

Registered number: 10253931

Whinless Down Academy Trust
(A company limited by guarantee)

Annual report and financial statements

For the period 28 June 2016 to 31 August 2017

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Whinless Down Academy Trust
(A company limited by guarantee)

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Whinless Down Academy Trust
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Reference and administrative details
For the period ended 31 August 2017

Members

Mrs Sheila Wilding (appointed 28 June 2016)
Mrs Rhian Potts (appointed 28 June 2016)
Mrs Claire Jones (appointed 28 June 2016)
Mrs Patricia Sherling (appointed 28 June 2016)
Mrs Alison Mackintosh (appointed 28 June 2016)

Trustees

Mr Malcolm Bowler (appointed 28 June 2016)
Mrs Alison MacKintosh, Chair of Trustees (appointed 28 June 2016)
Mrs Michelle Noden (appointed 28 June 2016)
Mr Andrew Nunn (appointed 28 June 2016, resigned 25 May 2017)
Mrs Carol Rayfield (appointed 28 June 2016)
Mrs Patricia Sherling (appointed 28 June 2016)
Mrs Anne Siggins (appointed 28 June 2016)
Mrs Victoria Smith (appointed 28 June 2016)
Mrs Katie Wratten (appointed 28 June 2016, resigned 12 October 2017)

Company registered number

10253931

Company name

Whinless Down Academy Trust

Principal and registered office

Priory Fields School
Astor Avenue
Dover
Kent
CT17 0FS

Senior leadership team

Mrs Anne Siggins, Executive Head Teacher
Mrs Michelle Noden, Academy Business Manager
Mrs Helen Seeley, Head of School, Priory Fields School
Miss Rachel Appleby (Suckling), Head of School from 1 September 2016, St Martin's
Mrs Katie Wratten, Head of School until 31 August 2016, St Martin's
Miss Veronica Tutthill, Assistant Headteacher, St Martin's
Mrs Denise Moore, Assistant Headteacher until 30 April 2017, Priory Fields
Miss Kelly Brown, Assistant Headteacher from 1 September 2016, Priory Fields

Independent auditors

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Whinless Down Academy Trust
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Reference and administrative details of the academy, its trustees and advisers
For the period ended 31 August 2017

Advisers (continued)

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Whinless Down Academy Trust
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Trustees' report
For the period ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 28 June 2016 to 31 August 2017. The Annual Report serves the purposes of both a trustees' report, and a director's report under company law.

The trust operates 2 primary academies for pupils aged 4 to 11 in Dover Kent. On 1 August 2016 Priory Fields School and St Martin's School converted to an Academy Trust. Priory Fields School is part of the Priority School's Building Project and the new build is expected to be completed by September 2018. Its academies have a combined pupil capacity of 660 and had a roll of 622 in the school's autumn census 2016.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association dated 28 June 2016 are the primary governing documents of the Academy Trust.

The Trustees act as the Trustees for the charitable activities of Whinless Down Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Whinless Down Academy Trust.

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

On 1 August 2016 Priory Fields School and St Martin's School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Whinless Down Academy Trust from Kent County Council for £Nil Consideration.

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 has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where a UK government funds cover losses that arise. This scheme protects the Trustees and officers from claims, arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

Whinless Down Academy Trust
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Trustees' report (continued)
For the period ended 31 August 2017

Principal Activities

The Academy Trust's main objective is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing the schools within the Trust. This is achieved by offering a broad and balanced curriculum within settings and providing an ethos where everyone is able to achieve, feel valued and safe and secure.

Method of Recruitment and Appointment or Election of Trustees

The Members of the Academy Trust shall comprise the signatories to the Memorandum and Articles of Association.

The number of Trustees shall not be less than three, but shall not be subject to a maximum.

The Charity's Articles of Association set out the constitution and method of appointment of the Trustee body, including parent Trustees who are elected in accordance with Department of Education guidelines. Suitability of Trustees is determined by their interest in the work of the charity, eligibility and personal competence and to ensure the Trustee body has the breadth of skills and knowledge necessary to advance the Academy Trust in all areas.

The Board of Trustees is intended to be made up of 9 trustees:

- The Chair of each Local Governing Body (LGB)
- One staff Trustee,
- Five Co-opted Trustees
- The Executive Headteacher.

Currently, there are two co-opted vacancies on the Board. Recruitment procedures are in place to fill the vacancies. Parent representation is provided on the Local Governing Body.

Minimising the number of Trustees that also hold a Local Governing Body position is the next step in the development of the Board and this is an aim for the coming year. Recruitment will be skills based and recruitment will be a rigorous process. The Board will, if unsuccessful in a local campaign use The Academy Ambassadors Programme or Inspiring Governance.

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

The Trustee body and Executive Headteacher believe that it is essential that all Trustees and governors receive an appropriate induction package. This would include a tour of the Academy Trust and a chance to meet staff, pupils, the Head of Schools and the Chairman of the Board with a view to ensuring the Trustee has good understanding of the Academies vision and values and the day to day operation. All Trustees and LGB Members are required to complete a skills audit to enable the board to identify training needs and gaps within our skills base.

Although no formal training programme exists for the Trustees within the Academy Trust they are allocated a 'Buddy' for support. Trustees are encouraged to participate in training programmes, through participation in appropriate and relevant training course arranged by the Academy Trust. Training that has taken place over the period includes, data dashboard, pupil premium, finance, understanding data.

We see training and development of Trustees and Governors as an important requirement to ensure they are able to undertake their duties which will lead to more effective governance.

The Academy Trust has a comprehensive policy schedule which ensures that policies are reviewed in a timely manner. Policies are available on the secure section of the website and are password protected.

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Trustees' report (continued)
For the period ended 31 August 2017

Organisational Structure

The management structure of the academy consists of four levels: The Whinless Down Academy Trust Board, The Finance Strategy and Audit Committee (FSAC), The Local Governing Bodies and the Academy Leadership Teams.

The Board of Trustees role in the Academy Trust is essentially a strategic one acting on advice from the Executive Headteacher. The Board of Trustees are responsible for setting general policy, adopting an annual plan and budget monitoring for the Academies by the use of budget reports and making strategic decisions about the direction of the Whinless Down Academy Trust, capital expenditure and senior staff appointments.

The Board of Trustees has delegated the day to day management of the academies to the Executive Headteacher. The key role of the Executive Headteacher is following the strategy and vision of the Trust, building its culture and the creation and development of teams that work in and across the Trust. The Board holds the Executive Headteacher to account.

The Trust Board delegate functions to the FSAC committee as per the Scheme of Delegation. They meet three times a year and are involved in the monitoring and preparation of the budgets for each school. They ensure that both internal and external audits are completed and actions are promptly addressed.

The Trust Board delegate functions to the Local Governing Bodies as per the Scheme of Delegation. They meet six times a year and are involved in the monitoring of the whole range of school activities and statutory requirements.

The Academy Leadership Team consists of Executive Headteacher, Head of Schools, Assistant Headteachers and the Academy Business Manager. These leaders control the Academy Trust at school level implementing the policies laid down by themselves, the Local Governing Bodies or the Board of Trustees. As a group, the senior leadership team is responsible for the authorisation of spending within agreed budgets and the appointment of non-senior staff. Appointments for the post of Executive Headteacher, Head of School, Academy Business Manager will require Trustees authorisation.

The Executive Headteacher is the accounting officer.

Arrangements for setting pay and remuneration of key management personnel

The Trustees will agree the salary level prior to the commencement of the recruitment process of a new Principal/Executive Headteacher. Trustees are required to review the Executive Headteacher's performance against previously set targets and to set new targets for the upcoming year. All pay increases must be linked to performance targets. This is delegated to a panel responsible for the Executive Headteacher's appraisal.

Head of School pay is set using the formula within the pay and conditions document applicable at the time of appointment and within a range set by the Local Governing Bodies.

With existing members of the leadership team (including Head of School) the Executive Headteacher is required to review the leadership's team's performance against previously set targets and set new targets for the coming academic year. The Executive Headteacher then may apply an inflationary increase and any discretionary increase as authorised by the Trustees. All pay increases must be linked to performance targets.

The Academy Trust adheres to the School Teachers Pay and Conditions Document.

Clear expectations form the basis for all good performance relationships. The Executive Headteacher feeds back to the Local Governing Body on pay awards for staff other than senior leaders and feeds back to the Trustees for senior leaders. The committee responsible for the Executive Headteacher's appraisal feeds back to the Trustees regarding any pay decisions having consulted with an external advisor.

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Trustees' report (continued)
For the period ended 31 August 2017

Related Parties and other Connected Charities and Organisation

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from a cross section of the local and wider community, transactions may take place with organisations in which a Trustee has an interest. In the event of any transactions involving such connected organisations, interests are declared and transactions conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Objectives and Activities

The main objective of the Academy Trust during the period ended 31st August 2017 are summarised below;

Objects and Aims

The principal object of the Academy Trust 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 schools offering a broad and balanced curriculum.

The goal of the Whinless Down Academy Trust is to improve the quality of education provided to all children in all schools within the Academy Trust. The schools within the Trust use each other as a resource to:

- Improving the quality of teaching
- Improving the quality of leadership
- Improving the breadth of curriculum opportunities

These will lead to our ultimate goal: To improve and sustain the best Educational Outcomes for Primary Aged Children.

The Academy Trust values children's wellbeing and their education above all else, and puts the needs of children at the centre of its decision making.

Objectives, Strategies and Activities

The vision is for all Academies within the Academy Trust to provide an education that prepares each and every child well for the next stage of their learning journey which in turn will ensure success throughout their adult life. To achieve this, the ethos within each academy is every child matters and every lesson counts. To realise this The Whinless Down Academy Trust is:

- Committed to improving the life chances of every child with whom they work.
- Committed to developing a culture in which the quality of teaching is seen as central.
- Committed to developing school leaders ensuring the highest quality leadership systems that work on drawing expertise across the Academy Trust.
- Committed to ensuring that all staff and children without fear of discrimination will be able to achieve success, feel safe, lead a healthy lifestyle and accomplish beyond original expectations.
- Committed to provide a wide range of sporting, cultural, musical and artistic experiences as well as an absolute understanding of the core skills.

The Whinless Down Academy Trust values diversity and seeks to give everyone an equal chance to learn, work and live free from discrimination or prejudice. We will work together to develop the potential of all pupils across all areas of learning, social, moral and cultural experiences and opportunities.

Pupils will be happy and motivated by the wider curriculum experienced at school. They will become independent learners, aware of how to learn and to manage their emotions to maximise their own learning experiences enabling them to face challenge and difficulty.

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Trustees' report (continued)
For the period ended 31 August 2017

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise and to work on their own initiative. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Academy Trust runs an Academy for pupils in the primary phase (4-11) aspiring towards the highest possible standards for approximately 660 pupils. The schools within the Academy Trust are situated in the centre of Dover which has high social deprivation and many pupils are at the early stages of learning English.

The Academy aims to contribute benefit to the local community and has supported various community events during the period including the following;

- A range of local and national Charity events with donations going to, Kelly Turner, Race for Life, Sign to Sing, Sport Relief, Children In Need, Porchlight
- Our Christmas and Summer Fairs are open to the local community and stalls are available to sell a variety of gifts and produce.
- Opportunities for pupils to participate in a range of sporting opportunities through The Dover School Games and The Kent School Games.
- The Academy Trust belongs to a wider collaborative group including two other local schools. The range of activities that operate across the collaboration include, a Collaborative School Council tackling local issues such as recycling, dangerous parking in and around schools and litter, multi-various sports competitions, a singing extravaganza, and working with local secondary schools to secure improved transition.
- Links with local churches to support community events such as coffee mornings, carol concerts and harvest festivals and a 'I Sing Pop' concert.
- Pupils lay Poppy Wreaths at the Memorial in the town centre.
- A Healthy Living programme supported parents to understand the importance healthy choices for improved health.
- The Academy Trust supports many local activities organised by a range of different organisations including, The Astor Dance Festival, Christmas singing to the Aged, Music in the Town hall and the Local 'Switch On' event.
- The Academy Trust offers a Holiday Sports Camp for pupils.

The Trust adopts the admission policies of the Local Education Authority in which it works. For full details see the individual school websites.

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Trustees' report (continued)
For the period ended 31 August 2017

Strategic Report

Achievements and Performance

Pupils enter the Schools from a wide range of social, cultural and economic backgrounds; The Academies pride themselves on being inclusive Schools.

Both Schools within the Academy Trust achieved floor targets in the 2016 statutory tests and have been achieving floor targets for at least the previous 10 years.

EYFS 2017 Attainment Outcomes at Good Level of Development

School	All	Pupil Premium
Priory Fields	78%	68%
St Martin's	77%	67%

Year 1 Phonics 2017 Outcomes

School	% Achieving expected (all Children)	% Achieving expected (Pupil Premium)
Priory Fields	76%	70%
St Martin's	83%	100% (1 Child)

Key Stage 1 Attainment Outcomes 2017

School	Reading (All)	Writing (All)	Maths (All)	Reading (All)	Writing (PP)	Maths (PP)
Priory Fields	79%	77%	81%	80%	76%	84%
St Martin's	80%	71%	82%	73%	55%	73%

Key Stage 2 Attainment 2017 Outcomes Combined – Reading, Writing and Mathematics, GPS

School	% Achieving expected (all Children)	% Achieving expected (PP)	GPS (All Children)
Priory Fields	60%	60%	65%
St Martin's	52%	50% (2 Pupils)	83%

To ensure that standards are continually raised the Academy operate a programme of internal and external reviews of curriculum areas and standards of teaching. This is externally quality assured through a rigorous monitoring programme with our external partners who include educational consultants and headteachers and leadership teams from other schools.

Going Concern

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

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Trustees' report (continued)
For the period ended 31 August 2017

Key Performance Indicators

This is the first full period that the Trust has been in operation and early indications show that the schools are on an upward trend.

All Schools met the floor targets set by the government in 2017.

School	Combined	Reading Progress	Writing Progress	Mathematics Progress	Floor Targets Met
Priory Fields	66%	0.5	0.9	0.6	✓
St Martin's	52%	-0.8	-1.1	-4.4	✓

Key Financial Performance Indicators

The Trustees are of the opinion that the following are key financial performance indicators for the Trust:

- Percentage of income received from Education and Skills Funding Agency (ESFA) spent on teaching staff and total staff costs;
- Pupil numbers which leads directly to ESFA funding level, and;
- General funding expenditure.

Financial Review

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of recurrent grants, some of which are restricted to particular purposes. In addition the schools receive other income including lettings and funds raised by parents. The budgets for the schools are prepared by the FSAC and approved by the Academy Trust Board. The budgets reflect the priorities of each school and The Academy Trust. The financial position of each school is monitored by the Board's Finance Strategy and Audit Committee and thereafter the Trustee Board. The financial policies and procedures which have been approved by the Trustees comply with the Academies Financial Handbook and are implemented by the Academy Trust and the schools.

When the accounts are consolidated, there is an overall funds of £1,544,376. This is following a actuarial valuation of pension deficit figure for the local government pension service.

A loan of £250,000 from KCC was drawn by the predecessor school prior to conversion to the Academy Trust to contribute to additional facilities as part of the PSBP for Priory Fields and is currently held in a 'short-term' investment bank account in preparation for the commencement of the repayment schedule. Repayments for the loan commenced in August 2016 which is reducing the capital borrowed and will continue to do so to a period of 10 years.

The new building has commenced and funds will be required over the year to pay for the additional facilities agreed in 2013. The contribution to additional facilities for the new building under PSBP for Priory Fields has increased by a sum of £11,000. The school is now liable for and will need to find the additional funding out of the GAG funding. A payment schedule has been agreed with the ESFA to enable the Trust to pay in instalments over two academic years.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy Trust and its finances. Appropriate systems, policies, procedures and controls have been put in place so as to ensure that the various risks do not impact adversely on the Academy Trust's operations including any operational procedures and internal financial controls. Appropriate insurances are in place.

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Trustees' report (continued)
For the period ended 31 August 2017

The principal Risks to the Whinless Down Academy Trust have been identified as:

- 1) Failure to achieve the highest quality standards for children. In order to mitigate this risk Trustees ensure high quality recruitment and appraisal systems for all staff. Rigorous monitoring and accountability systems identify concerns promptly allowing for rapid interventions and swift actions to make the required changes.
- 2) Pupil numbers particularly should the EU Migrant Workers return to their homelands following Brexit. The Trustees are aware of fluctuations in pupil numbers and the ratios of teachers to pupils and regular reports ensure that these are kept within the parameters to prevent any future financial difficulties.
- 3) Maintenance budget for St Martin's School – Trustees are aware of the age of building and the need to ensure that a quality first education can be provided in a building designed for a 19th century system. Regular site walks and a maintenance programme support the upkeep. Application for CIF funding to be initiated in a timely manner should major works be required.
- 4) The effect of changes to future funding methodologies and general reductions in educational budgets. The Trustees produce and maintain budgets on a regular basis so that should any anticipated funding shortfalls occur suitable plans can be put in place to mitigate their effect.
- 5) The recruitment and retention of Local Governors with the necessary skills for the role.
- 6) The recruitment and retention of high quality teaching staff and support staff.

Reserves Policy

The Academy Trust aims to maintain a level of reserves sufficient to provide a buffer against future funding uncertainties and to provide a fund to pay for any unexpected or unplanned asset or maintenance need. The Trust will always ensure that they stay within the ESFA guidelines on levels and appropriate use of reserves.

The Trust's level of free reserves (total funds less the amount held in fixed assets and restricted funds) at the end of 31st August 2017 is £301,226.

The Academy Trust has a pension liability of £1,788,000 as at 31 August 2017 which is included in restricted reserves. The disclosure does not mean that the liability is already committed and is no longer available to the Trustees to further the Academy Trust's objectives. Parliament has agreed, at the request of the Secretary of State for Education, in the event of academy closure, outstanding Local Government Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. In the short term, the cash flow impact of having a pension scheme liability may be that employer contributions may increase to reduce the liability. The Academy Trust will always pay the employer contribution rates set by the pension scheme administrators.

Investment Policy

Investments must be made only when approved by the Trustees.

The Trustees' policy is to invest surplus funds in low risk short term bank deposits that are easily accessible.

Plans for Future Periods

The Academy Trust plans to grow from two schools to three in January 2018. Following this, a period of consolidation will take place before further growth is considered. The Academy Trust has considered becoming a sponsor academy, but have rejected this currently to allow for a period of consolidation to embed good practice across existing schools and to allow opportunity for careful and in-depth planning to ensure success when the decision is reversed.

The Senior Leadership Team of the Academy Trust provides all Trustees with a copy of each of the Academy's Improvement Plans which is a working document with seasonal milestones for the Trustees to benchmark against their own strategic plans for each school within the Multi-Academy Trust enabling them to assess achievements and next steps.

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Trustees' report (continued)
For the period ended 31 August 2017

Each of the schools know their strengths and weaknesses based on continual self-assessment and the School Improvement plans are developed through the self-assessment process. Individual subject leaders assess their outcomes and plan developments accordingly.

The Academy Trust will continue striving to improve the levels of performance for all its pupils at all levels and continue to prepare pupils for the next steps in their learning journey.

The culture is one of openness and senior staff, teaching staff and support staff are clear about the need to collaborate and commit to their own professional development.

Funds held as Custodian Trustee on behalf of others

The Academy Trust does not hold such funds.

Provision of information to auditor

In so far as the Trustees are aware:

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

Auditors

The auditor, Kreston Reeves LLP, has indicated its willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporating a strategic report, was approved by order of the board of Trustees, as the company's directors, on 30th November 2017 and signed on its behalf by:

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a horizontal line extending to the right.

Alison MacKintosh
Chair of Trustees

Whinless Down Academy Trust
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Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Whinless Down Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 4 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
Mrs Alison MacKintosh, Chair of Trustees	4	4
Mrs Patricia Sherling	4	4
Mrs Carol Rayfield	2	4
Mrs Katie Wratten	2	3
Mr Andrew Nunn	1	1
Mr Malcolm Bowler	4	4
Mrs Victoria Smith	2	4
Mrs Anne Siggins	4	4
Mrs Michelle Noden	4	4

Currently there are two vacancies on the Trust Board and recruitment procedures have secured two new Trustees who will take up their place on the Board in November 2017.

The Board are working towards minimising the number of Trustees that are also members of the LGB and this should be achieved by April 2018.

The continued recruitment of highly skilled directors supports the development of the Academy Trust.

Governance Statement Reviews:

- The Trust Board uses the Competency Framework for Governance Matrix to ensure that we are able to provide appropriate training and to recruit Trustees with skills that have been highlighted a requirement by the Trust Board.
- The Trust Board will complete its governance self-evaluation in May 2018.

The Finance Strategy and Audit Committee (FSAC) is a sub-committee of the Trust Board and with Members from the LGB. Its purpose is to:

- To Prepare and set the Budget for the schools within the MAT.
- To monitor expenditure and income in line with set budget and school priorities as agreed within the individual school improvement plans.
- To challenge decisions and agree procurement routes through the consideration of competitive quotations and tendering process ensuring Best Value.
- To Benchmark school performance (both financial and academic) with local and national data and with 'like schools.'
- To be strategic in future planning and to assess potential risks to enable both sustainability and to plan for any funding implications.

During the period the Finance Strategy and Audit Committee intend to have 3 meetings over the coming year.

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Governance Statement (continued)

Review of Value for Money

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

- Applying the principles of Best Value
- Securing 2 quotation for purchases between £1,500 and £3,000
- Securing 3 quotations for purchases between £3,000 and £50,000
- Using Expertise in both schools to support new members of staff and CPD.
- Staff structuring that has enabled the reduction of external contracts.
- Sharing resources across the schools when possible.
- Regular resource audit to ensure purchases are 'need based.'

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Whinless Down Academy Trust for the period 28 June 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the period 28 June 2016 to 31 August 2017 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves LLP as internal auditor.

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Governance Statement (continued)

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

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of control account/bank reconciliations

On a termly basis, the internal auditor reports to the Board of Trustees through the Finance Strategy and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Executive Headteacher 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Trustee body on 30 November 2017 and signed on their behalf, by:



Alison Mackintosh
Chair of Trustees



Anne Siggins
Accounting Officer

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(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Whinless Down Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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 ESFA.

Anne Siggins
Accounting Officer



Date: 30 November 2017

Whinless Down Academy Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the period ended 31 August 2017

The Trustees (who act as governors of Whinless Down Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills 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:

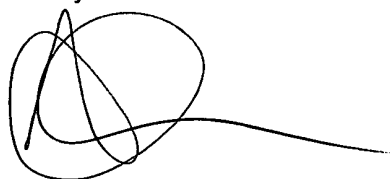
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/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 30 November 2017 and signed on its behalf by:

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a long horizontal line extending to the right.

Alison MacKintosh
Chair of Trustees

Whinless Down Academy Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Whinless Down Academy Trust

Opinion

We have audited the financial statements of Whinless Down Academy Trust for the period ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy'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 academy's 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Whinless Down Academy Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Whinless Down Academy Trust

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

Whinless Down Academy Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Whinless Down Academy Trust

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury
30 November 2017

Whinless Down Academy Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Whinless Down Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Whinless Down Academy Trust during the period 28 June 2016 to 31 August 2017 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 Whinless Down Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Whinless Down Academy Trust and the ESFA 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 Whinless Down Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Whinless Down Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Whinless Down Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2016, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 28 June 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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.

Whinless Down Academy Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Whinless Down Academy Trust and the Education and Skills Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

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 28 June 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kreston Reeves LLP

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

30 November 2017

Whinless Down Academy Trust
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the period ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Income from:					
Donations & capital grants:					
Transfer on conversion from local authority	2	342,788	(1,248,000)	3,109,701	2,204,489
Other donations and capital grants	2	2,183	-	14,942	17,125
Charitable activities	3	-	3,308,984	-	3,308,984
Investments	4	73	-	-	73
Other income	5	62,265	-	-	62,265
Total income		407,309	2,060,984	3,124,643	5,592,936
Expenditure on:					
Charitable activities		8,710	3,572,728	115,122	3,696,560
Total expenditure	7	8,710	3,572,728	115,122	3,696,560
Net income / (expenditure) before transfers		398,599	(1,511,744)	3,009,521	1,896,376
Transfers between Funds	18	(97,373)	75,744	21,629	-
Net income / (expenditure) before other recognised gains and losses		301,226	(1,436,000)	3,031,150	1,896,376
Actuarial losses on defined benefit pension schemes	23	-	(352,000)	-	(352,000)
Net movement in funds		301,226	(1,788,000)	3,031,150	1,544,376
Reconciliation of funds:					
Total funds brought forward		-	-	-	-
Total funds carried forward		301,226	(1,788,000)	3,031,150	1,544,376

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

The Statement of financial activities includes all gains and losses recognised in the period.

Whinless Down Academy Trust
(A company limited by guarantee)
Registered number: 10253931

Balance sheet
As at 31 August 2017

	Note	£	2017 £
Fixed assets			
Tangible assets	13		3,031,150
Current assets			
Stocks	14	6,827	
Debtors	15	101,694	
Cash at bank and in hand		592,664	
		<u>701,185</u>	
Creditors: amounts falling due within one year	16	(200,022)	
Net current assets			<u>501,163</u>
Total assets less current liabilities			<u>3,532,313</u>
Creditors: amounts falling due after more than one year	17		<u>(199,937)</u>
Net assets excluding pension scheme liabilities			<u>3,332,376</u>
Defined benefit pension scheme liability	23		<u>(1,788,000)</u>
Net assets including pension scheme liabilities			<u><u>1,544,376</u></u>
Funds of the academy			
Restricted income funds:			
Restricted income funds excluding pension liability		3,031,150	
Pension reserve		<u>(1,788,000)</u>	
Total restricted income funds			<u>1,243,150</u>
Unrestricted income funds	18		<u>301,226</u>
Total funds			<u><u>1,544,376</u></u>

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue, on 30 November 2017 and are signed on their behalf, by:


Alison MacKintosh
Chair of Trustees


Anne Siggins
Accounting Officer

Whinless Down Academy Trust
(A company limited by guarantee)

Statement of cash flows
For the period ended 31 August 2017

		14 month period ended 31 August 2017 £
	Note	
Cash flows from operating activities		
Net cash provided by operating activities	20	614,220
Cash flows from investing activities:		
Dividends, interest and rents from investments		73
Purchase of tangible fixed assets		(36,571)
Capital grants from DfE/ESFA		14,942
Net cash used in investing activities		(21,556)
Change in cash and cash equivalents in the Period		592,664
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	21	592,664

The notes on pages 25 to 47 form part of these financial statements.

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

Whinless Down Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2017

1. Accounting policies

Whinless Down Academy Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Astor Avenue, Dover, Kent, CT17 0FS. The principal activity of the Academy Trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Whinless Down Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 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.

1.3 Fund accounting

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

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

Whinless Down Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2017

1. Accounting policies (continued)

1.4 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable 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.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

1.5 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Whinless Down Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2017

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Premises leased from local authorities

Land, buildings and playing fields occupied under 125 year leases from a local authority are recognised as a fixed asset in the academy trust balance sheet at fair value.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	Not depreciated
Long-term leasehold property	-	3% straight-line
Plant and machinery	-	25% straight line
Computer equipment	-	33.3% straight line

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.

1.7 Operating leases

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

Whinless Down Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2017

1. Accounting policies (continued)

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 and provisions 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 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 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.

Whinless Down Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2017

1. Accounting policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 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.

1.15 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 Priory Fields School and St Martin's 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 Charitable activities - transfer from local authority on conversion 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.

Whinless Down Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2017

1. Accounting policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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.

Multi-employer defined benefit pension scheme

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £3,031,150 at the reporting date (see note 13). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Whinless Down Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2017

1. Accounting policies (continued)

Critical areas of judgment:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the governors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the governors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 23 for further details.

Land and property

Long term leasehold land and property comprises land and property occupied on a 125 year lease granted from Kent County Council to the Whinless Down Academy Trust for use of the land and buildings at Priory Fields School and St Martin's School.

The sites were transferred to the Academy Trust, with the agreement of the ESFA, at a value as at 1 August 2016 of £1,742,648 for Priory Fields School and £1,328,267 for St Martin's School. The land and property were valued by the local authority on a depreciated cost basis as at 31 March 2016.

1.17 Financial reporting periods

The results for the 14 month period ended 31 August 2017 comprise 13 months activity.

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Notes to the financial statements
For the period ended 31 August 2017

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Transfer on conversion from local authority	342,788	(1,248,000)	3,109,701	2,204,489
Donations	2,183	-	-	2,183
Capital Grants	-	-	14,942	14,942
	<u>344,971</u>	<u>(1,248,000)</u>	<u>3,124,643</u>	<u>2,221,614</u>

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,736,306	2,736,306
Other DfE/ESFA grants	-	400,210	400,210
	<u>-</u>	<u>3,136,516</u>	<u>3,136,516</u>
Other government grants			
Other government grants	-	172,468	172,468
	<u>-</u>	<u>172,468</u>	<u>172,468</u>
	<u>-</u>	<u>3,308,984</u>	<u>3,308,984</u>

4. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Bank interest	73	-	73
	<u>73</u>	<u>-</u>	<u>73</u>

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Notes to the financial statements
For the period ended 31 August 2017

5. Other incoming resources

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Breakfast, afterschool club and photos	25,425	-	25,425
School trips income	7,188	-	7,188
Other incoming resources	29,652	-	29,652
	<u>62,265</u>	<u>-</u>	<u>62,265</u>

6. Charitable activities

	Total funds 2017 £
Direct costs - educational operations	
Wages and salaries	1,260,622
National insurance	128,697
Pension cost	203,735
Educational supplies	128,709
	<u>1,721,763</u>
Support costs - educational operations	
Wages and salaries	961,769
National insurance	49,251
Pension cost	339,864
Depreciation	115,122
FRS102 pension cost	32,000
Other occupancy costs	119,874
Equipment & services	26,869
Maintenance of premises and equipment	42,103
Cleaning	9,974
Rates	21,072
Light and heat	34,209
Insurance	232
Catering costs	115,875
Professional fees	72,981
Staff development and other staff expenses	33,602
	<u>1,974,797</u>
	<u>3,696,560</u>

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Notes to the financial statements
For the period ended 31 August 2017

7. Expenditure

	Staff costs	Premises	Other costs	Total
	2017	2017	2017	2017
	£	£	£	£
Activities:				
Direct costs	1,593,054	-	128,709	1,721,763
Support costs	1,350,884	159,616	464,297	1,974,797
	<u>2,943,938</u>	<u>159,616</u>	<u>593,006</u>	<u>3,696,560</u>

8. Net income/(expenditure)

This is stated after charging:

	14 month period
	ended
	31 August
	2017
	£
Depreciation of tangible fixed assets:	
- owned by the charity	115,122
Auditors' remuneration - audit	<u>10,450</u>

Whinless Down Academy Trust
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Notes to the financial statements
For the period ended 31 August 2017

9. Staff costs

Staff costs were as follows:

	14 month period ended 31 August 2017 £
Wages and salaries	2,220,513
Social security costs	177,948
Pension costs	543,599
	<hr/>
	2,942,060
Supply teacher costs	1,878
	<hr/>
	2,943,938

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

	14 month period ended 31 August 2017 No.
Teachers	32
Administration and support	72
Management	7
	<hr/>
	111

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

	14 month period ended 31 August 2017 No.
In the band £60,001 - £70,000	1
In the band £80,001 - £90,000	1

The above employees participated in the Teachers' Pension Scheme. Contributions during the period ended 31 August 2017 amounted to £24,729.

The key management personnel of the Academy Trust comprise the senior management team. The total salaries received by key management personnel for their services to the Academy Trust was £368,204. Employer pension contributions were a total of £61,907 and employer national insurance contributions were a total of £42,461.

Whinless Down Academy Trust
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Notes to the financial statements
For the period ended 31 August 2017

10. 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:

		14 month period ended 31 August 2017 £
M Noden	Remuneration	35,000-40,000
	Pension contributions paid	5,000-10,000
A Siggins	Remuneration	85,000-90,000
	Pension contributions paid	10,000-15,000
K Wratten	Remuneration	5,000-10,000
	Pension contributions paid	0-5,000

During the Period, no Trustees received any benefits in kind.

During the Period ended 31 August 2017, expenses totalling £233 was reimbursed to 1 Trustee.

11. Trustees' and Officers' Insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

12. Other finance income

	14 month period ended 31 August 2017 £
Interest income on pension scheme assets	26,000
Interest on pension scheme liabilities	(58,000)
	(32,000)

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Notes to the financial statements
For the period ended 31 August 2017

13. Tangible fixed assets

	Longterm Leasehold land and property £	Plant and machinery £	Computer equipment £	Total £
Cost				
Additions	-	14,294	22,277	36,571
Inherited on conversion	3,070,915	-	38,786	3,109,701
At 31 August 2017	3,070,915	14,294	61,063	3,146,272
Depreciation				
Charge for the Period	90,162	1,255	23,705	115,122
At 31 August 2017	90,162	1,255	23,705	115,122
Net book value				
At 31 August 2017	2,980,753	13,039	37,358	3,031,150

Included in land and buildings is leasehold land at cost of £296,722 which is not depreciated.

Long-term leasehold land and property comprises land and property occupied on a 125 year lease granted from Kent County Council to the Whinless Down Academy Trust for use of the land and buildings at Priory Fields School and St Martin's School.

The sites were transferred to the Academy Trust, with the agreement of the ESFA, at a value as at 1 August 2016 of £1,742,648 for Priory Fields School and £1,328,267 for St Martin's School. The land and property were valued by the local authority on a depreciated cost basis as 31 March 2016.

14. Stocks

	2017 £
Finished goods and goods for resale	6,827

15. Debtors

	2017 £
Trade debtors	5,023
Other debtors	21,634
Prepayments and accrued income	75,037
	101,694

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Notes to the financial statements
For the period ended 31 August 2017

16. Creditors: Amounts falling due within one year

	2017
	£
Other loans	25,922
Trade creditors	48,691
Other taxation and social security	11,479
Other creditors	12,134
Accruals and deferred income	101,796
	<u>200,022</u>
	<u>£</u>
Deferred income	
Resources deferred during the period	<u>56,516</u>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2017/18 financial year in respect of free school meals and parental contributions towards school trips and other activities.

17. Creditors: Amounts falling due after more than one year

	2017
	£
Other loans	<u>199,937</u>
Creditors include amounts not wholly repayable within 5 years as follows:	
	2017
	£
Repayable by instalments	<u>100,895</u>

On conversion the Academy Trust inherited a loan from Kent County Council in respect of future building developments. Loan interest is charged at 0.5%.

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Notes to the financial statements
For the period ended 31 August 2017

18. Statement of funds

	Balance at 28 June 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	-	407,309	(8,710)	(97,373)	-	301,226
Restricted funds						
General Annual Grant (GAG)	-	2,736,306	(2,812,050)	75,744	-	-
Other DfE/ESFA grants	-	172,468	(172,468)	-	-	-
Other government grants	-	400,210	(400,210)	-	-	-
Pension reserve	-	(1,248,000)	(188,000)	-	(352,000)	(1,788,000)
	-	2,060,984	(3,572,728)	75,744	(352,000)	(1,788,000)
Restricted fixed asset funds						
Assets held for depreciation	-	3,109,701	(115,122)	36,571	-	3,031,150
DfE/ESFA capital grants	-	14,942	-	(14,942)	-	-
	-	3,124,643	(115,122)	21,629	-	3,031,150
Total restricted funds	-	5,185,627	(3,687,850)	97,373	(352,000)	1,243,150
Total of funds	-	5,592,936	(3,696,560)	-	(352,000)	1,544,376

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

GAG represents funds to be used to cover normal running costs of the Academy Trust.

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

Other government grants represents grants provided for specific purposes, such as SEN funding which is used to support pupils with special education needs, and other funding relating to the set up of a multi-academy trust.

The restricted fixed asset fund represents the assets which were donated upon conversion to academy status, and the value of fixed assets purchased since conversion including depreciation to the balance sheet date.

Whinless Down Academy Trust
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Notes to the financial statements
For the period ended 31 August 2017

18. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £
Priory Fields School	196,045
St Martin's School	105,181
	<hr/>
Total before fixed asset fund and pension reserve	301,226
Restricted fixed asset fund	3,031,150
Pension reserve	(1,788,000)
	<hr/>
Total	1,544,376
	<hr/> <hr/>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £
Priory Fields School	1,583,348	530,627	148,555	228,500	2,491,030
St Martin's School	731,993	169,598	69,736	119,081	1,090,408
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,315,341	700,225	218,291	347,581	3,581,438
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

19. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,031,150	3,031,150
Current assets	301,226	399,959	-	701,185
Creditors due within one year	-	(200,022)	-	(200,022)
Creditors due in more than one year	-	(199,937)	-	(199,937)
Provisions for liabilities and charges	-	(1,788,000)	-	(1,788,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	301,226	(1,788,000)	3,031,150	1,544,376
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Whinless Down Academy Trust
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Notes to the financial statements
For the period ended 31 August 2017

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

	14 month period ended 31 August 2017 £
Net income for the year (as per Statement of Financial Activities)	1,896,376
Adjustment for:	
Depreciation charges	115,122
Interest from investments	(73)
Increase in stocks	(6,827)
Increase in debtors	(101,694)
Increase in creditors	399,959
Capital grants from DfE and other capital income	(14,942)
Defined benefit pension scheme obligation inherited	1,248,000
Defined benefit pension scheme cost less contributions payable	156,000
Defined benefit pension scheme finance cost	32,000
Assets from local authority on conversion	(3,109,701)
Net cash provided by operating activities	614,220

21. Analysis of cash and cash equivalents

	14 month period ended 31 August 2017 £
Cash in hand	592,664
Total	592,664

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Notes to the financial statements
For the period ended 31 August 2017

22. Conversion to an academy trust

On 1 August 2016 Priory Fields School and St Martin's School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Whinless Down Academy Trust from Kent County 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 Charitable activities - 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 £
Leasehold land and buildings - Priory Fields School	-	-	1,742,648	1,742,648
Leasehold land and buildings - St Martin's School	-	-	1,328,267	1,328,267
IT equipment - Priory Fields School	-	-	23,146	23,146
IT equipment - St Martin's School	-	-	15,640	15,640
Budget surplus on LA funds - Priory Fields School	236,301	-	-	236,301
Budget surplus on LA funds - St Martin's School	106,487	-	-	106,487
LGPS pension deficit	-	(1,248,000)	-	(1,248,000)
Net assets/(liabilities)	<u>342,788</u>	<u>(1,248,000)</u>	<u>3,109,701</u>	<u>2,204,489</u>

The above net assets include £342,788 that were transferred as cash.

Long-term leasehold land and property comprises land and property occupied on a 125 year lease granted from Kent County Council to the Whinless Down Academy Trust for use of the land and buildings at Priory Fields School and St Martin's School.

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Notes to the financial statements
For the period ended 31 August 2017

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.

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 period. 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 2016.

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.

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

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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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Notes to the financial statements
For the period ended 31 August 2017

23. Pension commitments (continued)

The employer's pension costs paid to TPS in the period amounted to £198,979.

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 2017 was £244,000, of which employer's contributions totalled £190,000. and employees' contributions totalled £54,000. The agreed contribution rates for future years are 20% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2017
Discount rate for scheme liabilities	2.60 %
Rate of increase in salaries	4.20 %
Rate of increase for pensions in payment / inflation	2.70 %

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

	2017
Retiring today	
Males	23
Females	25.1
Retiring in 20 years	
Males	25.2
Females	27.4

	14 month period ended At 31 August 2017 £
Sensitivity analysis	
Discount rate +0.1%	(96,000)
Discount rate -0.1%	99,000
Mortality assumption - 1 year increase	94,000
Mortality assumption - 1 year decrease	(91,000)
Long term salary increase - 1 year increase	21,000
Long term salary increase - 1 year decrease	(21,000)

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Notes to the financial statements
For the period ended 31 August 2017

23. Pension commitments (continued)

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

	Fair value at 31 August 2017 £
Equities	812,000
Gilts	8,000
Corporate bonds	111,000
Property	142,000
Cash	37,000
Absolute return fund	44,000
	<hr/>
Total market value of assets	1,154,000
	<hr/> <hr/>

The actual return on scheme assets was £160,000.

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

	14 month period ended 31 August 2017 £
Current service cost	(346,000)
Interest income	26,000
Interest cost	(58,000)
	<hr/>
Total	(378,000)
	<hr/> <hr/>

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

	14 month period ended 31 August 2017 £
Upon conversion	1,998,000
Current service cost	346,000
Interest cost	58,000
Employee contributions	54,000
Actuarial losses	486,000
	<hr/>
Closing defined benefit obligation	2,942,000
	<hr/> <hr/>

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Notes to the financial statements
For the period ended 31 August 2017

23. Pension commitments (continued)

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

	14 month period ended 31 August 2017 £
Upon conversion	750,000
Interest income	26,000
Actuarial gains	134,000
Employer contributions	190,000
Employee contributions	54,000
	<hr/>
Closing fair value of scheme assets	1,154,000
	<hr/> <hr/>

24. Operating lease commitments

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £
Amounts payable:	
Within 1 year	5,119
Between 1 and 5 years	3,412
	<hr/>
Total	8,531
	<hr/> <hr/>

25. 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.

26. 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 10.

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

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Notes to the financial statements
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27. Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.