



LDBS Frays Academy Trust

Annual Report and Financial Statements
For the year ended 31 August 2017

Company Registration No. 08335073
(A company limited by guarantee in England and Wales)

Frays Academy Trust

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Frays Academy Trust

Reference and Administrative Details

Members

The Bishop of Willesden
I Woolf (nominated by the LDBS)
R Young (nominated by LDBS)
A Whitlam (Chair of Directors)

Trustees

A Whitlam (Chairperson)

I Woolf

R Hughes

J Duncan
K Buckler (appointed July 2016)
C Cole (Executive Headteacher & Accounting Officer)
V Williams (appointed July 2016)
C Allen (resigned September 2016)

Company Secretary

C Mosdell

Senior Management Team

<input type="checkbox"/> Head of School Cowley St Laurence	C Richardson
<input type="checkbox"/> Head of School St. Matthew's	C Richardson
<input type="checkbox"/> Head of School Laurel Lane	S Voisey
<input type="checkbox"/> Head of School St Martins	J Tighe
<input type="checkbox"/> Chief Operating Officer	J Gaffney

Principal & Registered Office

Worcester Road
Cowley
Uxbridge
UB8 3TH

Company Registration Number

08335073 (England & Wales)

Frays Academy Trust

Reference and Administrative Details

Independent Auditor

Kingston Smith LLP
The Shipping Building
The Old Vinyl Factory
Blythe Road
Hayes
London
UB3 1HA

Bankers

Lloyds Bank
21-22 High Street
Uxbridge
Middlesex UB8 1JD

Solicitors

Winkworth Sherwood
Minerva House
Montague Close
London
SE1 9BB

08335073 (England & Wales)

Frays Academy Trust

Trustees' Report for the year ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees report and a directors' report under company law.

Structure, Governance and Management

Constitution

The Frays Academy Trust (from here on known simply as the 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 Trust. The Trustees of the Trust are also known as Directors of the Charitable Company for the purposes of company law. The charitable company is known as Frays Academy Trust.

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

Members' Liability

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

Trustees' Indemnities

The Trust has taken out professional indemnity insurance which provides cover for Trustees (Directors) and Governors regarding liabilities arising from acts of neglect, errors and/or omissions committed in good faith. Such qualifying third party indemnity insurance remains in force at the date of approving this report.

Principal Activities

As at 31 August 2017, the Trust was made up of 4 academies. Cowley St Laurence Primary School and St Matthew's Primary School converted to academies on 1 February 2013 and were joined by Laurel Lane Primary School on 1 April 2013. St Martins Primary School joined the Trust as a newly opened academy on 1 September 2015. The academies provide high quality education to children of primary school age in Cowley, Yiewsley and West Drayton in accordance with the Trust's objectives as set out in the Articles of Association.

Method of Recruitment and Appointment or Election of Trustees

The number of Trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The Members shall appoint such number of Trustees as they decide, provided they appoint at least two Trustees. The Trustees shall appoint one Trustee who is a member of the clergy in the Church of England.

Frays Academy Trust

Trustees' Report for the year ended 31 August 2017

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors and Trustees is in accordance with our policies. Where necessary, training is provided for by a Service Level Agreement (SLA) with the Local Authority under Governance Services or by independent companies depending on the need. Governors training sessions are held regularly through out the school year.

All new Governors and Trustees are given a tour of the Trust academies and a chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets plans and other documents that they need to undertake their role as governors.

Organisational Structure

See Appendix 3: Organisational Structure for details of our governing structure, how our teaching and learning is led and our management structure.

Performance Management in the Trust

The Trust's policies on Pay and Appraisal detail very clearly the process for setting performance management targets, the review of those targets and pay aligned to the performance reviews. Line managers are responsible for the review of the performance and pay of individual staff and the Board of Directors are responsible for reviewing the performance of the Executive Headteacher. A Pay Committee has been established across the Trust to receive reports from senior leaders in order to scrutinise reasons for pay progression and consider supporting evidence. Schools HR Co-operative provides advice, guidance and support to the Trust when setting salaries. The Trust continues to operate from the School Teachers Pay and Conditions.

Objectives and Activities

Objects and aims

The Trust's objectives, as set out in the Articles of Association, are specifically restricted to the following: to advance education for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies. To offer a broad and balanced curriculum. Any Academy which is designated as having a Church of England character shall offer a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular for religious education and daily acts of worship (as required by the Funding Agreement). Also in having regard for the advice and considering directives issued by the London Diocesan Board for Schools.

Objectives, Strategies and Activities

The vision is for each of the academies in the Trust to become Outstanding.

Vision

Frays Academy Trust is a Church of England multi-academy trust affiliated to the London Diocesan Board for Schools (LDBS), the educational arm of the Diocese of London. The Trust is committed to delivering excellent primary education for children in Cowley, Yiewsley and West Drayton and to enabling our children, their families and our staff to flourish and realise their God-given potential. Our founding principles are Christian, based on the teachings of Jesus and the core belief that every person is loved and accepted by God, uniquely created in his image and given gifts and

Frays Academy Trust

Trustees' Report for the year ended 31 August 2017

talents to be nurtured. The Bible (Proverbs 22 v6) states 'Train a child in the way they should go; even when they are old they will not depart from it.'

We will realise these principles in an inclusive and open way, and we will welcome both church schools and schools without a religious foundation into full membership of the Trust. In all our academies, every child will be given the opportunity to flourish in a healthy, safe and secure environment and to have their individual skills, talents and spiritual development nourished so that they bloom and prosper.

The Trust will enable all pupils to achieve and develop the skills, knowledge and understanding necessary for Secondary Education and beyond. The Trust will inspire excellence through high quality leadership, good and outstanding teaching as well as a highly creative curriculum. The learning culture within each Trust academy will inspire children to succeed academically and encourage pupils to aspire to reach their full potential.

At the foundation of our vision is a commitment to providing the highest quality, individualised, professional development for staff. The Trust will invoke high quality leaders of learning in order to provide an enriched curriculum for our pupils of today and tomorrow.

Our values

Within each academy in the Trust there are specific values, which are reviewed annually. The overall values of the Trust are:

- **Equality** to ensure that all pupils receive an outstanding education
- **Openness** to be willing to adapt and change to respond to the needs of the school community
- **Honesty** to critically evaluate leadership and teaching to ensure that the best possible provision can be developed in the Trust academies
- **Responsibility and accountability** to ensure that leaders have high aspirations for all pupils in our Trust academies
- **Challenge** to test our educational thinking to understand that there are always routes to improving provision within our academies
- **Partnership and support** to enable all our academies to work jointly together, to critically analyse our work and support School Improvement

Our Trust will support learners to reach and exceed expected standards of attainment and will be a leader of educational change in the wider community.

Aims

Our learners will:

- achieve high expectations
- understand and celebrate the diversity of their community
- develop resilience and a love of learning
- take an important role in being a positive impact on their community.

Our staff will:

- dedicate themselves to achieving the best outcomes for all learners
- have a clear understanding of their roles and responsibilities and be accountable for their impact
- develop their skills and knowledge in pursuit of the highest standards
- work together to develop outstanding practice
- be committed to lifelong learning

Frays Academy Trust

Trustees' Report for the year ended 31 August 2017

Our leaders will:

- deploy their resources to secure best value and high outcomes for pupils
- adopt robust ways of tracking the progress of pupils
- Support and challenge their teams to achieve sustained and sustainable improvement.
- be highly effective leaders of teaching and learning
- set high expectations for teaching and learning and expect all pupils and staff to achieve challenging targets

Our schools will:

- have an inspiring curriculum
- deliver teaching and learning that is consistently good and outstanding
- raise levels of attainment and aspiration for all, which is above the national expectations
- be supportive and create a caring environment for staff, learners and their families
- have an inclusive, high quality learning environment
- maintain safe environments where adults are dedicated to protecting the rights of pupils to a high quality education and life chances

Public Benefit

In setting each academy's objectives and planning its activities, The Board have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission.

The Trust has operated in accordance with its funding agreement as a not-for-profit organisation throughout the period in question. Pupil admissions to the Trust have been conducted in accordance with each academy's admissions policy.

Strategic Report

Achievements and Performance (including key performance indicators)

See Appendix 1: Performance of Schools within the Trust for a review of our achievements and performance at each academy.

See Appendix 2: Improvement Measures of schools in the Trust

Going Concern

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

Financial Review

During the year ended 31 August 2017, the total income of the Trust was £7,867k (2016: £15,315k. The 2016 figure includes a one off gifted asset from the London Borough of Hillingdon in respect of the long leasehold land and buildings at St Martin's CofE Primary School which opened on 1 September 2015). A reassessment valuation had been made for the school and prior period adjustment made accordingly in 2016-17.

Most of the Trust's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of grants. The grants received from the DfE and other government bodies during the year

Frays Academy Trust

Trustees' Report for the year ended 31 August 2017

ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Principal revenue funding from the ESFA amounted to £6,648k (2016: £6,427k) and revenue funding from the London Borough of Hillingdon amounted to £1,045k (2016: £814k). Other income generated by the Trust amounted to £125k (2016: £177k)

A high percentage of this funding is spent on wages and salaries and support costs to deliver the Academies primary objective of the provision of education.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Academies Accounts Direction 2016 to 2017, such grants are shown in the statement of financial activities as restricted income within the fixed assets fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful economic life of the assets concerned. Capital grants received from the ESFA and the London Borough of Hillingdon amounted to £26k (2016: £ 618K)

As at 31 August 2017 the Trust had total funds of £10,590k. This comprised £11,382k (2016: £11,811k) restricted capital fixed assets funds, a restricted pension deficit reserve in respect of the LGPS of (£2,547k) (2016: (£2,956k), £584k (2016: £766k) of restricted revenue funds and £1,171k (2016: £1,144k) of unrestricted general fund balances.

Financial and Risk Management Objectives and Policies

The Trust monitors financial performance through its governance structure which include Board, Strategic Action & Resources Group (SARG) and Federated Governing Bodies. The Trust Board and sub committee's financial reports are presented termly to each committee.

The Strategic Financial Resource Manager carries out additional scrutiny of financial data on a monthly basis and signed off by the Chief Operating Officer.

Each Federated Governing Body has a Finance & Resource Committee (F&R) meet on a termly basis, which include the maintenance of sufficient reserves to meet projected expenditure. In view of the short term budget, the reserves reflect a healthy position. The Trust has planned more resources and development in to the Central Unit but also into the individual academies to attain higher achievements for the future.

The Trust provides access to two pension schemes for staff: Teachers Pension Scheme (TPS) and the Local Government Pension. The TPS is a centrally managed scheme, where the government are responsible for any deficits, the LGPS is administered locally. For both TPS & LGPS there is a risk that remain for the Trust. The percentage contributions can rise following a three year valuation carried out by LGPS Actuaries.

The LGPS scheme is in deficit and to reduce this deficit the Trust has set its employer contribution this year rate at 29.10% which would be expected to fund the deficit in approximately 15 years.

Our pension liability, valued in line with FRS 102, continues to cause concern for the Trust, as it does with all other academies in the UK. Note 25 to the accounts explain these commitments more clearly and show that at 31 August 2017 we had a deficit of £2,547k.

Reserves Policy

The reserves policy considered by the Trust

- assists in strategic planning by considering how new projects or activities will be funded
- informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects

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Trustees' Report for the year ended 31 August 2017

- informs the budget and risk management process by identifying any uncertainty in future income streams

The level of reserves is monitored throughout the year as part of the normal monitoring and budgetary reporting process.

As at 31 August 2017, the Trust's total reserves amounted to £10,785k. Of this, £11,578k represents the fixed asset fund comprising existing fixed assets and capital monies restricted for future investment in fixed assets. There is also a negative reserve of £2,547k representing the LGPS defined benefit pension fund deficit which is planned to be met over the long term through our contributions as specified by the actuary. This leaves the Trust with free reserves of £1,754k of which £583k is restricted funds and £1,171k is our accumulated unrestricted fund. The policy of the Trust is to accumulate reserves to cover the following key areas:-

- planned capital expenditure in excess of capital funding,
- to meet the Trust's Asset Management Plans for the next 2 years
- a contingency for income protection. This will consist of the in- year deficit for the current year and any predicted in year deficit for the following year for each school in a pessimistic scenario for the medium term financial plan. The intention is no school will have in year deficits going forward.

The Trust will endeavour to build up its reserves to enable it to meet its key needs and respond to the changing education environment. The reserves policy will be reviewed on annual basis.

Treasury Management Policy

Under the Articles of Association the Trust has the power to invest any funds not immediately required for the furtherance of its objects while ensuring that due regard is made to ensure that any investments are prudent and suitable to its needs.

The Trust is considering a Treasury Management Policy that would enable plans to invest any cash flow surpluses for limited period to generate higher return on any cash balances. However, in balancing risk against return the Trust policy will be geared towards avoiding risk than to maximising return.

Principal Risks and Uncertainties, and Risk Management

The Trust maintains a risk register identifying the major risks to which it is exposed and identifying actions and procedures to mitigate those risks. This register and actions arising from it are monitored by the Audit Committee. The register is also actively monitored on a regular and frequent basis in individual academies by their respective Senior Leadership Teams.

The Trustees reports that the Trust's financial and internal controls conform to guidelines issued by the Education & Skills Funding Agency (ESFA) and that improvements to the wider framework of systems dealing with business risk management strategy continue to be made and formally documented.

The Trust assesses the principal risks and uncertainties as follows:-

- Staff retention: the Trust is proactive in staff development and retention and uses both staff survey feedback and exit interview data to inform improvements.
- Material decrease in income affecting provision. The budget 2017-18 meets needs with further work planned to increase efficiencies, the Trust cash flow is healthy and long-term planning predicts it will remain so.
- To ensure admission places are filled throughout the year. Continuous marketing of places and the new school (St Martins) is monitored weekly.

Frays Academy Trust

Trustees' Report for the year ended 31 August 2017

Plans for Future Periods

High quality teaching

- To improve the professional development of staff to improve the quality of teaching and learning
- To recruit and retain the highest calibre of teachers to teach in the Trust

Develop Leadership

- To provide high quality professional develop for leaders of learning

Narrowing the Attainment Gap

- To provide the very best support for our disadvantaged pupils to enable them to make rapid progress

Early years as 'Centres of Excellence'

- To establish high quality Early Years Provision
- To develop the provision for two year olds, known as the The Pond at Laurel Lane.

Christian Distinctiveness

- To improve the Christian distinctiveness of schools in the Trust.

Attendance

- To improve attendance across all schools in the Trust

Governance

- To improve Governance across the Trust and at all levels

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- The Trustees have taken all the 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 auditor, Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13th December 2017 and signed on the board's behalf by:



A Whitlam

Chair of Trustees

Frays Academy Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Whitlam (Chair)	5	5
I Woolf	3	5
V Williams (Appointed July 2016)	4	5
C Cole (Chief Executive and accounting officer)	5	5
C Allen (Resigned September 2016)	1	1
J Duncan	3	5
R Hughes	5	5
K Buckler (Appointed July 2016)	3	5

Attending Officer

J Gaffney (Chief Operating Officer)
R Ahmad (Strategic Finance & Resources Manager)

The **Strategic Action & Resources Group (SARG)** is a sub-committee of the main Board of Trustees; its members are drawn from the Board of Trustees and representatives of Local Governing Body committees.

Its purpose is to:

- Monitor finance at a strategic level
- Add value for money
- Business plan, including a five year plan for estate management
- Oversee all regulatory matters

Committee Members	Meetings attended	Out of a possible
A Whitlam (Chair of Trustees)	5	5
C Allen (Chair of Strategic Action & Resources)	5	5
B Hughes (Trustee)	5	5
C Cole (Executive Headteacher/Accounting Officer)	5	5
J Duncan (Trustee)	4	5

Frays Academy Trust

Governance Statement

Attending Officers

J Gaffney (Chief Operating Officer)	4	4
R Ahmad (Strategic Finance & Resources Manager)	4	5
C Mosdell (Clerk to committee)	5	5
C Richardson	5	5
S Voisey	5	5
J Tighe	4	5
T Francis	1	1

The **Audit committee** is also a sub-committee of the main Board of Trustees, but works independently from it. The members are appointed by the Board of trustees.

Its purpose is to:

- Review the Trust Risk Register
- Review all matters of Audit & Internal Controls
- Ensure the Trust internal services meet or exceeds the standards specified in the Government Internal Audit Manual.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
<u>Audit Committee Members</u>		
A Brett (Chair of Audit Committee)	4	4
L Ksis (Appointed March 17)	2	2
I Woolf (Trustee)	4	4
D Green (Appointed June 17)	1	1
<u>Attendees</u>		
C Cole (Accounting Officer/CEO)	4	4
J Gaffney (Chief Operating Officer)	3	3
R Ahmad (Strategic Finance & Resources Manager)	4	4

Value for Money

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

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

- Ensuring the Trust works closely with its academies. The Head of Schools and Senior leaders meet on a monthly basis to share ideas, good practice and discuss issues. This method of collaboration has had a massive effect on the educational outcomes within the Trust.

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Governance Statement

- The Trust leadership groups review expenditure within each budget heading termly, the strengthening of governance and financial oversight has improved across the trust and expenditure challenged and discussed with the best value principles in mind.
- The Strategic Finance Resource Manager/Finance Bursars strive to find best value in purchasing and use a number of established consortiums. Large building works are placed via the Academies consultants who are part of the London Diocesan Board of Schools who apply Best Value principles within a safe legal framework.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Strategic Action & Resources Group & Audit Committee.

The Risk and Control Framework

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

Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;

- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs
- 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 Trustees have considered the need for a specific internal audit function and has decided to not to appoint an internal auditor. However, the Trustees have appointed Kingston Smith, the external auditor, to perform additional checks.

The accountant's role as reviewer includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. All the academies within the Trust have been inspected by the auditor and reports have been made to the Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Frays Academy Trust

Governance Statement

Review of Effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and Strategic Action and Resources Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Trustees on 13th December 2017 and signed on its behalf by:



Mrs A Whitlam
Chair of Trustees



Mr C Cole
Accounting Officer

Frays Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Frays Academy Trust I have considered my responsibility to notify the Trustees and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 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 the ESFA.



Mr C Cole

Accounting Officer

Frays Academy Trust

Statement of Trustees Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 Trustees on 13th December and signed on its behalf by:



A Whitlam
Chair of Trustees

Frays Academy Trust

Appendix 1: Performance of Schools in the Frays Academy Trust

Section 1: Trust Outcomes

Outcomes for all pupils who left Y6 in schools in Frays Academy Trust in July 2017.

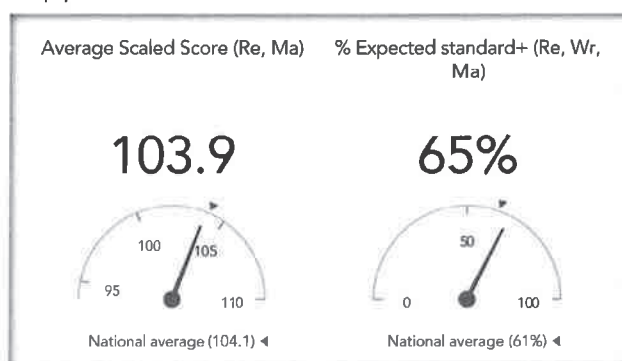
The following data takes account of all pupils regardless of school.

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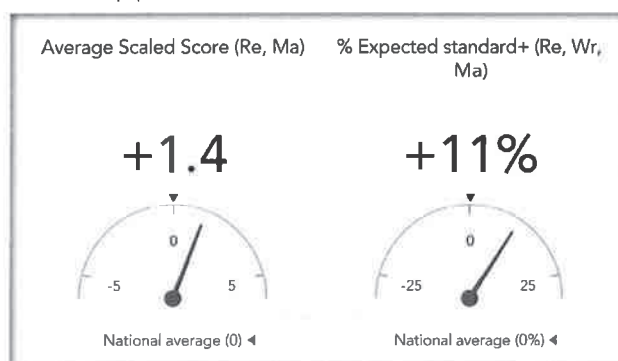
2017 KS2 VA

Overview

CCG KS2 Attainment 2017 · Actual results
162 pupils



CCG KS2 Progress 2017 · Value Added
141 matched pupils



The above table demonstrates:

- Average scaled scores across Reading and Maths in the Trust were inline with the national average
- The % of pupils achieving the expected standard in Reading, Writing and Maths was above the national average in the Trust
- The average scaled scores were 1.4 above what was expected and the % of pupils achieving the expected standard in Reading, Writing and Maths was 11% above expectations. This means that the progress pupils made between Key Stage 1 and Key Stage 2 was above the national average for all pupils at the end of Y6 across the Trust.

Trends

In 2014, attainment at the end of Key Stage 2 was below the national average; in 2017 this was inline although dipped from 2016, as the charts below demonstrate:

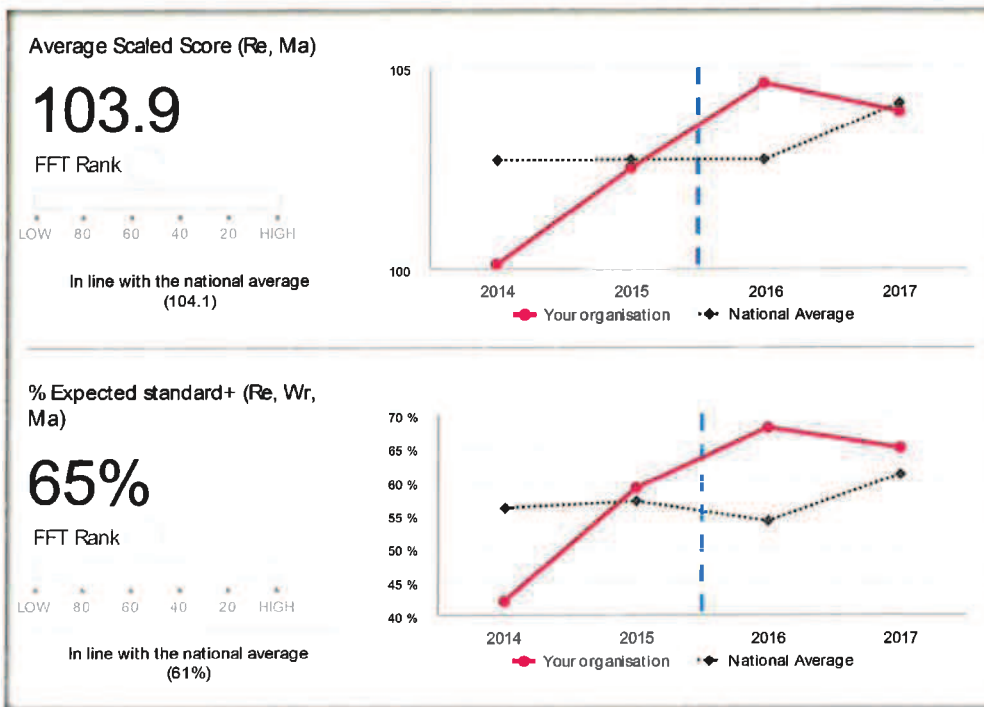
Frays Academy Trust

Appendix 1: Performance of Schools in the Frays Academy Trust

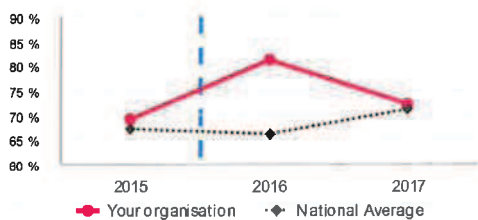
Frays Academy Trust

Attainment & progress

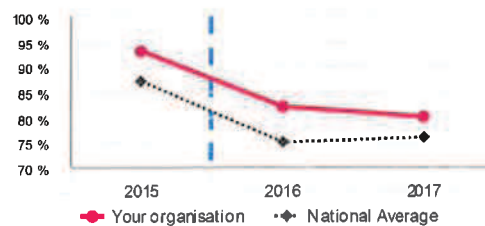
KS2 Attainment 2017
162 pupils



% Expected standard+ Reading



% Expected standard+ Writing

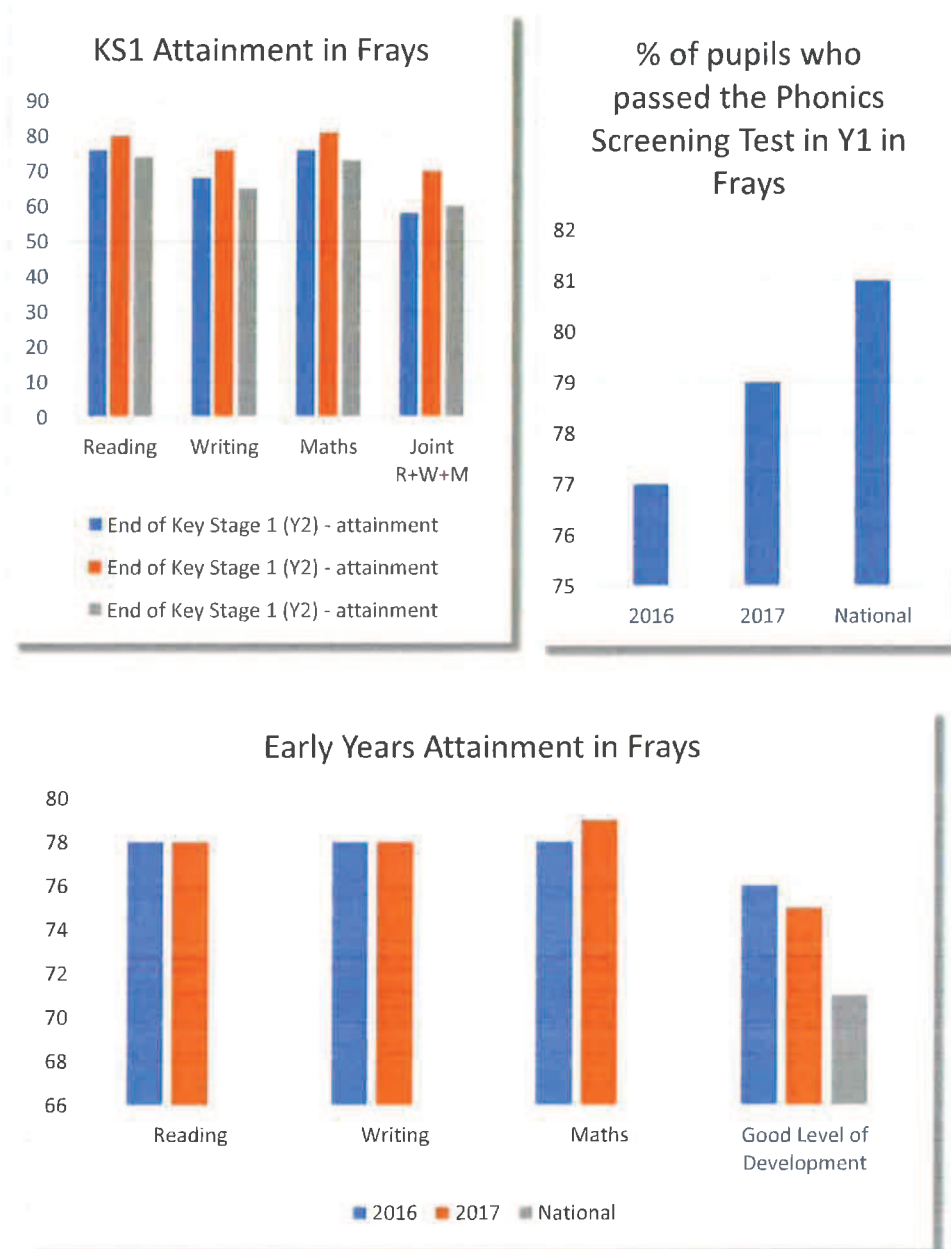


Attainment at the end of Key Stage 2 dipped from 2016 due to the dip in Reading by 9%. Although the average scaled score for all pupils in Reading and Maths was broadly inline with the national averages, the number of pupils achieving the expected standard in Reading, Writing and Maths was above.

Frays Academy Trust

Appendix 1: Performance of Schools in the Frays Academy Trust

Key Stage 1



Outcomes improved in 2017 at the end of Key Stage 1. There was a 12% increase in the number of pupils reaching the expected standard in Reading, Writing and Maths. Attainment in Early Years had remained in line with 2016.

Outcomes have improved in individual schools as a result of:

- The achievement of targets identified in Trust's Strategic Plan
- The achievement of targets identified in each School Improvement Plan, which were closely aligned to the Trust's Strategic Plan
- The improvements in quality of teaching and learning across all schools in the Trust

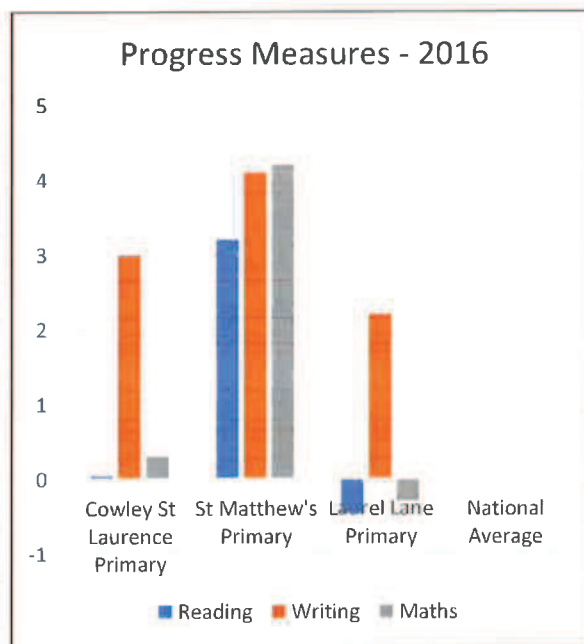
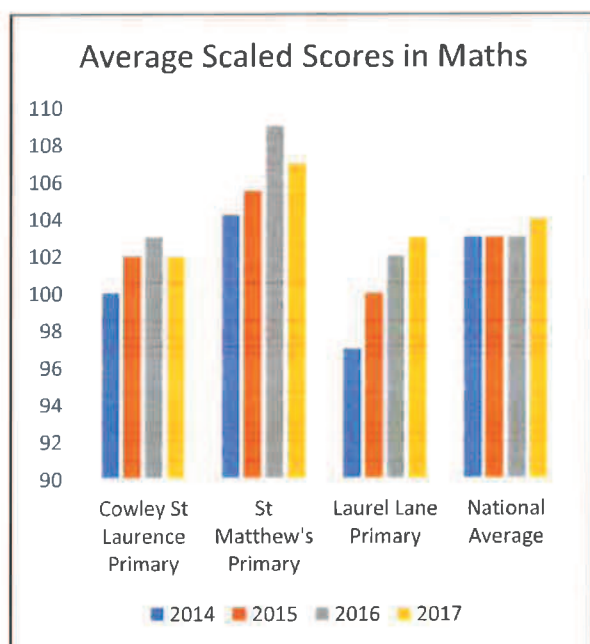
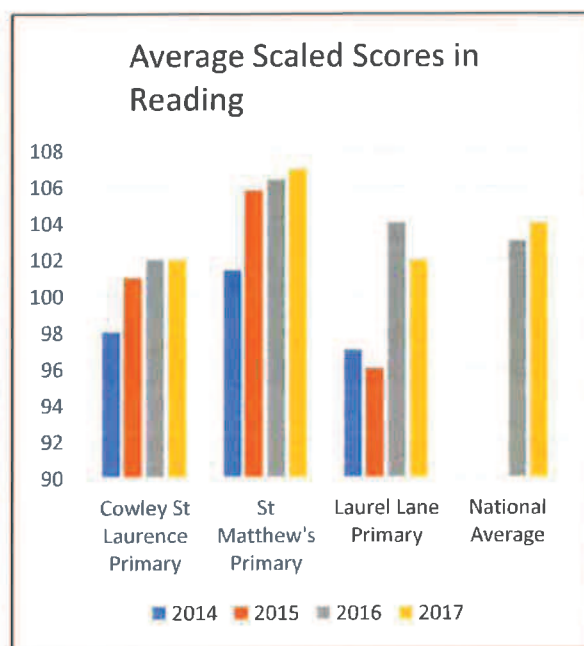
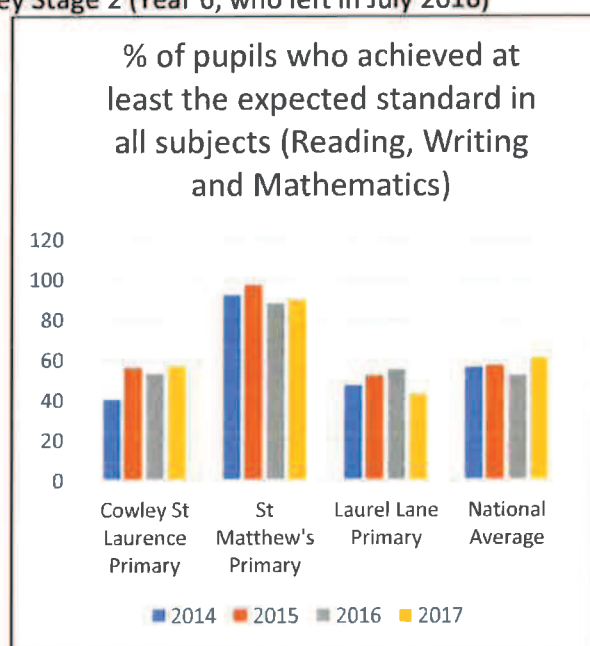
Frays Academy Trust

Appendix 1: Performance of Schools in the Frays Academy Trust

- The Trust's School Improvement Strategy
- The development of leadership and effective monitoring at all levels
- The effectiveness of Governors in monitoring and tracking of targets at all levels in the Academy Trust (see Section 3, Trust Improvement)

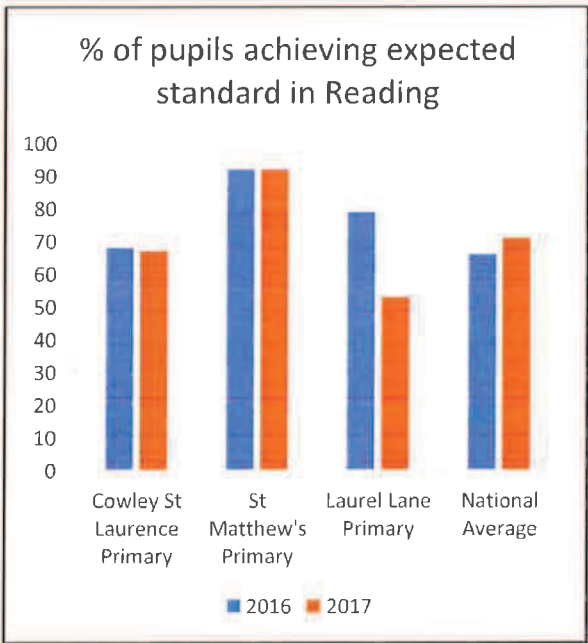
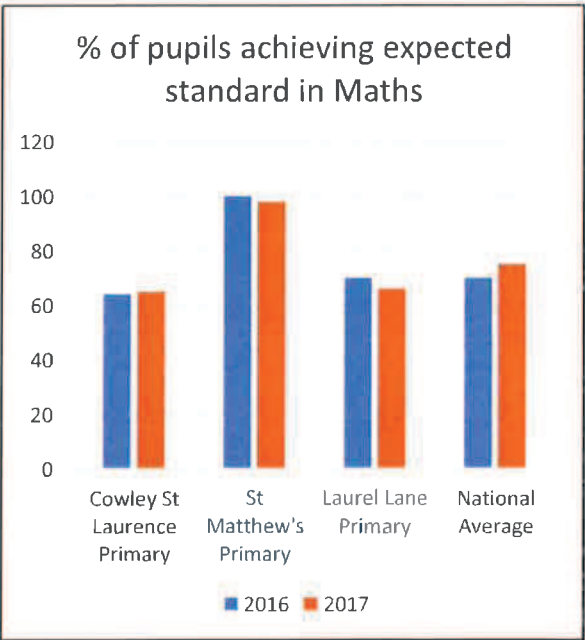
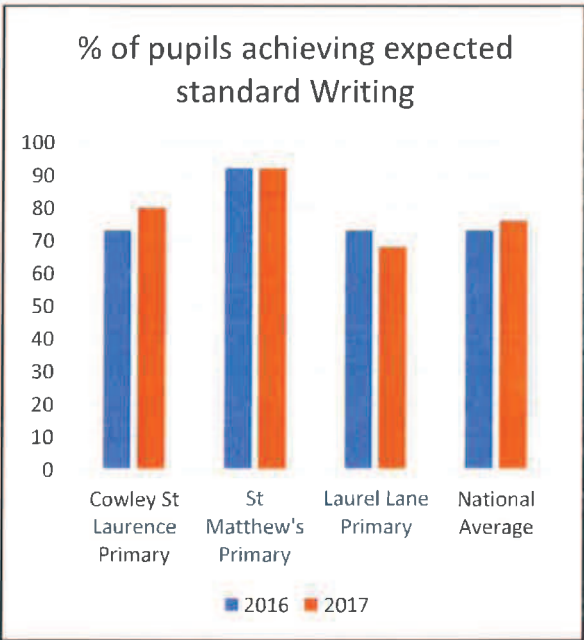
Section 2 School Outcomes

Key Stage 2 (Year 6, who left in July 2016)



Appendix 1: Performance of Schools in the Frays Academy Trust

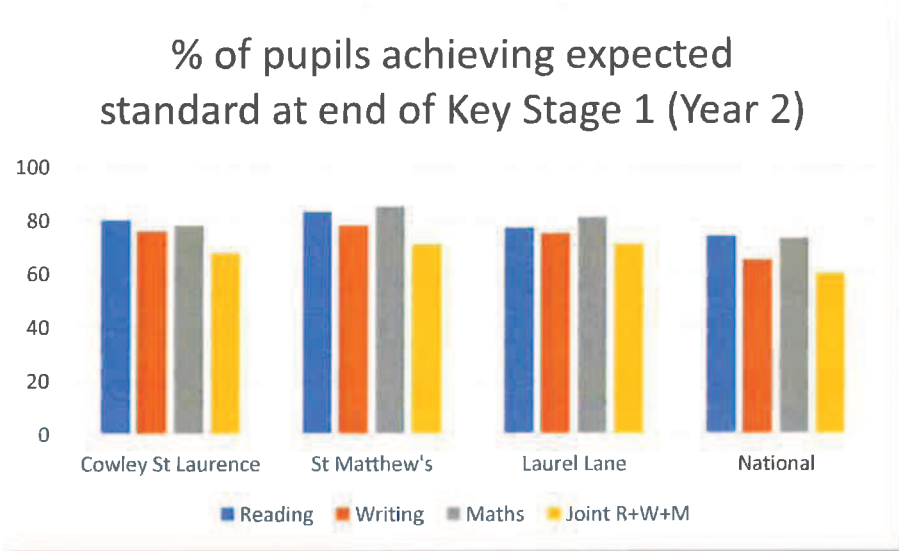
Where the progress is above 0 this is above the national average. The 'Progress Measures' chart demonstrates that progress across all subjects was above the national average apart from in Reading and Maths, where this is just below.



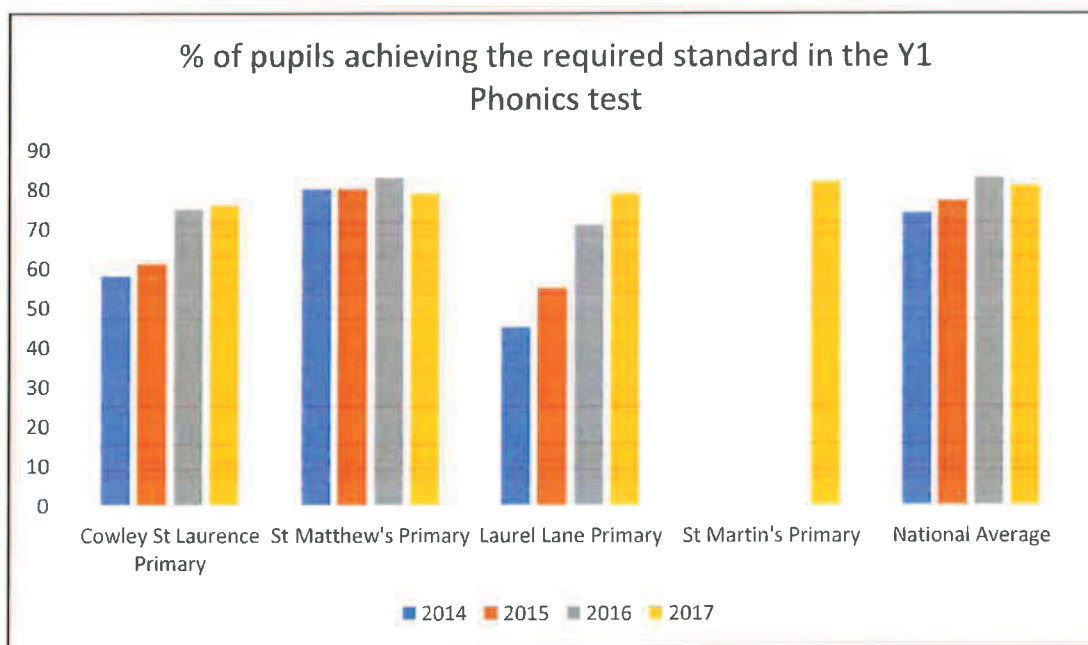
Frays Academy Trust

Appendix 1: Performance of Schools in the Frays Academy Trust

Key Stage 1

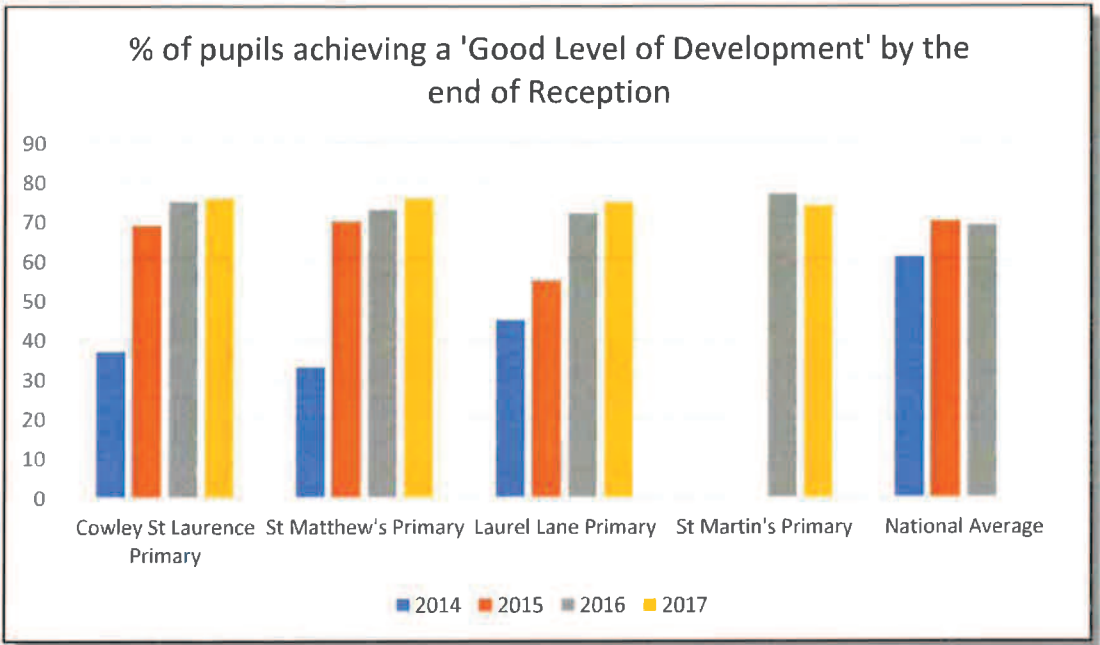


There was an increase in the number of pupils achieving the required standard in the Phonics Screening Test in Y1:



Appendix 1: Performance of Schools in the Frays Academy Trust

The number of pupils achieving a 'Good Level of Development' by the end of Reception remained similar and above the national average in each school:



Appendix 2: Improvement Measures of Schools in the Trust

The individual plans for each school contributed to the improvements in achievement across the schools in the Trust.

Cowley St Laurence CE Primary School

1. To improve the achievement of pupils with Special Educational Needs

Impact:

- SEND pupils have made greater rates of progress by the end of Key Stage 2 than have been seen before in the school

2. To narrow the attainment gap between disadvantaged pupils and their peers

Impact:

Pupils entitled to the Pupil Premium Grant made better progress than their peers in Y6 and Y2 and progress in line with their peers in all year groups.

3. To establish high quality teaching and learning.

Impact:

Good progress has been made to improve the quality of teaching and learning, particularly in Key Stage 2 and Early Years. This was reflected in the improved progress figures at the end of Key Stage 2.

4. To develop leadership skills and capacity for further improvement

Impact:

A range of professional development for senior and middle leaders took place in the school throughout the academic year. The actions that leaders took during the year made a direct impact on the improvements in the quality of teaching and learning and the improved rates of progress in the school.

5. To develop the Early Years as a 'Centre of Excellence'

Impact:

All teaching in the Early Years is now good with a proportion that is outstanding. On average, pupils rates of progress were above what is expected. The leadership of the setting is now strong and capable of developing with less support from the Trust.

6. To improve attendance

Impact:

Attendance at the end of last year was 94.7%, an improvement on the previous year's but significantly short of the target set for the school of 96%. The attendance figures were also below the national average.

Appendix 2: Improvement Measures of Schools in the Trust

Laurel Lane Primary School

The school was judged to be 'Good' in an inspection on 6th-7th June. This was a strong report which recognised the strength in Governance, partnership in the Trust with other schools and work of Trust leaders.

1. To ensure pupils meet national expectations

Impact:

- Pupils did not reach national attainment averages by the end of Y6 particularly due to lower attainment in Reading
- Progress of Y6 pupils from Y2 was slightly above the national average in Reading and Maths and significantly above in Writing
- Attainment at the end of Y2 has risen on the previous year
- 79% of pupils passed the phonics screening test, an improvement on 58% from 2016
- 74% of pupils achieved a Good Level of Development at the end of Reception, above the national average for 2016

2. To close the attainment gap between identified groups of pupils

Impact:

On the whole, rates of progress of SEND pupils were similar to those of their peers. Attainment of SEND pupils at end of Key Stage 2 is still low but the progress they have made in Writing is better than their peers.

Pupils entitled to the Pupil Premium Grant made similar progress to their peers apart from in Y2 and Y6 where progress figures were lower.

3. To establish high quality teaching and learning.

Impact:

Quality of teaching and learning is much stronger in the school and more consistent as a result of the support by the Teaching and Learning Support Team and internal support. Quality of teaching and learning was judged to be 'Good' by OfSTED in the Summer Term and led to increase rates of progress across the school.

4. To develop leadership and management

Impact:

- The Inclusion Manager continues has made a significant impact on pupil outcomes in the school.
- The Early Years Leader has demonstrated greater confidence in her role and now requires less support from the Trust's Early Years Strategic Lead.
- Communication has been improved through well developed systems and processes, which have been monitored through an action plan
- Leadership was judged as good at the recent OfSTED inspection
- 2 leaders are returning from maternity leave and will add capacity to the school

5. To improve attendance

Impact:

Attendance was 94.7% for the last academic year and significantly lower than the target set. However, this is an improvement on 94.3% for the previous year.

6. To develop the Early Years as a 'Centre of Excellence'

Impact:

- Quality of teaching and learning is at least good in the setting (as judged by OfSTED)
- The Pond was considered as outstanding on its own by the School Improvement Partner
- Outcomes in the Early Years were strong both in Nursery and Reception

Appendix 2: Improvement Measures of Schools in the Trust

St Matthew's Primary School

1. To narrow the attainment gap between identified groups of pupils

Impact:

- Attainment gap between SEND and their peers is closing quickly as pupils are making greater progress than their peers.
- Attainment gap between Pupil Premium Pupils and their peers is very close

Other year groups:

- The attainment gap between SEND pupils and their peers is narrowing quickly
- The attainment gap is narrowing between Pupil Premium Pupils and their peers

2. To accelerate progress of Middle ability pupils to ensure the majority make rapid and sustained progress

Impact:

- 97% of middle ability pupils at end of Year 6 achieved the expected standard in Reading, Writing and Maths
- On average, middle ability pupils have made more than expected progress across Key Stage 2

3. To establish high quality teaching and learning

Impact:

The strength of teaching and learning is in Early Years and Key Stage 2. Whilst there have been improvements in Key Stage 1 (now solidly 'good'), this does not match the rates of progress seen in other key stages.

4. To develop leadership skills and capacity for further improvement

Impact:

- The middle leadership team in the school demonstrates great potential to add capacity. They have taken part in the Frays middle leadership development programme and are highly enthusiastic. It is clear that from looking at pupils work that they are making an impact on the wider curriculum.
- A new middle leader will need support in leading KS1 from September
- An Assistant Psychologist has been recruited to the school to support the Inclusion team
- Both Deputy and Assistant Head have developed well in their roles this year and both have shown a significant impact on the quality of teaching and learning. This week, the school was recredited with the excellence stamp for the Inclusion Quality Mark.

5. To establish high expectations for attendance of EYFS / Pupil Premium Pupils

Impact:

- Attendance is now at 96.4%, above the national average
- Attendance of Pupil Premium Pupils is now 95.3%, above the target set and above last year's figure of 93.7%

6. To develop the Early Years as a 'Centre of Excellence'

Impact:

- Teaching and learning has been judged to be outstanding in the Early Years by school self-evaluation
- The Learning Journeys show a strong picture of progress
- Rates of progress across the Early Years are strong and above expected

Appendix 2: Improvement Measures of Schools in the Trust

St Martin's Primary

1. To ensure pupils meet national expectations

Impact:

Pupils in the Early Years achieved the targets set, with 74% of pupils achieving a Good Level of Development. 75% of pupils achieved an Early Learning Goal in Reading with 76% in Writing and Number. These figures are above the national average for 2017. In all areas of learning, pupils made on average at least another term of progress, with Communication and Language and Speaking being significantly better.

In Y1, 67% of pupils achieved age related expectations across Reading, Writing and Maths. This was short of the target of 81%. Attainment was lower in Maths. The progress across each subject area, on average, was less than expected.

2. Establish high quality teaching and learning.

Impact:

Teaching improved during across the year as a result of:

- support by the teaching and learning support team
- redeployment of a teacher to teach in St Martin's from another school in the Trust in the summer term

The quality of teaching and learning is strong in the Early Years. There has been a big focus to improve the outdoor learning environment and this is now a strength. The process of moderation in the Trust shows that the data is accurate and the School Improvement Partner has agreed with the judgements around teaching. The majority of teaching and learning in the school has been judged as good with small proportion that is outstanding.

3. To improve Christian Distinctiveness

Impact:

A Christian Distinctiveness Learning Walk in the Summer Term highlighted the following strengths:

'Overall, this visit showed a well-ordered school whose values are clearly understood by children and adults alike:

- *Relationships are a strength*
- *Children's attitudes and behaviour are very good*
- *The presence in the school of the parish priest is a very positive contribution*
- *The worship session seen enabled good engagement and was very well led*
- *The entrance area provides an opportunity for a statement of the values that the school espouses*
- *The school's values are clearly known by the children*
- *The school building encourages children in their learning*
- *EY provision is a strength*
- *Parental feedback is positive*
- *There are good relationships with the parents*

The following was identified as areas for development:

- *Develop links with the church via displays in school and church*
- *More consistency and explicit expectations for displays*
- *Now that the school has established itself, review of the vision statement*
- *Develop RE through the school*
- *Consider a variety of crosses for display*
- *Further development of prayer areas*
- *Course for staff and governors on developing Christian distinctiveness and so promote shared understandings'*

Appendix 2: Improvement Measures of Schools in the Trust

4. To continue to uphold high expectations of behaviour of pupils

Impact:

Pupils' behaviour in the school is a strength and the learning attitudes in the Early Years are strong. Learning attitudes in Y1 have improved due to the improvements in the quality of teaching and learning.

The self-evaluation review undertaken of the school in June found behaviour to be a strength.

5. To establish high expectations for attendance

Impact:

Overall attendance improved in the school during the year to 95.5%. However, makes attendance in the school lower than the national average and lower than the target set.

6. To develop the Early Years as a 'Centre of Excellence'

Impact:

Pupils have made strong progress across the Early Years and particularly in Reception. Teaching and Learning is at least good and a proportion is outstanding. A lot of work has been undertaken to transform the outdoor learning environment.

The school review in June make reference to the following:

'The provision in Reception was inspiring. There were a range of exciting activities throughout the setting both inside and out. Pupils demonstrated great keenness in engaging with all activities. Good routines have been established in the setting.'

'Pupils spoke confidently with each other and played well together. This is because the provision in the setting encouraged speaking and listening throughout the setting. Most adults set high expectations. They encouraged pupils to try hard and to think.'

The school was recently accredited for the Early Years Quality Mark by John Dewhurst, an external assessor.

Section 3: Trust improvement

The Trust's Strategic Plan for 2016-17 set key targets for each of our schools to achieve, which were linked clearly to the plan.

Evaluation of impact of targets in the Trust's Strategic Plan 2016-17

Strand 1: High Quality Teaching

Quality of teaching and learning across the Trust improved during the academic year. The large majority of teaching is now good with a third that is outstanding.

The improvements in the quality of teaching and learning have been as a direct result of the work of the Teaching and Learning Support Team. 9 teachers took part in the Outstanding Teacher Programme this term. Evidence shows that this support programme is already beginning to impact their teaching.

Strand 2: Develop Leadership

Capacity in the Trust

Middle Leaders/Curriculum Leaders

There is a strong group of 8 middle leaders developing in the Trust who have been part of the Trust's middle leaders development programme. Their training will extend into the National Professional Qualification for Middle Leadership, a programme that will run for the course of the next year.

Frays Academy Trust

Appendix 2: Improvement Measures of Schools in the Trust

We have made appointed some strong experienced teachers for September who will add to our middle leadership capacity.

Phase Leaders

- All Early Years Leaders have benefitted from the individualised support from Nikki Cole, the Trust's Early Years Strategic Lead. All Early Years leaders demonstrate capability of leading and developing their settings.
- Four new phase leaders were appointed for September across the Trust, three were internal appointments including one who has moved to another school in the Trust for promotion

Senior Leaders

- The Deputy Heads in the Trust are developing well in their roles and making an impact on the quality of teaching and learning. None of them are yet ready for Headship and only 1 showed interest in joining the Heads programme
- The Trust's Early Years Strategic Lead has developed some excellent leadership skills and made a significant impact on quality of teaching and learning and leadership in the Early Years across the Trust. She has also taken part in the National Professional Qualification for Senior Leadership and has contributed to the development of 'The Reach' - our research and development 'arm' of the Trust. Upon returning from maternity leave, she will be ready for a Deputy post.
- One of the Assistant Headteachers in the Trust has developed extremely well this year and made a big impact on outcomes at St Matthew's. She is ready to take on her next challenge and will be used to provide professional development for NQTs across the Trust from next year. She will be ready for Deputy Headship within a year.

Inclusion Managers

All have received individualised support from the Trust's Inclusion Strategy Manager. Two Inclusion Managers, who were new to post, performed well in an OfSTED inspection. There is clear evidence to show that Inclusion Managers are making a positive impact on quality of teaching and learning. They know their pupils well and are effective in implementing and monitoring support for more disadvantaged pupils.

The widest gap in skills and capacity is between Deputies and Heads.

Strand 3: Narrow the Attainment Gap

SEND pupils and Pupils Premium Pupils have made better progress than their peers across the Trust by the end of Y6. However, the performance of pupils entitled to Pupil Premium was not as strong as similar performance in 2016. This is because there the progress Pupil Premium pupils made in Maths was not as strong. Overall, the higher ability pupils in Reading made less progress than their peers.

Overall, the improvements in the progress of SEND pupils is largely due to the Inclusion Managers and the Trust's Inclusion Partnership Board.

Strand 4: Early Years as 'Centres of Excellence'

Teaching has improved in the Early Years through support from the Trust. Outcomes for pupils in the Trust are showing that progress is above expected.

The Pond which was graded outstanding on two occasions externally.

Year Reception

- In the areas of learning under the heading of Literacy, 82% of pupils across the Trust have made more than expected progress
- In Maths, 85% of pupils made more than expected progress
- In Personal, Social and Emotional aspects, 88% of pupils made more than expected progress

Appendix 2: Improvement Measures of Schools in the Trust

Year Nursery

- In Personal, Social and Emotional aspects, 91% of pupils made more than expected progress
- In the areas of learning under the heading of Literacy, 94% of pupils made more than expected progress
- In Maths, 89% of pupils made more than expected progress

Strand 5: Christian Distinctiveness

Each school has taken part in an evaluation of Christian Distinctiveness and RE with members of their Governing Body, externally facilitated. There was some good evidence found at St Martin's of its Christian Distinctiveness; Worship was graded as good. The Christian Distinctiveness at Cowley St Laurence has remained positively strong. We expect both schools to be able to put 'Good' in the SEF for this aspect. In both schools, RE is a weakness and this has been identified as a key development area next year as has the leadership of RE and Christian Distinctiveness.

St Matthew's remains a very strong Christian school with strength in Worship and RE. The development of prayer through prayer corners has improved since last year.

Strand 6: Attendance

School	2016	2017	Evaluation (comparison against last year)
Laurel Lane	94.1%	94.4%	+0.3%
St Matthew's	96.3%	96.4%	+0.1%
St Martin's	95.4%	95.6%	+0.2%
Cowley St Laurence	94.3%	94.7%	+0.4%

Only one schools achieved the target of 96%. St Martin's was 0.4% away from the target. Raising attendance in our schools will be considered a high priority in the new academic year.

Strand 7: Governance

Governor training took place on a termly basis focused on:

- Understanding data
- Training for 'Chairs' of Federated Governing Bodies and of committees
- Safeguarding
- Governor Effectiveness

Governance was recognised as a strength in both OfSTED reports at Cowley St Laurence and Laurel Lane Primary Schools this year.

Strand 8: Trust values

Each of the schools' senior leadership teams have been working on the following key priorities to embed the values in the schools in the Trust:

- Improving communication
- Improving how we involve colleagues in decisions

Frays Academy Trust

Appendix 2: Improvement Measures of Schools in the Trust

- Improving how we solve problems

Communication has continued to remain a key area for development. During the year, we undertook Exit Interviews from any staff who left the Trust to help us understand how we can improve communication further.

Although retention rates were lower than the target in the Strategic Plan (24% against 16%), there were four examples of teachers who have remained within the Trust as a result of the improvement in communication.

This will remain as an area of focus in 2017-18.

Strand 9: School Improvement Strategy

The Trust's improved 'school improvement strategy' worked successfully because:

- outcomes have improved across the Trust
- quality of teaching and learning has improved
- Early Years Collaborative is working very well and engaging teachers to work in a triad across the Trust. It has made a significant impact on outcomes for pupils in the Early Years.
- The Reach is developing - the work on self regulation by the Early Years Strategic Lead is having a positive impact on practice across the Trust
- The Inclusion Partnership Board has strengthened the role of the Inclusion Manager in each of the schools
- The intervention strategy has worked well with Cowley St Laurence and St Martin's. As a result, both schools have been externally assessed as good (St Martin's by the School Improvement Partner)

Strand 10: Marketing and Communication

- A Trust newsletter for parents was released on a termly basis
- A new Trust website is operational
- Marketing material for The Pond was produced to fill places
- Frays had a strong marketing presence at the May Fayre in West Dayton
- Senior leaders attended a number of recruiting events marketing for teachers
- The Admissions Officer promoted all schools in the Trust at different key points during the year and at a time when parents were looking for places. As a result, pupil numbers have improved at both Laurel Lane and St Martin's Primary Schools.

Strand 11: Trust 'central' functions

Developing the Trust's Finance Team

- Risk register is now regularly reviewed with Heads so that it is clear who is responsible for different elements of this
- Safesmart has been engaged to support Frays in managing risk around health and safety
- Chief Operating Officers provides bespoke support on undertaking individual risk assessments as appropriate e.g. traffic management on site
- A more consistent annual budgeting process has been established
- There is now more effective monitoring of the budget and there has been good feedback about the improvements of reports
- 66% of Heads said that Admissions was now working more effectively
- There has been partial introduction of BACS
- The Chief Operating Officer has developed a brief around sponsorship licenses for Overseas Trained Teachers, of which she has received positive feedback on
- Approach is being developed around the management of energy
- Good feedback has been received on the introduction of contract monitoring
- The priorities from the staff survey helped Heads implement an effective plan with their senior leadership teams

Appendix 2: Improvement Measures of Schools in the Trust

- The Chief Operating Officer has received positive feedback on team building and office restructuring
- Heads receive an additional 1:1 support and coaching on difficult situations
- HR risks are well managed as a result of effective processes and investigations
- Positive feedback has been received from Heads on the change of the Employee Assistance Programme, which has saved money

Strand 12: Health and Safety

Safesmart system is monitored by Heads of School and the Chief Operating Officer to ensure that risk is effectively managed. The next step is to introduce effective reporting systems for leaders and governors.

Section 4: Safeguarding

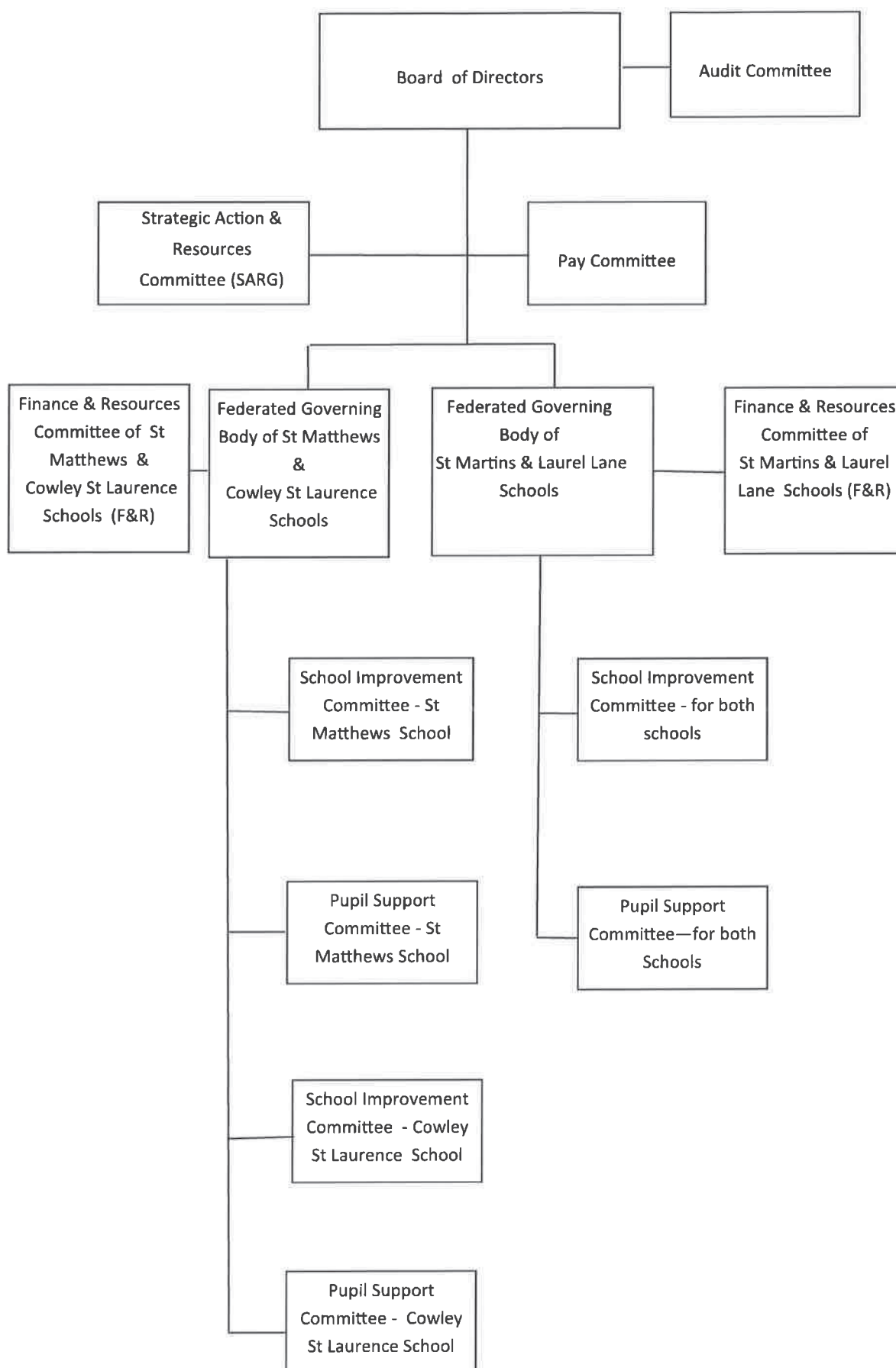
The Trust has continued to ensure high priority has been placed on safeguarding of children. In response to this, the following has been either introduced implemented during the year:

- Safeguarding Policy has been revised to take account of the changes introduced
- All Governors in the Trust have completed training on Safeguarding
- All Governors have signed to state they have read part one of the 'Keeping Children Safe in Education' 2016 statutory guidance.
- Each school's Single Central Record has been updated to reflect best practice and has been checked on a termly basis for compliance
- Each Governing Body monitors the implementation of the Safeguarding Policy on a termly basis. A full Safeguarding audit and report is put together on a termly basis, which is submitted to the Board of Directors.

Section 5: Performance Management in the Trust

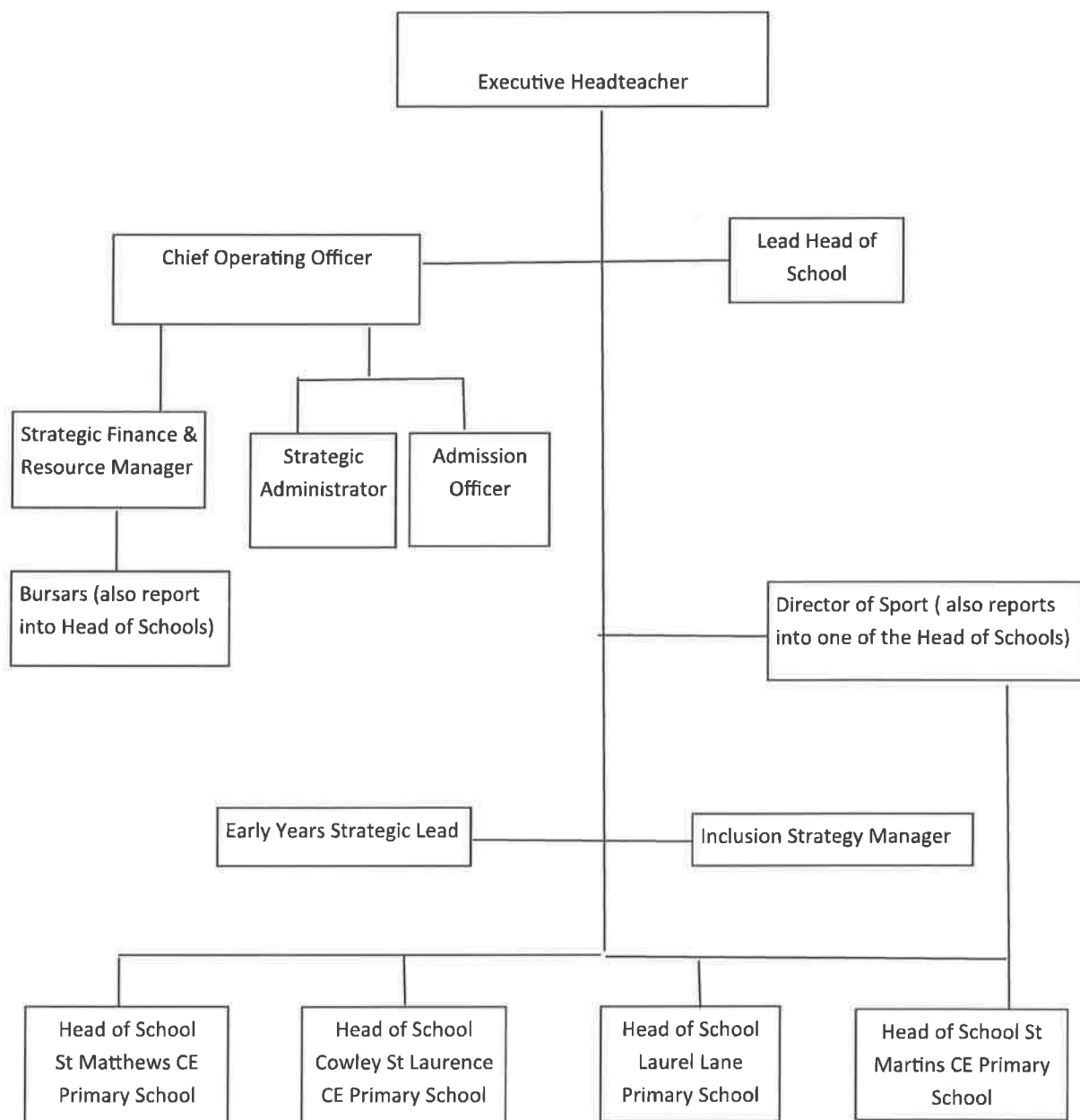
The Trust's policies on Pay and Appraisal detail very clearly the process for setting performance management targets, the review of those targets and the pay aligned to the performance reviews. Line managers are responsible for the review of performance and pay of individual staff and the Board of Directors are responsible for review of performance of the Executive Headteacher. A Pay Committee has been established across the Trust to receive reports from senior leaders in order to scrutinise reasons for pay progression and consider supporting evidence. Schools HR Co-operative provide advice, guidance and support to the Trust when setting salaries. The Trust continue to operate from the School Teachers Pay and Conditions.

Appendix 3: Organisational Structure - Governance Arrangements



Appendix 3 (continued)

Leadership Structure—Management Structure



Frays Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of LDBS Frays Academy Trust

Opinion

We have audited the financial statements of LDBS Frays Academy Trust ('the Trust'), for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2017 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 Academies Accounts Direction 2016 to 2017 issued by the ESFA.

This report is made solely to the Trust'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 Trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for 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 financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRS'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 company'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.

Frays Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of LDBS Frays Academy Trust

Other information

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

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 matter 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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 or trustees' remuneration specified by law are 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 set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Frays Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of LDBS Frays 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kingston Smith LLP

Date: 13th December 2017

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

The Shipping Building
The Old Vinyl Factory
Blyth Road
Hayes
London
UB3 1HA

Frays Academy Trust

Independent Reporting Accountant's Report on Regularity to LDBS Frays Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 June 2017 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 LDBS Frays Academy Trust during the period 1 September 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 LDBS Frays 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 LDBS Frays 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 LDBS Frays Academy Trust and the ESFA, for our work, or for the conclusion we have formed.

Respective responsibilities of LDBS Frays Academy Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of LDBS Frays Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2012 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 1 September 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Enquiry
- Inspection and review
- Observation and reperformance

Frays Academy Trust

Independent Reporting Accountant's Report on Regularity to LDBS Frays Academy Trust and the Education and Skills 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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kingston Smith LLP

Date: 13th December 2017

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

The Shipping Building
The Old Vinyl Factory
Blyth Road
Hayes
London
UB3 1HA

Frays Academy Trust

Statement of Financial Activities
For the year ended 31 August 2017

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Restated Total 2016 £000
Income and endowments from:						
Donations and capital grants	2	23	-	26	49	7,906
Charitable activities:						
Funding for the Trust's educational operations	3	-	7,805	-	7,805	7,381
Other trading activities	4	12	-	-	12	25
Investment income	5	1	-	-	1	3
Total		36	7,805	26	7,867	15,315
Expenditure on:						
Raising funds		9	-	-	9	-
Charitable activities:						
Academy trust educational operations	7	-	8,143	405	8,548	8,360
Total	6	9	8,143	405	8,557	8,360
Net income/ (expenditure)		27	(338)	(379)	(690)	6,955
Transfers between funds	15	-	(49)	49	-	-
Other recognised (losses)/gains:						
Actuarial (losses)/gains on defined benefit pension schemes	15, 25	-	614	-	614	(1,149)
Net movement in funds		27	227	(330)	(76)	5,806
Reconciliation of funds						
Total funds brought forward at 1 September 2016	15	1,144	(2,190)	11,908	10,862	5,056
Total funds carried forward at 31 August 2017		1,171	(1,963)	11,578	10,786	10,862

All of the Trust's activities derive from continuing operations during the above two financial periods.

Frays Academy Trust

Balance Sheet
As at 31 August 2017

	Notes	2017 £000	2017 £000	2016 £000	Restated 2016 £000
Fixed assets					
Tangible assets	12		11,421		11,625
Current assets					
Debtors	13	284		319	
Cash at bank and in hand		1,963		2,700	
		<u>2,247</u>		<u>3,019</u>	
Liabilities					
Creditors : amounts falling due within one year	14	(335)	1,912	(826)	2,193
Net current assets			<u>13,333</u>		<u>13,818</u>
Total assets less current liabilities			<u>13,333</u>		<u>13,818</u>
Net assets excluding pension liability			<u>13,333</u>		<u>13,818</u>
Pension scheme liability	26		(2,547)		(2,956)
Total net assets			<u>10,786</u>		<u>10,862</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	11,578		11,908	
General fund	15	584		766	
Pension reserve	15	(2,547)		(2,956)	
Total restricted funds			9,615		9,718
Total unrestricted funds	15		1,171		1,144
Total funds			<u>10,786</u>		<u>10,862</u>

The financial statements on pages 39 to 56 were approved by the trustees, and authorised for issue on 13/12/17 and are signed on their behalf by:

Anne Whitlam

Mrs A. Whitlam

Chair of trustees

Company registration no: 08335073

Frays Academy Trust

Statement of Cash Flows

For the year ended 31 August 2017

		2017 £000	Restated 2016 £000
	Notes		
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(561)	7,497
Cash flows used in investing activities	20	(176)	(7,285)
Cash flows from financing activities	21	-	-
Change in cash and cash equivalents in the reporting period	22	<u>(737)</u>	<u>212</u>
 Cash and cash equivalents at 1 September 2016		 2,700	 2,488
Cash and cash equivalents at 31 August 2017		<u>1,963</u>	<u>2,700</u>

Frays Academy Trust

Notes to the Financial Statements For the year ended 31 August 2017

1 Statement of 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.

Company Information

LDBS Frays Academy Trust is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office is Cowley St Laurence CofE Primary School, Worcester Road, Cowley, Uxbridge, UB8 3TH.

Basis of Preparation

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

Going Concern

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

Income

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the 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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship Income

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

Donations

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

Other Income

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

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

1 Statement of Accounting Policies (continued)

Donated Goods, Facilities and Services

The value of donated services and gifts in kind provided to the Trust are recognised at fair value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Donated Fixed Assets - Prior Year Restatement

St Martin's CofE Primary School opened as a new academy on 1 September 2015. On conversion, the land and buildings were gifted to the trust by the London Borough of Hillingdon, under a 125 year lease. For the purposes of these financial statements the buildings were recognised at their estimated cost for rebuild as given by the local authority.

A prior year adjustment was made to correct the valuation of this land and buildings at St Martin's CofE Primary School. A professional valuation was undertaken of the assets transferred as at 31 March 2016 by Mouchel. This resulted in a reduction of £2,026k from cost to valuation and a commensurate reduction in depreciation charged of £138k. The restated fixed asset fund as at 1 September 2016 is, therefore, £1,888k lower than previously reported, with net income for the year to 31 August 2016 also being £1,888k lower than previously reported.

Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long leasehold buildings	50 years
Property improvements	50 years
Fixtures, fittings and equipment	5-10 years
Computer equipment	3 years

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

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

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

1 Statement of Accounting Policies (continued)

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 the settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods and services it must provide.

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle an 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 last pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Derecognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, include trade and other payables.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

1 Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 the 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 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 on other recognised gains and losses.

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 and Skills Funding Agency and the Department for Education.

Church Academy

The Trust occupies land (including buildings) at Cowley St Laurence CofE Primary School and St Matthew's CofE Primary School which are owned by The London Diocesan Board for Schools (LDBS). The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The Trust occupies the land and buildings under a mere licence. This continuing permission of the Trustees of the LDBS is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church of England's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the Trust for the time being, but does not vest any rights over the land in the Trust. The Trustees of LDBS have given an undertaking to the Secretary of State that they will not give the Trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Trust is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the Trust will not be recognised on the balance sheet of the trust.

Critical Accounting Estimates and Areas of Judgment

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.

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

Local Government 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 25, 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.

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Restated Total 2016 £000
Capital grants	-	26	26	618
Donated fixed assets	-	-	-	7,279
Other donations	23	-	23	9
	<u>23</u>	<u>26</u>	<u>49</u>	<u>7,906</u>
2016 total	9	7,897	7,906	

3 Funding for the Academy Trust's educational operations

	Total 2017 £000	Total 2016 £000
Restricted funds		
DfE / ESFA grants		
General Annual Grant (GAG)	5,896	5,755
Other DfE/ESFA grants	752	672
	<u>6,648</u>	<u>6,427</u>
Other Government grants		
Local authority grants	1,045	814
	<u>1,045</u>	<u>814</u>
Other income from the academy trust's education operations	<u>112</u>	<u>140</u>
	<u>7,805</u>	<u>7,381</u>

4 Other trading activities

	Total 2017 £000	Total 2016 £000
Unrestricted Funds		
Hire of facilities	3	20
Other income	9	5
	<u>12</u>	<u>25</u>

5 Investment income

	Total 2017 £000	Total 2016 £000
Unrestricted Funds		
Interest on short term deposits	1	3
	<u>1</u>	<u>3</u>

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2017 £000	Restated Total 2016 £000
Expenditure on raising funds	-	-	9	9	-
Academy's educational operations					
Direct costs	5,439	-	339	5,778	5,352
Allocated support costs	1,112	906	752	2,770	3,008
	6,551	906	1,100	8,557	8,360
2016 total (restated)	5,800	1,503	1,057	8,360	

Net income/(expenditure) for the period includes:

	2017 £000	Restated 2016 £000
Operating lease rentals	17	15
Depreciation	405	522
Fees payable to auditor:		
Audit		
Audit of the financial statements	12	12
Non-audit services:		
Accountancy	3	3
Non-statutory audit and assurance work	6	6
Other accountancy and advisory work	3	3

7 Charitable activities

	Total 2017 £000	Total 2016 £000
Direct costs - educational operations	5,778	5,352
Support costs - educational operations	2,770	3,008
	8,548	8,360

	Educational operations £000	Total 2017 £000	Restated Total 2016 £000
Support staff costs	1,112	1,112	810
Depreciation	405	405	522
Technology costs	129	129	116
Premises costs	501	501	981
Catering	200	200	183
Pension finance costs	62	62	65
Other support costs	315	315	285
Governance costs	46	46	46
Total support costs	2,770	2,770	3,008

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2017 £000	Total 2016 £000
Wages and salaries	4,719	4,233
Social security costs	413	329
Operating costs of defined benefit pension schemes	952	692
	6,084	5,254
Supply staff costs	467	546
	6,551	5,800

b. Non statutory/non-contractual staff severance payments

Included in wages and salaries is one non-statutory/non-contractual severance payment of £15,000 (2016: £nil).

c. Staff numbers

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

	2017 Headcount No.	2017 FTE No.	2016 FTE No.
Charitable Activities			
Teachers	89	57	50
Administration and support	158	106	101
Management	6	5	2
	253	168	153

d. Higher paid staff

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

	2017 No.	2016 No.
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£140,001 - £150,000	1	1
	5	5

e. Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £600,622 (2016: £476,695)

9 Central Services

The Trust's central services are as follows:

- Trust management & finance function
- Legal and professional services
- Audit and accountancy

The Trust charges Schools an equal fee based on a total charge of 8% of the annual GAG income, with the exception of St Martin's CofE Primary School which was allowed an agreed flat cost of £25k (2016: £22k) due to being a new school not at full capacity, and this was signed off by the Local Authority.

The trust has provided these services centrally with each academy making a flat contribution to recoup central costs as follows:

	2017 £000	2016 £000
Cowley St Laurence CofE Primary School	145	110
St Matthew's CofE Primary School	145	110
Laurel Lane Primary School	145	110
St Martin's CofE Primary School	25	22
	460	352

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

10 Related Party Transactions - Trustees' Remuneration & 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 staff members under their contracts of employment.

Mr C. Cole (principal and trustee):	
Remuneration	£140,000 - £145,000 (2016: £140,000 - £145,000)
Employer's pension contributions	£20,000 - £25,000 (2016: £20,000 - £25,000)

The number of trustees for whom retirement benefits are accruing under the Teachers' Pension Scheme amounted to 1 (2016: 1)
Company pension contributions to the Teachers' Pension Scheme in respect of trustees amounted to £23,870 (2016: £23,075)

During the year ended 31 August 2017, no expenses were reimbursed to trustees (2016: Nil).

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £5,366 (2016: £5,194). The cost of this insurance is included in the total insurance cost.

12 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Property Improvements £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 September 2016 (restated)	10,124	981	1,171	820	13,096
Additions	-	93	57	53	203
Disposals	-	-	(22)	(10)	(32)
At 31 August 2017	<u>10,124</u>	<u>1,074</u>	<u>1,206</u>	<u>863</u>	<u>13,267</u>
Depreciation					
At 1 September 2016 (restated)	139	23	642	667	1,471
Charged in period	95	9	210	91	405
Eliminated on disposal	-	-	(20)	(10)	(30)
At 31 August 2017	<u>234</u>	<u>32</u>	<u>832</u>	<u>748</u>	<u>1,846</u>
Net book values					
At 31 August 2017	<u>9,890</u>	<u>1,042</u>	<u>374</u>	<u>115</u>	<u>11,421</u>
At 31 August 2016 (restated)	<u>9,985</u>	<u>958</u>	<u>529</u>	<u>153</u>	<u>11,625</u>

During the year a prior year adjustment was made in respect of the fair value of the land and buildings at St Martin's CofE Primary School. This is discussed in note 1.

The land and buildings occupied by Cowley St Laurence CofE Primary School and St Matthew's CofE Primary School were made available for the use by the London Diocesan Board for Schools to the Trust in a written agreement between the London Diocesan Board for Schools, the Secretary of State for Education and the Academy Trust dated 1 February 2013.

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

13 Debtors

	Total 2017 £000	Total 2016 £000
Trade debtors	3	6
VAT recoverable	68	150
Prepayments and accrued income	213	163
	284	319

14 Creditors: Amounts falling due within one year

	Total 2017 £000	Total 2016 £000
Trade creditors	87	489
Other taxation and social security	106	102
Accruals and deferred income	142	235
	335	826

Deferred income

	Total 2017 £000	Total 2016 £000
Deferred Income at 1 September 2016	68	65
Released from previous years	(68)	(65)
Resources deferred in the year	85	68
Deferred Income at 31 August 2017	85	68

At the year end the Trust was holding funds received in advance in respect of Universal Infant Free School Meals funding for the academic year September 2017 to August 2018.

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

15 Funds

	Restated Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	766	5,896	(5,595)	(483)	584
Other DfE/ESFA grants	-	752	(752)	-	-
Other income	-	1,157	(1,157)	-	-
Pension reserve	(2,956)	-	(639)	1,048	(2,547)
	(2,190)	7,805	(8,143)	565	(1,963)
Restricted fixed asset funds					
DfE/ESFA capital grants	74	26	-	(100)	-
Local authority capital grants	209	-	-	(52)	157
Fixed assets purchased with capital grants	901	-	-	152	1,053
Capital expenditure from GAG	678	-	-	49	727
Transfer from Local Authority on conversion	10,046	-	(405)	-	9,641
	11,908	26	(405)	49	11,578
Total restricted funds	9,718	7,831	(8,548)	614	9,615
Total unrestricted funds	1,144	36	(9)	-	1,171
Total funds	10,862	7,867	(8,557)	614	10,786

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

General annual grant

This includes all monies received from the ESFA to carry out the objectives of the Trust. It includes the School Budget Share.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension scheme.

Other grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the development and building of the academy and other tangible fixed assets, and the annual charges for depreciation of these assets.

Unrestricted funds

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

Transfers between funds

Transfers from the General Annual Grant fund to the fixed asset fund relate to fixed assets purchased from these funds.

Transfers from the General Annual Grant fund to the pension reserve relate to the payments made from GAG funds towards reducing the LGPS defined benefit pension scheme liability.

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Restated Total 2016 £000
Cowley St Laurence CofE Primary School	333	357
St Matthew's CofE Primary School	579	676
Laurel Lane Primary School	631	742
St Martin's CofE primary school	74	75
Central Services	138	60
Total before fixed assets and pension reserve	1,755	1,910
Restricted fixed asset fund	11,578	11,908
Pension reserve	(2,547)	(2,956)
Total	10,786	10,862

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

15 Funds (continued)

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2017 £000
Cowley St Laurence CofE Primary School	1,667	380	30	350	2,427
St Matthew's CofE Primary School	1,622	282	26	465	2,395
Laurel Lane Primary School	1,485	226	53	363	2,127
St Martin's CofE Primary School	587	138	15	223	963
Central services	78	86	-	76	240
Trust	5,439	1,112	124	1,477	8,152

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2016 £000
Cowley St Laurence CofE Primary School	1,538	273	60	894	2,765
St Matthew's CofE Primary School	1,473	220	43	402	2,138
Laurel Lane Primary School	1,479	154	62	360	2,055
St Martin's CofE Primary School	320	64	35	118	537
Central services	179	100	-	64	343
Trust	4,989	811	200	1,838	7,838

16 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	11,421	11,421
Current assets	1,171	919	157	2,247
Current liabilities	-	(335)	-	(335)
Pension scheme liability	-	(2,547)	-	(2,547)
Total net assets	1,171	(1,963)	11,578	10,786

17 Capital Commitments

Contracted for, but not provided in the financial statements

2017 £000	2016 £000
-	-

18 Commitments under operating leases

Operating Leases

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

	2017 £000	2016 £000
Amounts due within one year	15	15
Amounts due between one and five years	2	15
	17	30

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £000	Restated 2016 £000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(690)	6,955
Adjusted for:		
Depreciation [note 6]	405	522
Loss on disposal	2	-
Capital Grants from DfE and other capital income	(26)	(618)
Interest receivable [note 5]	(1)	(3)
Defined benefit pension scheme obligation inherited	-	4
Defined benefit pension scheme cost less contributions payable [note 25]	143	(26)
Defined benefit pension scheme finance cost [note 25]	62	65
Decrease in debtors	35	371
(Decrease)/Increase in creditors	(491)	227
Net Cash (used in)/provided by operating activities	(561)	7,497

20 Cash flows from investing activities

	2017 £000	Restated 2016 £000
Dividends, interest and rents from investments	1	3
Purchase of tangible fixed assets	(203)	(7,906)
Capital grants from DfE/ESFA	26	618
Capital funding received from sponsors and others	-	-
Net cash used in investing activities	(176)	(7,285)

21 Cash flows from financing activities

	2017 £000	2016 £000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

22 Analysis of cash and cash equivalents

	At 31 August 2017 £000	At 31 August 2016 £000
Cash in hand and at bank	1,963	2,700
	1,963	2,700

23 Contingent Liabilities

There are no contingent liabilities to disclose in the accounts

24 Members' Liability

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

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

25 Pension and Similar Obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Hillingdon. 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 of the LGPS, 31 March 2016.

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

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.

The pension costs paid to TPS in the period amounted to £367,000 (2016: £336,000).

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

Under the definitions set out in FRS102, 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 contribution made for the year ended 31 August 2017 was £528,000 (2016: £444,000), of which employer's contributions totalled £434,000 (2016: £378,000) and employees' contributions totalled £94,000 (2016: £66,000). The agreed contribution rates for future years are 24.9 per cent for employers and is an average of 6.4 per cent 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.

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

25 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	2.80%	3.33%
Rate of increase for pensions in payment/inflation	2.40%	2.38%
Discount rate for scheme liabilities	2.50%	2.92%

Sensitivity Analysis

	At 31 August 2017 £000	At 31 August 2016 £000
Approximate monetary increase to the obligation as a result of the following changes in assumptions at 31 August 2017:		
0.5% increase in the salary increase rate	119	300
0.5% increase in the pension increase rate	521	432
0.5% decrease in real discount rate	650	756

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.6 years	22.7 years
Females	24.6 years	24.7 years
<i>Retiring in 20 years</i>		
Males	24.0 years	24.3 years
Females	26.5 years	26.9 years

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	1,431	1,498
Bonds	554	646
Property	277	310
Cash	46	129
Total market value of assets	2,308	2,583
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	(577)	(356)
Net interest cost	(62)	(65)
Total operating charge	(639)	(421)

Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2017

25 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

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

	2017 £000	2016 £000
At 1 September	5,539	3,544
Transferred on conversion	-	5
Current service cost	577	352
Interest cost	121	141
Employee contributions	94	66
Actuarial (gain)/loss	(1,447)	1,431
Benefits paid	(29)	-
At 31 August	4,855	5,539

Change in the fair value of the Trust's share of scheme assets:

	2017 £000	2016 £000
At 1 September	2,583	1,780
Transferred on conversion	-	1
Interest income	59	76
Contributions by members	94	66
Contributions by the employer	434	378
Actuarial gain/(loss)	(833)	282
Benefits paid	(29)	-
At 31 August	2,308	2,583

26 Related Party Transactions

Owing to the nature of the Trust 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. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

Mr I. Woolf is an employee of the London Diocesan Board for Schools. The Trust incurred expenses of £2,000 (2016: £455) from this organisation for the provision of central support services such as human resources and legal advice.

Mr I. Woolf is also a director of Grow Education Partners Limited, a company that provided project management and survey services in the period to the Trust totalling £175 (2016: £350).

Mr C. Cole is the Chair of the IEB at Minet Junior School, during the year the trust charged £1,650 (2016: £3,700) to Minet Junior School in respect of recharges of employee costs. Also support work provided to other schools was charged at £9,400 (2016: £nil) to cover employee costs.

Rev. R.C. Young is the vicar at St Matthew's Church which occupies common premises to St Matthew's C E Primary School, during the current and preceding period the school had access to the church for use as a place of worship. The trust was not charged for this service.