

Company Registration No. 09451372 (England and Wales)

TAKELY EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

TAKELY EDUCATION TRUST

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TAKELY EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Benfleet Schools Trust
T Reynolds
P Hillman

Governors

T A Reynolds
J Fuller
K Lay – Appointed 7 March 2016
S Cox
S F Flack
D Fisher – Appointed 27 June 2016
J Fennelly
P King
T Curtis
K Kerridge

Senior Management team

S Cox	- Head Teacher
C Lane-Craig	- Associate Head Teacher
D Wright	- Deputy Head Teacher
S Amram	- Deputy Head Teacher
E Jordan	- Assistant Head Teacher
C Flaherty	- Assistant Head Teacher
S Fowler	- Assistant Head Teacher
A Jenkins	- Assistant Head Teacher
M Reed - Resigned 30 April 2016	- Assistant Head Teacher
A Dominey	- Senior Lead Consultant

Company Secretary

A E Wright

Company registration number

09451372 (England and Wales)

Registered office

The Appleton School
Croft Road
Benfleet
Essex
SS7 5RN

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Bankers

Lloyds Bank PLC
10-20 Town Square
Basildon
Essex
SS14 1DU

Solicitors

Ward Hadaway
1A Tower Square
Wellington Street
Leeds
LS1 4DL

TAKELY EDUCATION TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2015 to 31 August 2016. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2015/16 issued by the EFA.

The principal activity of the charitable company is the operation of Woodlands School an academy, providing a state education to boys and girls in the Basildon area, aged 11 to 16. It has a pupil capacity of 1500 and had a roll of 1468 in the school census on Summer 2016.

Structure, governance and management

Constitution

The academy trust was incorporated as a company on 20 February 2015 and the predecessor school 'Woodlands school converted to academy status on 01 April 2015. The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors are the trustees of Takely Education Trust and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

No qualifying third party indemnities have been given by the Charitable Company to or on behalf of its Governors.

Method of recruitment and appointment or election of governors

In accordance with the articles, the governors of the charitable company are the trustees and directors of the charitable company. They are appointed as follows;

- a) Up to four initial governors appointed on incorporation;
- b) Up to six governors appointed by the members
- c) Up to two staff governors elected by the staff
- d) A minimum of two parent governors elected by the parents
- e) The Head Teacher, if they agree to become a trustee, serves in an ex-officio capacity

In respect of those appointed by the members, (b), above) when a vacancy arises, the governors seek to make an appointment that would maximise the relevant skills and experience on the board as a whole.

TAKELY EDUCATION TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All governors are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as governors.

Organisational structure

The board of governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The Board meets three times a year and has two sub-committees;

- Standards, Staffing and Curriculum Committee
- Finance, Estates and General Purposes Committee

The Finance, Estates and General Purposes Committee also fulfils the functions of an Audit Committee. Both committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members. Governors delegate specific responsibilities to its committees, the activities of which are reported to and discussed at full Governing Body Meetings.

Day to day management of the company is undertaken by the Head Teacher, supported by the Leadership Team. The Head Teacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The senior leadership team (SLT) are the key management personnel of the trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the Head Teacher is set annually by the Pay Committee, having regards to performance against objectives set the previous year. Pay of other SLT members is also set by the Pay Committee again having regard to performance against previously agreed objectives and any recommendations made by the Head Teacher.

Related Parties and other Connected Charities and Organisations

As part of the school's Academy conversion in April 2015, the school has a formal partnership with the Appleton School, Benfleet (lead of Benfleet Schools Trust but is not in the MAT).

Objectives and activities

Objects and aims

The principal object of the company is the advancement of the education in the United Kingdom. It achieves this object through the operation of Woodlands School, the aim being to provide the highest possible standard of pastoral care, maximising the life-chances of its students. A further object is the promotion of recreational facilities to the local community.

Objectives, strategies and activities

All of the school priorities are listed in the 3 year School Development plan which is agreed by governors annually in September.

Public benefit

In setting the objectives and planning the associated activities, governors have given careful consideration to the Charity Commission's general guidance on public benefit

TAKELY EDUCATION TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

Unvalidated results 2016

5 A* - C inc English and Maths 58%

5 A* - C 58%

5 A* - G 98%

Key Performance Indicators

Teaching staff 80% of total school budget

Total staff costing 84% of total school budget

There will be a carry forward from last year's budget.

Other Key Performance Indicators

An OFSTED inspection is due imminently.

Previously, the school was judged as RI. School target is to obtain a Good rating.

Going concern

After making appropriate enquiries, the board of governors 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.

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant -GAG). The EFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/EFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds".

Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

TAKELY EDUCATION TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The following balances held were held at 31 August;

Fund	Category	2016 £'000	2015 £'000
GAG	Restricted General Funds	-	155
Other DfE/EFA Grants	Restricted General Funds	267	14
Other government grants	Restricted General Funds	128	-
Other Income	Restricted General Funds	<u>152</u>	<u>37</u>
Sub-total	General Restricted Funds	547	206
Unspent Capital Grants	Restricted Fixed Asset Fund	-	58
Other Income	Unrestricted General Fund	<u>962</u>	<u>1,543</u>
Sub-Total	Spendable Funds	1,509	1,807
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	29,117	28,357
Share of LGPS Deficit	Restricted Pension Reserve	<u>(2,774)</u>	<u>(1,520)</u>
Total	All Funds	<u>27,852</u>	<u>28,644</u>

Reserves policy

The governors have not yet formalised a specific policy on reserves beyond the requirement that reserve levels are regularly monitored by Governors and management to ensure that sufficient reserves are maintained to meet anticipated future needs.

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance/finances/child welfare/admissions. The governors have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal. The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

The risk management process has been codified in a risk register implemented by the Senior Management Team and overseen by the Board of Governors.

Governors keep spendable reserves under constant review to ensure that they have sufficient income to run the Academy on an efficient basis without affecting the quality of teaching and learning.

Plans for future periods

The school development plan incorporates all the school's plans for the next 3 years that have been agreed and set by the Governing body.

Funds held as custodian trustee on behalf of others

The trust does not hold any funds on behalf of other organisations.

TAKELY EDUCATION TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Auditor

In so far as the Governors are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 12 December 2016 and signed on its behalf by.



T Reynolds
Chair of Governors

TAKELY EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Takely Education 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 Governors has delegated the day-to-day responsibility to S Cox, the Head Teacher, 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 Takely Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 5 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
T A Reynolds	5	5
J Fuller	5	5
K Lay	4	5
S Cox	5	5
S F Flack	5	5
J Fennelly	5	5
P King	5	5
T Curtis	5	5
K Kerridge	5	5
D Fisher	2	2

There are 5 different committees, as well as Full Governors. They are; Standard, Staffing and Curriculum; Finance, Estates and General Purposes; staffing and pay; appeals and pupil. These groups were decided and confirmed.

The Finance, Estates and General Purposes Committee is a sub-committee of the Local Governing Body of The Appleton School to which the main board of trustees has delegated responsibility. Its purpose is:

- Regular monitoring of actual income and expenditure
- Review and recommendation of the annual budget
- Review the reports of the auditors on the effectiveness of the financial procedures and controls

Governors	Meetings attended	Out of possible
T A Reynolds	3	3
S Cox	3	3
J Fennelly	3	3
P King	2	3
T Curtis	3	3
D Fisher	2	2

Review of Value for Money

As accounting officer the Head Teacher 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.

TAKELY EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

The school has been judged as Requiring Improvement by OFSTED in June 2014, coming out of Special Measures on the second visit. In 2015 the school's GCSE results were very pleasing and an increase of 8% on the previous year. The 2016 results were outstanding and the school achieved 58% 5ACEM and a Progress 8 score of +0.4. The school is a PFI and with the school now oversubscribed in most year groups and with the improvement in exam results, offers value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Takely Education Trust for the period 01 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Governors 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 Governors 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 01 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors

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 Governors;
- regular reviews by the Finance, Estates and General Purpose 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 governors have appointed it's external auditors to perform a supplementary programme of work on internal controls. The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Visits are undertaken on a termly basis, following which reports are presented to the Board of Governors for review. No material control weaknesses have been advised.

TAKELY EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the 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 and estates committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors on 12 December 2016 and signed on its behalf by:


T Reynolds
Chair of Governors


S Cox
Accounting Officer

TAKELY EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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



S Cox
Accounting Officer

12 December 2016

TAKELY EDUCATION TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who act as Trustees for Takely Education Trust and are also the Directors of Takely Education Trust for the purposes of company law) are responsible for preparing the Governors' Report and the Financial Statements in accordance with the Annual Accounts Direction published by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare Financial Statements for each financial year. Under company law the Governors 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 Governors are required to:

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

The Governors 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 Governors 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 that grants received from EFA/DfE have been applied for the purposes intended.

The Governors 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 Board of Governors on 12 December 2016 and signed on its behalf by:

T Reynolds
Chair of Governors



TAKELY EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TAKELY EDUCATION TRUST

We have audited the Financial Statements of Takely Education Trust for the year ended 31 August 2016 set out on pages 16 to 38. The financial reporting framework that has been applied in their preparation is applicable law and 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 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and Auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 11, the Governors, who are also the Directors of Takely Education Trust for the purposes of company law, are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the Financial Statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

TAKELY EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TAKELY EDUCATION TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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



David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Statutory Auditor

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: ¹⁵..... December 2016

TAKELY EDUCATION TRUST

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

In accordance with the terms of our engagement letter dated 17 April 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Takely Education Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Takely Education Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Takely Education Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Takely Education Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Takely Education Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Takely Education Trust's funding agreement with the Secretary of State for Education dated 1 December 2014 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.7 of the Academies Financial Handbook 2015, issued by the EFA.

TAKELY EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TAKELY EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Baxter & Co
Independent Reporting Accountants
Chartered Certified Accountants

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 15 December 2016

TAKELY EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted Funds	Restricted funds:		Total 2016	Total 2015 (period)
	Notes	£'000	General	Fixed asset	£'000	£'000 (see over)
Income and endowments from:						
Donations and capital grants	2	-	3	28	31	68
Donations - buildings from local authority		-	-	1,298	1,298	28,597
Charitable activities:						
- Funding for educational operations	5	-	9,723	-	9,723	4,002
Other trading activities	3	120	-	-	120	63
Investments	4	2	-	-	2	1
Total income and endowments		<u>122</u>	<u>9,726</u>	<u>1,326</u>	<u>11,174</u>	<u>32,731</u>
Expenditure on:						
Raising funds	6	81	-	-	81	57
Charitable activities:						
- Educational operations	7	622	9,535	636	10,793	4,179
Total expenditure	6	<u>703</u>	<u>9,535</u>	<u>636</u>	<u>10,874</u>	<u>4,236</u>
Net income/(expenditure)		(581)	191	690	300	28,495
Transfers between funds		-	(12)	12	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(1,092)	-	(1,092)	149
Net movement in funds		(581)	(913)	702	(792)	28,644
Reconciliation of funds						
Total funds brought forward		<u>1,543</u>	<u>(1,314)</u>	<u>28,415</u>	<u>28,644</u>	-
Total funds carried forward		<u>962</u>	<u>(2,227)</u>	<u>29,117</u>	<u>27,852</u>	<u>28,644</u>

The comparative figures for 2015 are analysed according to fund on the next page of these financial statements.

TAKELY EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE 5 MONTH PERIOD ENDED 31 AUGUST 2015

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2015 £'000
Income and endowments from:					
Donations and capital grants	2	10	-	58	68
Transfer from local authority on conversion		1,525	(1,581)	28,653	28,597
Charitable activities:					
- Funding for educational operations	5	-	4,002	-	4,002
Other trading activities	3	21	42	-	63
Investments	4	1	-	-	1
Total income and endowments		<u>1,557</u>	<u>2,463</u>	<u>28,711</u>	<u>32,731</u>
Expenditure on:					
Raising funds	6	14	43	-	57
Charitable activities:					
- Educational operations	7	-	3,883	296	4,179
Total expenditure	6	<u>14</u>	<u>3,926</u>	<u>296</u>	<u>4,236</u>
Net income/(expenditure)		1,543	(1,463)	28,415	28,495
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	149	-	149
Net movement in funds		1,543	(1,314)	28,415	28,644
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>1,543</u>	<u>(1,314)</u>	<u>28,415</u>	<u>28,644</u>

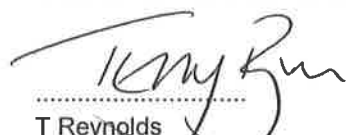
TAKELY EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		29,117		28,357
Current assets					
Stocks	12	31		16	
Debtors	13	324		362	
Cash at bank and in hand		1,492		1,940	
		1,847		2,318	
Current liabilities					
Creditors: amounts falling due within one year	14	(338)		(511)	
Net current assets			1,509		1,807
Net assets excluding pension liability			30,626		30,164
Defined benefit pension liability	18		(2,774)		(1,520)
Total net assets			27,852		28,644
Funds of the Academy Trust:					
Restricted funds	16				
- Fixed asset funds			29,117		28,415
- Restricted income funds			547		206
- Pension reserve			(2,774)		(1,520)
Total restricted funds			26,890		27,101
Unrestricted income funds	16		962		1,543
Total funds			27,852		28,644

The Financial Statements set out on pages 16 to 38 were approved by the Board of Governors and authorised for issue on 12 December 2016 and are signed on its behalf by:


T Reynolds
Chair of Governors

Company Number 09451372

TAKELY EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

		2016	2015
	Notes	£'000	(5 months period) £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	(380)	333
Cash funds transferred on conversion		-	1,548
		<u>(380)</u>	<u>1,881</u>
Cash flows from investing activities			
Dividends, interest and rents from investments	2	1	
Capital grants from DfE and EFA	28	58	
Payments to acquire tangible fixed assets	(98)	-	
		<u>(68)</u>	<u>59</u>
Change in cash and cash equivalents in the reporting period		<u>(448)</u>	<u>1,940</u>
Cash and cash equivalents at 1 September 2015		1,940	-
Cash and cash equivalents at 31 August 2016		<u>1,492</u>	<u>1,940</u>

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

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 Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

These Financial Statements for the year ended 31 August 2016 are the first Financial Statements of Takely Education Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 20 February 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors 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 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Donations

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

Other income

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

Donated goods, facilities and services

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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 each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	2% straight line
Computer equipment	20% straight line
Plant & equipment	10% straight line
Motor vehicles	10% 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.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.9 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.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

1.10 Pensions benefits

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

Teachers' Pension Scheme

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 18, 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 are recognised in the period to which they relate.

Local Government Pension Scheme

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 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.

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders 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/donor and include grants from the Education Funding Agency/Department for Education.

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Governors have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	28	28	58
Other donations	-	3	3	10
	<u>-</u>	<u>31</u>	<u>31</u>	<u>68</u>

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	64	-	64	21
Other income	56	-	56	42
	<u>120</u>	<u>-</u>	<u>120</u>	<u>63</u>

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	2	-	2	1
	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	8,405	8,405	3,554
Other DfE / EFA grants	-	640	640	258
	<u>-</u>	<u>9,045</u>	<u>9,045</u>	<u>3,812</u>
Other government grants				
Local authority grants	-	293	293	87
	<u>-</u>	<u>293</u>	<u>293</u>	<u>87</u>
Other funds				
Trips and activities	-	121	121	39
Other incoming resources	-	264	264	64
	<u>-</u>	<u>385</u>	<u>385</u>	<u>103</u>
Total funding	<u>-</u>	<u>9,723</u>	<u>9,723</u>	<u>4,002</u>

6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Academy's educational operations					
- Direct costs	6,346	488	1,167	8,001	3,092
- Allocated support costs	725	268	1,799	2,792	1,087
	<u>7,071</u>	<u>756</u>	<u>2,966</u>	<u>10,793</u>	<u>4,179</u>
Other expenditure					
Raising funds	-	-	81	81	57
	<u>-</u>	<u>-</u>	<u>81</u>	<u>81</u>	<u>57</u>
Total expenditure	<u>7,071</u>	<u>756</u>	<u>3,047</u>	<u>10,874</u>	<u>4,236</u>

Net income/(expenditure) for the year includes:

	2016 £'000	2015 £'000
Fees payable to auditor for:		
- Audit	8	5
- Other non-audit services	7	4
Operating lease rentals	23	3
Depreciation of tangible fixed assets	636	296

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

Included within expenditure are the following transactions:

	2016 £
Gifts made by the trust - total	200

Clarification - Whilst the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts made are not. The value of gifts made for the period was £200 (and not £200k).

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	622	7,379	8,001	3,092
Support costs - educational operations	-	2,792	2,792	1,087
	<u>622</u>	<u>10,171</u>	<u>10,793</u>	<u>4,179</u>
			2016 £'000	2015 £'000
Analysis of support costs				
Support staff costs			725	266
Depreciation and amortisation			148	60
Premises costs			302	82
Other support costs			1,582	657
Governance costs			35	22
			<u>2,792</u>	<u>1,087</u>

8 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	5,596	2,227
Social security costs	482	142
Operating costs of defined benefit pension schemes	922	344
Staff costs	<u>7,000</u>	<u>2,713</u>
Supply staff costs	55	66
Staff restructuring costs	16	14
Total staff expenditure	<u>7,071</u>	<u>2,793</u>

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

Staff numbers

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

	2016 Number	2015 Number
Teachers	107	102
Administration and support	118	118
Management	9	7
	<u>234</u>	<u>227</u>

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	2	3
£80,001 - £90,000	1	1
	<u>3</u>	<u>4</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £16k (2015: £14k). Individually, the payments were: £11k and £5k.

Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £729,939.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Governors' remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of Governors' remuneration and other benefits was as follows:

S Cox (Head Teacher):

- Remuneration : £85,000 - £90,000 (2015 - 5 months: £35,000 - £40,000)
- Employer's pension contributions : £10,000 - £15,000 (2015: £0 - £5,000)

T Curtis (Staff Governor):

- Remuneration : £35,000 - £40,000 (2015 - 5 months: £20,000 - £25,000)
- Employer's pension contributions : £5,000 - £10,000 (2015: £0 - £5,000)

J Fennelly (Staff Governor):

- Remuneration : £25,000 - £30,000 (2015 - 5 months: £10,000 - £15,000)
- Employer's pension contributions : £0 - £5,000 (2015: £0 - £5,000)

During the year, travel and subsistence expenses totalling £403 (2015: £nil) were reimbursed to paid directly to 3 Governors (2015: 0 Governors).

Other related party transactions involving the Governors are set out within the related parties note.

10 Governors and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was unable to be separated out from the total insurance cost. The cost of this insurance is included in the total insurance cost.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Leasehold land and buildings	Computer equipment	Plant & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2015	28,000	625	9	19	28,653
Additions	1,298	-	98	-	1,396
	<u>29,298</u>	<u>625</u>	<u>107</u>	<u>19</u>	<u>30,049</u>
At 31 August 2016					
Depreciation					
At 1 September 2015	196	97	1	2	296
Charge for the year	496	122	16	2	636
	<u>692</u>	<u>219</u>	<u>17</u>	<u>4</u>	<u>932</u>
At 31 August 2016					
Net book value					
At 31 August 2016	28,606	406	90	15	29,117
	<u>27,804</u>	<u>528</u>	<u>8</u>	<u>17</u>	<u>28,357</u>
At 31 August 2015					

Included in leasehold land & buildings is land valued at £4,474k

12 Stocks

	2016 £'000	2015 £'000
School uniform	<u>31</u>	<u>16</u>

13 Debtors

	2016 £'000	2015 £'000
Trade debtors	8	3
VAT recoverable	67	160
Other debtors	113	130
Prepayments and accrued income	136	69
	<u>324</u>	<u>362</u>

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14	Creditors: amounts falling due within one year	2016 £'000	2015 £'000
	Trade creditors	-	248
	Other taxation and social security	146	116
	Other creditors	105	90
	Accruals and deferred income	87	57
		<u>338</u>	<u>511</u>
15	Deferred income	2016 £'000	2015 £'000
	Deferred income is included within:		
	Creditors due within one year	<u>46</u>	<u>28</u>
	Deferred income at 1 September 2015	28	-
	Released from previous years	(28)	-
	Amounts deferred in the year	<u>46</u>	<u>28</u>
	Deferred income at 31 August 2016	<u>46</u>	<u>28</u>

Deferred income of £46k (2015: £28k) relates to rates grants of £36k (2015: £nil), music tuition in advance £3k (2015: £nil), catering deposits of £1k (2015: £nil) and income received during the period for trips and other activities where the associated expenditure will be incurred in the following accounting period of £6k (2015: £28k).

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General Annual Grant	155	8,405	(8,548)	(12)	-
Pupil premium	-	585	(374)	-	211
Other DfE / EFA grants	14	55	(13)	-	56
Other government grants	-	293	(165)	-	128
Other restricted funds	37	388	(273)	-	152
	<u>206</u>	<u>9,726</u>	<u>(9,373)</u>	<u>(12)</u>	<u>547</u>
Funds excluding pensions					
Pension reserve	(1,520)	-	(162)	(1,092)	(2,774)
	<u>(1,314)</u>	<u>9,726</u>	<u>(9,535)</u>	<u>(1,104)</u>	<u>(2,227)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	58	28	(12)	-	74
Inherited funds	28,357	1,298	(622)	-	29,033
Capital expenditure from GAG and other funds	-	-	(2)	12	10
	<u>28,415</u>	<u>1,326</u>	<u>(636)</u>	<u>12</u>	<u>29,117</u>
Total restricted funds	<u>27,101</u>	<u>11,052</u>	<u>(10,171)</u>	<u>(1,092)</u>	<u>26,890</u>
Unrestricted funds					
General funds	<u>1,543</u>	<u>122</u>	<u>(703)</u>	<u>-</u>	<u>962</u>
Total funds	<u>28,644</u>	<u>11,174</u>	<u>(10,874)</u>	<u>(1,092)</u>	<u>27,852</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

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

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the governors to support any of the Academy's charitable purposes.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	29,117	29,117
Current assets	962	885	-	1,847
Creditors falling due within one year	-	(338)	-	(338)
Defined benefit pension liability	-	(2,774)	-	(2,774)
	<u>962</u>	<u>(2,227)</u>	<u>29,117</u>	<u>27,852</u>

18 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £102k (2015: £91k) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £622k (2015: £212k).

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

Under the definitions set out in FRS 102, the TPS is 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 pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.3% for employers and 5.5% to 6.8% for employees.

The LGPS obligation relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note) together with new employees who joined 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.

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.

Total contributions made	2016 £'000	2015 £'000
Employer's contributions	195	88
Employees' contributions	67	27
Total contributions	262	115

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	4.10	4.50
Rate of increase for pensions in payment	2.30	2.70
Discount rate	2.20	4.00

Sensitivity Analysis

Scheme liabilities have been valued at £3,852k (2015: £2,215k). The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £3,752k (2015: £2,158k)

If the discount rate used were to decrease by 0.1%, liabilities would be measured at £3,955k (2015: £2,273k)

If the life expectancy were to increase by a year, liabilities would be measured at £3,950k (2015: £2,272k)

If the life expectancy were to decrease by a year, liabilities would be measured at £3,756k (2015: £2,160k)

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

	2016 Years	2015 Years
Retiring today		
- Males	22.9	22.8
- Females	25.3	25.2
Retiring in 20 years		
- Males	25.2	25.1
- Females	27.7	27.6

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

	2016 Fair value £'000	2015 Fair value £'000
Equities	739	453
Bonds	48	67
Gilts	39	28
Cash	33	17
Property	119	80
Other assets	100	50
Total market value of assets	1,078	695
Actual return on scheme assets - gain/(loss)	122	17

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

Amounts recognised in the statement of financial activities	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	300	132
Net interest cost	57	21
Changes in the present value of defined benefit obligations		2016 £'000
Obligations at 1 September 2015		2,215
Current service cost		300
Interest cost		90
Employee contributions		67
Actuarial loss		1,181
Benefits paid		(1)
At 31 August 2016		3,852
Changes in the fair value of the Academy Trust's share of scheme assets		2016 £'000
Assets at 1 September 2015		695
Interest income		33
Return on plan assets (excluding amounts included in net interest): Actuarial gain		89
Employer contributions		195
Employee contributions		67
Benefits paid		(1)
At 31 August 2016		1,078

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Reconciliation of net income to net cash flows from operating activities

	2016 £'000	2015 £'000
Net income for the reporting period	300	28,495
Adjusted for:		
Net deficit/(surplus) transferred on conversion	(1,298)	(28,597)
Capital grants from DfE/EFA and other capital income	(28)	(58)
Investment income	(2)	(1)
Defined benefit pension costs less contributions payable	105	44
Defined benefit pension net finance cost/(income)	57	21
Depreciation of tangible fixed assets	636	296
(Increase)/decrease in stocks	(15)	(16)
(Increase)/decrease in debtors	38	(362)
Increase/(decrease) in creditors	(173)	511
Net cash used in operating activities	(380)	333

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000	2015 £'000
General leases		
Amounts due within one year	23	9
Amounts due in two and five years	18	11
Amounts due after five years	-	1
	<u>41</u>	<u>21</u>
	2016 £'000	2015 £'000
PFI arrangement		
Amounts due within one year	1,100	1,097
Amounts due in two and five years	4,400	4,388
Amounts due after five years	17,602	19,746
	<u>23,102</u>	<u>25,231</u>

The Academy was built under a Private Finance Initiative (PFI) agreement between Essex County Council and Skanska UK Plc. The PFI contract remains between Essex County Council and Skanska UK Plc but the Trust has agreed to the following payment arrangements with Essex County Council. The Trust will pay:

The Affordability Gap, being the sum of money specifically allocated to the academy for the purposes of the PFI payments. Each year's allocation will increase by RPI for the remainder of the PFI contract. The Trust is fully funded for these payments via it's grant funding from EFA.

The Academy Contribution, being the amount which the Trust pays to Essex County Council as contribution towards the PFI facilities management contract. Each year's allocation will increase by RPI for the remainder of the PFI contract.

The commitment under the agreement with Essex County Council is included above (being 21 years of the current annual commitment of £1,100k). The trustees take the view that the substance of the arrangement is such that the principal rights and obligations under the contract remain with Essex County Council. Accordingly, commitments to future payments are not recognised as a liability.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the period the Academy Trust incurred expenditure of £20,009 (2015: £2,470) and received income of £14,519 (2015: £nil) from Benfleet Schools Trust (a company registered in England and Wales, company no. 07561574). Benfleet Schools Trust is a related party by virtue of it being a member of the Takely Education Trust. No balances were outstanding at 31 August 2016.

During the period the Academy Trust also incurred expenditure of £nil (2015: £600) with HCUK-TES Global, a company in which S Amram (Governor) is a consultant. No balances were outstanding at 31 August 2016.

In entering into these transactions, the academy trust has complied with the requirements of the Academies' Financial Handbook 2015.

22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.