term 6, (2016), the school implemented a new Assessment System based on Long Term Objectives identified from individual Education, Health and Care Plans (EHCPs)

Pupil attendance has not been affected since conversion.

There is no Ofsted data available since conversion.

ARGENT TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the period ended 31 August 2016

Please note that the information referred to below relates to pre-1st September 2015, when Danecourt was a Community Special School. There has been no OFSTED Inspection of the school since October 2012.

Achievement (6% =1Pupil) (against national progression guidance)	2012	2013	2014	2015
% of pupils making 2 levels of progress in English	100%	81%	92%	94%
% of pupils making Upper Quartile	53%	44%	41.60%	56%
% of pupils making 2 levels of progress in Maths	100%	81%	100%	94%
% of pupils making upper Quartile	61%	50%	41.60%	56%
% of pupils moving back to supported mainstream settings by KS3	14.20%	19%	18.50%	18%

'In relation to their starting points, pupils make outstanding progress and achieve exceedingly well. Whole school data linked to national progression guidance for disabled pupils and those with special educational needs show that this is particularly the case in English, mathematics and information and communication technology (ICT). All pupils make at least the expected progress and most exceed this level. Whole school data also show that there are no significant differences in the rates of progress made by boys and girls or those supported by pupil premium funding'. (OFSTED 2012)

This positive trend has continued, although results year on year vary as to the very different learning needs in each cohort.

Since the conversion to Danecourt Academy School on 1st September, staff have continued to adapt the curriculum and assessment programmes in the light of the National Agenda and the on-going changes in the severe and complex learning needs of our children. During term 6, (2016), the school implemented a new Assessment System based on Long Term Objectives identified from individual Education, Health and Care Plans (EHCPs)

Financial review

a. Going concern

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

b. Financial risk management objectives and policies

The Trust has had a strong initial year and one of consolidation. In the main the Trust has been awaiting the completion of the new build and expenditure has been restricted in the event of unexpected expenditure incurred. The increase in National Insurance rates has impacted on the Trust but we had built up reserves prior to conversion that have largely absorbed this expense and we are strong enough going forward to minimise the impact of this.

The financial statements have been prepared in accordance where applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP 2005).

The majority of the School's income is derived from the DfE via the EFA in the form of the General Annual Grant (GAG), the use of which is restricted to particular purposes. The GAG received in the period ending 31st August 2016 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities (SOFA).

Capital Grants (CG) were awarded to the School by the DfE via the EFA to provide fixed assets.

ARGENT TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the period ended 31 August 2016

c. Principal risks and uncertainties

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks. From the date of incorporation of the trust, 1st September 2015, the Board of Trustees have reviewed and managed significant risks at each Full Board of Trustees and Finance Committee meeting. A risk management plan has been in place for the period 29 January 2016 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 key areas covered by the risk management plan are; Financial, Reputational, Operational and Compliance.

The major risks identified are:

- Increased workload and statutory financial returns impacting on effectiveness
- Overspend budget caused by weak expenditure management/poor budgeting
- Short/long term cash shortages caused by insufficient reserves
- Insufficient insurance cover
- Failure of the school to recruit sufficient learners to make the academy viable

The risk management plan describes the risk, assesses the probability and impact then details the procedures and actions taken to reduce the risk.

d. Reserves policy

On the advice of their accountants, the Trustees have added to their Risk Register that they need to build reserves to cover at least three months running costs. At the balance sheet date the trust held reserves of less than three months running costs, the trustees continue to work towards achieving this level of reserves.

The Trustees review the reserve levels of the Academy termly at the Finance Meetings, when budgeting and agreeing any expenditure in line with its Terms of Reference. The Trustees are conscious that the funding received for the financial year is spent for the benefit of the pupils currently on roll. The Reserves Policy is reviewed on an annual basis.

Under its Funding Agreement Danecourt School is permitted to hold reserves at the year end of 2% of its GAG for expenditure of a recurrent nature and a further 10% for expenditure of a capital nature, including maintenance and refurbishment of the School's buildings and facilities. The academy held fund balances of £393,148 at 31st August 2016.

e. Material investments policy

Cash is held solely for the operation of the School and the Trust has not made any financial investments this academic year. The Board of Trustees have adopted a low risk strategy in this regard. The Investment Policy is reviewed on an annual basis.

ARGENT TRUST
(A company limited by guarantee)

Trustees' Report (continued)
For the period ended 31 August 2016

Plans for future periods

a. Future developments

The future of Argent Trust will be as a growing multi-academy trust.

We aim to develop and expand our passion and dedication to outstanding SEN education by making sure that we respond to the changing environment in education, whilst keeping schools individuality and strengths.

Our immediate priority is to ensure that the trust has the capacity and systems in place to achieve this with as little disruption as possible to pupils, staff and parents and the wider community.

The board will be taking the time to make sure that each step we take down the road ahead is strategic and sustainable so that the future of the trust and the people we serve will always be our main priority.

Funds held as custodian

Argent Trust do not act as custodian Trustee for any others.

Disclosure of information to auditors

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

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

This report, incorporating a strategic report, was approved by order of the Board of Trustees as the company directors, on 14 December 2016 and signed on its behalf by:



Jeff Talbot
Chair of Trustees

ARGENT TRUST
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Argent 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, 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 Argent Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Julie Anderson	7	7
Simon Guy	4	5
Elizabeth Lee	3	7
Saun Singh	0	5
Michael Smith	7	7
John Somers	4	7
Jeffrey Talbot, Chair	6	7
Victoria Inanli	3	4
Antony Kendall	0	1
Martin Walker	1	1

Key changes to the composition of the Board have been the end of term of two trustees, one staff and one parent, and the appointment of two new co-opted parent trustees.

The Finance Committee including Audit and Salaries is a sub-committee of the main Board of Trustees. Its purpose is to be responsible for all matters concerned with the academy budget and to adhere to the financial framework as set out in the latest Academies Financial Handbook.

This involves:-

Finance

1. Review Argent Trusts Finance Policy and monitor its implementation within each entity under the Trust.
2. Make decisions relating to finance on behalf of the Board of Trustees making reference to each entities priorities.
3. Review each entities annual accounts.
4. Review the accounts of Argent Trust prior to the filing of the Trusts Annual Report and Annual Return
5. Agree transfer of funds within the constraints of the Trusts Finance Policy from Argent Trust to any of the trusts entities.
6. That the Chair of the Board of Trustees (or in the absence of the Chair, the Vice Chair) be authorised to consider and resolve urgent financial matters should these arise between meetings of the Committee. The Chair (or Vice-Chair) shall ensure that other members of the Finance Committee are advised of the situation and the action taken as soon as possible.

ARGENT TRUST
(A company limited by guarantee)

Governance Statement (continued)

Audit

1. On behalf of the Trust the Committee will provide assurance over the suitability of, and compliance with, its financial systems and operational controls. Taking into account the differing risks and complexity of their operations.
2. The Committees work will focus on providing assurances to the Board of Trustees that risks are being adequately identified and managed by:
 - Reviewing the risks to internal financial control at the trust
 - Agreeing a programme of work to address, and provide assurance on those risks.
3. The outcome of the Committees work will inform the governance statement that accompanies the Trust's annual accounts and, so far as is possible, provide assurance to external auditors.

Salaries

1. On behalf of the Trust the Committee will request annual reports from each entity under the Trust and undertake a review of staff salaries.
2. Make recommendations to the Board of Trustees on the salary levels of all staff employed by Argent Trust within the budgetary framework.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Julie Anderson	4	4
Simon Guy	3	3
Victoria Inanli	2	2
Elizabeth Lee	2	4
Saun Singh	0	2
Michael Smith (Chair)	4	4
John Somers	3	4
Jeffery Talbot	4	4

Review of Value for money

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

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

The Trust has delivered improved value for money by adopting the following principles:-

- Regularly review the functions of the school, challenging how and why services are provided and setting targets and performance indicators for improvement;
- Monitor outcomes and compare performance with similar schools and within the school;
- Consult appropriate stakeholders before major decisions are made; and promote fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.
- To continue with the planning, delivery and monitoring of the curriculum by ongoing class observations and subject monitoring.
- Care of pupils, including tracking progress of all pupils by implementing assessment methods to ensure that pupils are sufficiently challenged.
- Staffing - further training for existing and newly appointed staff .

ARGENT TRUST
(A company limited by guarantee)

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Argent Trust for the period 29 January 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks. From the date of incorporation the trust, 1st September 2015, The Board of Trustees have reviewed and managed significant risks at each Full Board of Trustees and Finance Committee meetings. A risk management plan has been in place for the period 29 January 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Williams Giles Limited, the external auditor, to perform additional checks.

ARGENT TRUST
(A company limited by guarantee)

Governance Statement (continued)

The internal auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the internal auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Trust has complied with all appropriate financial regulations and undergone successful audits for the following:-

- Teachers' Pensions
- March Accounts Return
- Interim Audit
- Internal Audit
- Educational Funding Agency FMGS Assurance Visit
- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- In addition there has been rigorous testing of payroll systems, testing of purchase systems as well as the testing of control account / bank reconciliations both internally and externally.

The CFO reports to the Board of Trustees Finance Committee at each committee meeting, the current budgetary position with all associated income and expenditure, which is in turn escalated to the Board of Trustees.

Williams Giles have delivered their planned schedule of work and there were no material control issues arising from the work undertaken. Any recommendations made have been adopted.

Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2016 and signed on their behalf, by:



Jeff Talbot
Chair of Trustees



Julie Anderson
Accounting Officer

ARGENT TRUST
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Argent Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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



Julie Anderson
Accounting Officer

Date: 14 December 2016

ARGENT TRUST
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the period ended 31 August 2016

The Trustees (who act as governors of Argent 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2016 and signed on its behalf by:



Jeff Talbot
Chair of Trustees

ARGENT TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Argent Trust

We have audited the financial statements of Argent Trust for the period ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

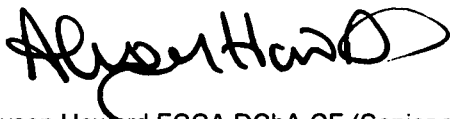
ARGENT TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Argent Trust

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- 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.



Alyson Howard FCCA DChA CF (Senior statutory auditor)
for and on behalf of
Williams Giles Limited
Chartered Accountants
Registered Auditors
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH
Date: 19 December 2016

ARGENT TRUST
(A company limited by guarantee)

Independent Reporting Auditors' Assurance Report on Regularity to Argent Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 19 March 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Argent Trust during the period 18 June 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 Argent Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Argent 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 Argent Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Argent Trust's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Argent Trust's funding agreement with the Secretary of State for Education dated 25 August 2015, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 18 June 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

ARGENT TRUST
(A company limited by guarantee)

**Independent Reporting Auditors' Assurance Report on Regularity to Argent Trust and the Education
Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 18 June 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alyson Howard FCCA DChA CF (Senior statutory auditor)
for and on behalf of
Williams Giles Limited
Chartered Accountants
Registered Auditors
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 19 December 2016

ARGENT TRUST
(A company limited by guarantee)

Statement of Financial Activities Incorporating Income and Expenditure Account
For the period ended 31 August 2016

		Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
	Note				
Income from:					
Donations & capital grants:					
Transfer of assets on conversion	2	88,555	(1,474,000)	7,236,482	5,851,037
Other donations and capital grants	2	308,785	-	138,744	447,529
Charitable activities	3	-	3,022,709	-	3,022,709
Other trading activities	4	57,633	62,945	-	120,578
Total income		454,973	1,611,654	7,375,226	9,441,853
Expenditure on:					
Charitable activities		-	3,326,667	215,791	3,542,458
Total expenditure	7	-	3,326,667	215,791	3,542,458
Net income / (expenditure) before transfers		454,973	(1,715,013)	7,159,435	5,899,395
Transfers between Funds	18	(122,013)	122,013	-	-
Net income / (expenditure) before other recognised gains and losses		332,960	(1,593,000)	7,159,435	5,899,395
Actuarial losses on defined benefit pension schemes	23	-	(1,296,000)	-	(1,296,000)
Net movement in funds		332,960	(2,889,000)	7,159,435	4,603,395
Reconciliation of funds:					
Total funds brought forward		-	-	-	-
Total funds carried forward		332,960	(2,889,000)	7,159,435	4,603,395

All of the academy's activities derive from acquisitions in the current financial period.

The notes on pages 25 to 41 form part of these financial statements.

ARGENT TRUST
(A company limited by guarantee)
Registered number: 09646939

Balance Sheet
As at 31 August 2016

	Note	£	2016 £
Fixed assets			
Tangible assets	15		7,099,688
Current assets			
Debtors	16	64,814	
Cash at bank and in hand		376,405	
		<u>441,219</u>	
Creditors: amounts falling due within one year	17	<u>(48,512)</u>	
Net current assets			<u>392,707</u>
Total assets less current liabilities			<u>7,492,395</u>
Defined benefit pension scheme liability	23		<u>(2,889,000)</u>
Net assets including pension scheme liabilities			<u><u>4,603,395</u></u>
Funds of the academy			
Restricted income funds:			
Restricted income funds excluding pension liability		7,159,435	
Pension reserve		<u>(2,889,000)</u>	
Total restricted income funds			4,270,435
Unrestricted income funds	18		<u>332,960</u>
Total funds			<u><u>4,603,395</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2016 and are signed on their behalf, by:



Jeff Talbot
Chair of Trustees

The notes on pages 25 to 41 form part of these financial statements.

ARGENT TRUST
(A company limited by guarantee)

Statement of Cash Flows
For the period ended 31 August 2016

	Note	2016 £
Cash flows from operating activities		
Net cash provided by operating activities	20	446,373
Cash flows from investing activities:		
Purchase of tangible fixed assets		(78,997)
Capital grants from DfE/EFA		9,029
Net cash used in investing activities		(69,968)
Change in cash and cash equivalents in the period		376,405
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	21	376,405

All of the cash flows are derived from acquisitions in the current financial period.

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

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

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

1.3 Income

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

1. Accounting Policies (continued)

1.4 Expenditure

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

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 incorporating income and expenditure account.

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

1. Accounting Policies (continued)

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

Long-term leasehold property	-	2% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

1.7 Interest receivable

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

1.8 Operating leases

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

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

1.12 Taxation

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

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

1. Accounting Policies (continued)

1.13 Pensions

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

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

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

1.14 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from [name of predecessor school] to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

1. Accounting Policies (continued)

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Transfer of assets on conversion	88,555	(1,474,000)	7,236,482	5,851,037
Donations	308,785	-	-	308,785
Capital Grants	-	-	138,744	138,744
Total donations and capital grants	397,340	(1,474,000)	7,375,226	6,298,566

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
DfE/EFA grants			
General Annual Grant (GAG)	-	1,493,244	1,493,244
Pupil premium	-	84,268	84,268
Other DfE/EFA grants	-	14,143	14,143
	<u>-</u>	<u>1,591,655</u>	<u>1,591,655</u>
Other government grants			
SEN funding	-	1,420,751	1,420,751
Other government grants	-	8,596	8,596
	<u>-</u>	<u>1,429,347</u>	<u>1,429,347</u>
Other funding			
Other grants	-	1,707	1,707
	<u>-</u>	<u>1,707</u>	<u>1,707</u>
	<u>-</u>	<u>3,022,709</u>	<u>3,022,709</u>

4. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Other income	3,418	49,747	53,165
Supply insurance recovery	-	13,198	13,198
Lettings income	54,215	-	54,215
	<u>57,633</u>	<u>62,945</u>	<u>120,578</u>

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

5. Direct costs

	Educational operations £	Total 2016 £
Educational supplies	243,128	243,128
Staff development	57,839	57,839
Educational consultancy	29,657	29,657
Staff restructuring	23,129	23,129
Wages and salaries	1,707,604	1,707,604
National insurance	113,891	113,891
Pension cost	270,052	270,052
	<u>2,445,300</u>	<u>2,445,300</u>

6. Support costs

	Educational operations £	Total 2016 £
LGPS cost	56,000	56,000
Staff development	5,486	5,486
Maintenance of premises and equipment	126,758	126,758
Cleaning	7,205	7,205
Rent and rates	18,242	18,242
Energy costs	25,083	25,083
Insurance	36,103	36,103
Catering costs	36,405	36,405
Other support costs	154,451	154,451
Governance costs	82,388	82,388
Wages and salaries	228,429	228,429
National insurance	13,657	13,657
Pension cost	91,160	91,160
Depreciation	215,791	215,791
	<u>1,097,158</u>	<u>1,097,158</u>

7. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £
Educational operation:				
Direct costs	1,049,370	-	1,395,930	2,445,300
Support costs	1,398,552	140,400	(441,794)	1,097,158
	<u>2,447,922</u>	<u>140,400</u>	<u>954,136</u>	<u>3,542,458</u>

In 2016, of the total expenditure, £NIL was to unrestricted funds and £3,542,458 was to restricted funds.

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

8. Expenditure - Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Compensation payments	23,129	23,129	Staff restructuring

9. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £
Depreciation of tangible fixed assets:	
- owned by the charity	215,791
Auditors' remuneration	14,850
	<hr/> <hr/>

10. Auditors' remuneration

	2016 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	5,750
Fees payable to the academy's auditor and its associates in respect of:	
Internal audit services	2,050
All other non-audit services not included above	7,050
	<hr/> <hr/>

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

11. Staff costs

Staff costs were as follows:

	2016 £
Wages and salaries	1,936,033
Social security costs	127,548
Operating costs of defined benefit pension schemes	361,212
	<u>2,424,793</u>
Staff restructuring costs	23,129
	<u><u>2,447,922</u></u>

Staff restructuring costs comprise:

Severance payments	<u><u>23,129</u></u>
--------------------	----------------------

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

	2016 No.
Teachers	27
Administration and support	85
Management	5
	<u><u>117</u></u>

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

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

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £24,129.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust £244,350.

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

12. Trustees' remuneration and expenses

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

		2016 £
John Somers	Remuneration	80,000-85,000
	Pension contributions paid	10,000-15,000
Elizabeth Lee	Remuneration	15,000-20,000
	Pension contributions paid	0-5,000

During the period ended 31 August 2016, expenses totalling £1,487 were reimbursed to 1 Trustee.

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim.

14. Other finance income

	2016 £
Interest income on pension scheme assets	62,000
Interest on pension scheme liabilities	(118,000)
	<hr style="border-top: 1px solid black; border-bottom: 1px solid black; height: 3px; width: 100%;"/> (56,000) <hr style="border-top: 1px solid black; border-bottom: 1px solid black; height: 3px; width: 100%;"/>

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

15. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 18 June 2015	-	-	-	-	-
Additions	28,274	-	20,180	30,543	78,997
Transfers on conversion	7,020,000	38,696	82,031	95,755	7,236,482
At 31 August 2016	<u>7,048,274</u>	<u>38,696</u>	<u>102,211</u>	<u>126,298</u>	<u>7,315,479</u>
Depreciation					
At 18 June 2015	-	-	-	-	-
Charge for the period	140,400	7,739	25,553	42,099	215,791
At 31 August 2016	<u>140,400</u>	<u>7,739</u>	<u>25,553</u>	<u>42,099</u>	<u>215,791</u>
Net book value					
At 31 August 2016	<u>6,907,874</u>	<u>30,957</u>	<u>76,658</u>	<u>84,199</u>	<u>7,099,688</u>

16. Debtors

	2016 £
VAT recoverable	25,742
Prepayments and accrued income	39,072
	<u>64,814</u>

17. Creditors: Amounts falling due within one year

	2016 £
Accruals and deferred income	48,512
	<u>48,512</u>
Deferred income	
Deferred income at 18 June 2015	-
Resources deferred during the year	6,756
	<u>6,756</u>

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

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

18. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	-	454,973	-	(122,013)	-	332,960
Restricted funds						
General annual grant	-	1,493,244	(1,615,257)	122,013	-	-
Pupil premium	-	84,268	(84,268)	-	-	-
Other DfE/EFA grants	-	14,143	(14,143)	-	-	-
SEN funding	-	1,420,751	(1,420,751)	-	-	-
Other government grants	-	8,596	(8,596)	-	-	-
Other grants	-	1,707	(1,707)	-	-	-
Other generating funds	-	62,945	(62,945)	-	-	-
Pension reserve	-	(1,474,000)	(119,000)	-	(1,296,000)	(2,889,000)
	-	1,611,654	(3,326,667)	122,013	(1,296,000)	(2,889,000)
Restricted fixed asset funds						
Assets held for depreciation	-	7,236,482	(215,791)	78,997	-	7,099,688
Capital income	-	138,744	-	(78,997)	-	59,747
	-	7,375,226	(215,791)	-	-	7,159,435
Total restricted funds	-	8,986,880	(3,542,458)	122,013	(1,296,000)	4,270,435
Total of funds	-	9,441,853	(3,542,458)	-	(1,296,000)	4,603,395

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

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

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

19. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	7,099,688	7,099,688
Current assets	332,960	48,512	59,747	441,219
Creditors due within one year	-	(48,512)	-	(48,512)
Provisions for liabilities and charges	-	(2,889,000)	-	(2,889,000)
	<u>332,960</u>	<u>(2,889,000)</u>	<u>7,159,435</u>	<u>4,603,395</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £
Net income for the year (as per Statement of financial activities)	5,899,395
Adjustment for:	
Depreciation charges	215,791
Increase in debtors	(64,814)
Increase in creditors	48,512
Capital grants from DfE and other capital income	(9,029)
Defined benefit pension scheme finance cost	119,000
Transfer of assets on conversion	(7,236,482)
Pension deficit on conversion	1,474,000
Net cash provided by operating activities	<u><u>446,373</u></u>

21. Analysis of cash and cash equivalents

	2016 £
Cash in hand	376,405
Total	<u><u>376,405</u></u>

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

22. Conversion to an academy trust

On 1 September 2015 Danecourt Community School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Argent Trust from Medway council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	7,020,000	7,020,000
- Other tangible fixed assets	-	-	216,482	216,482
Budget surplus/(deficit) on LA funds	88,555	-	-	88,555
LGPS pension surplus/(deficit)	-	(1,474,000)	-	(1,474,000)
Net assets/(liabilities)	<u>88,555</u>	<u>(1,474,000)</u>	<u>7,236,482</u>	<u>5,851,037</u>

23. Pension commitments

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

As described in note 22 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the 31 August 2016. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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

Teachers' Pension Scheme

Introduction

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

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

23. Pension commitments (continued)

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £128,383.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £220,000., of which employer's contributions totalled £171,000. and employees' contributions totalled £49,000. The agreed contribution rates for future years are 20.1% for employers and var% 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.

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

23. Pension commitments (continued)

Principal actuarial assumptions:

	2016
Discount rate for scheme liabilities	2.20 %
Rate of increase in salaries	4.10 %
Rate of increase for pensions in payment / inflation	2.30 %
Inflation assumption (CPI)	2.30 %
Commutation of pensions to lump sums	50.00 %
RPI increases	3.20 %

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

	2016
Retiring today	
Males	22.9
Females	25.3
Retiring in 20 years	
Males	25.2
Females	27.7

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

	Fair value at 31 August 2016 £
Equities	1,277,000
Gilts	17,000
Property	265,000
Other bonds	202,000
Cash	45,000
Target return portfolio	82,000
Total market value of assets	<u>1,888,000</u>

The actual return on scheme assets was £221,000.

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

	2016 £
Current service cost (net of employee contributions)	(233,000)
Net interest cost	(56,000)
Total	<u>(289,000)</u>
Actual return on scheme assets	<u>221,000</u>

ARGENT TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2016

23. Pension commitments (continued)

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

	2016 £
Upon conversion	2,922,000
Current service cost	233,000
Interest cost	118,000
Contributions by employees	49,000
Actuarial losses	1,455,000
	<hr/>
Closing defined benefit obligation	4,777,000
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Movements in the fair value of the academy's share of scheme assets:

	2016 £
Upon conversion	1,448,000
Interest income	62,000
Actuarial gains and (losses)	159,000
Contributions by employer	170,000
Contributions by employees	49,000
	<hr/>
Closing fair value of scheme assets	1,888,000
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24. 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.

25. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.