



LDBS Frays Academy Trust

Annual Report and Financial Statements
For the year ended 31 August 2016

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

Contents

Reference and Administrative Details	1
Directors' Report	3
Governance Statement	18
Statement on Regularity, Propriety and Compliance	22
Statement of Directors' Responsibilities	23
Appendix 1: Improvement Measures	24
Appendix 2: Improvement Targets for 2016-2017	29
Appendix 3: Safeguarding	32
Appendix 4: Organisational Structure	33
Independent Auditor's Report on the Financial Statements	36
Independent Reporting Accountant's Report on Regularity	38
Statement of Financial Activities incorporating Income & Expenditure account	40
Balance Sheet	41
Statement of Cash Flows	42
Notes to the Financial Statements, incorporating:	43
Statement of Accounting Policies	
Other Notes to the Financial Statements	

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 (known as Directors)

A Whitlam (Chairperson)
I Woolf
R Hughes
J Duncan
K Buckler (appointed 18/07/2016)
C Cole (Executive Headteacher & Accounting Officer)
R Young (resigned 18/07/2016)
C Allen (resigned 14/09/2016)

Company Secretary

C Mosdell (appointed 01/09/2015)
A Norton (resigned 31/08/2015)

Senior Management Team

- ☐ Head of School Cowley St Laurence
- ☐ Head of School St. Matthew's
- ☐ Head of School Laurel Lane
- ☐ Head of School St Martins

T Francis
C Richardson
S Voisey
J Tighe

Principal & Registered Office

Worcester Road
Cowley
Uxbridge
UB8 3TH

Company Registration Number

08335073 (England & Wales)

Reference and Administrative Details (continued)

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

Frays Academy Trust

Directors' Report for the year ended 31 August 2016

The Directors present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a members report and a directors' report under company law.

Structure, Governance and Management

Constitution

The Frays Academy Trust (from hereon 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 academy trust. The members of the Trust are 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 Directors 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 2016, 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 Trusts' objectives as set out in the Articles of Association.

Method of Recruitment and Appointment or Election of Directors

The number of Directors 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 Directors as they decide, provided they appoint at least two Directors. The Directors shall appoint one Director who is a member of the clergy in the Church of England.

Policies and Procedures Adopted for the Induction and Training of Directors

The training and induction provided for new governors and directors 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. In house training is also arranged upon request.

All new governors and directors 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. All Governors and Directors have an Induction and access to electronic documents.

Frays Academy Trust

Directors' Report for the year ended 31 August 2016 (continued)

Organisational Structure

See Appendix 4: Organisational Structure for details of our governing structure, how our teaching and learning is led and our management structure.

Arrangements for setting pay and remuneration of key management personnel:

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 and to provide consistency across the Trust. 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 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

Frays Academy Trust

Directors' Report for the year ended 31 August 2016 (continued)

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

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

Frays Academy Trust

Directors' Report for the year ended 31 August 2016 (continued)

- 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 Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit. The Directors 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 non-charging, 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.

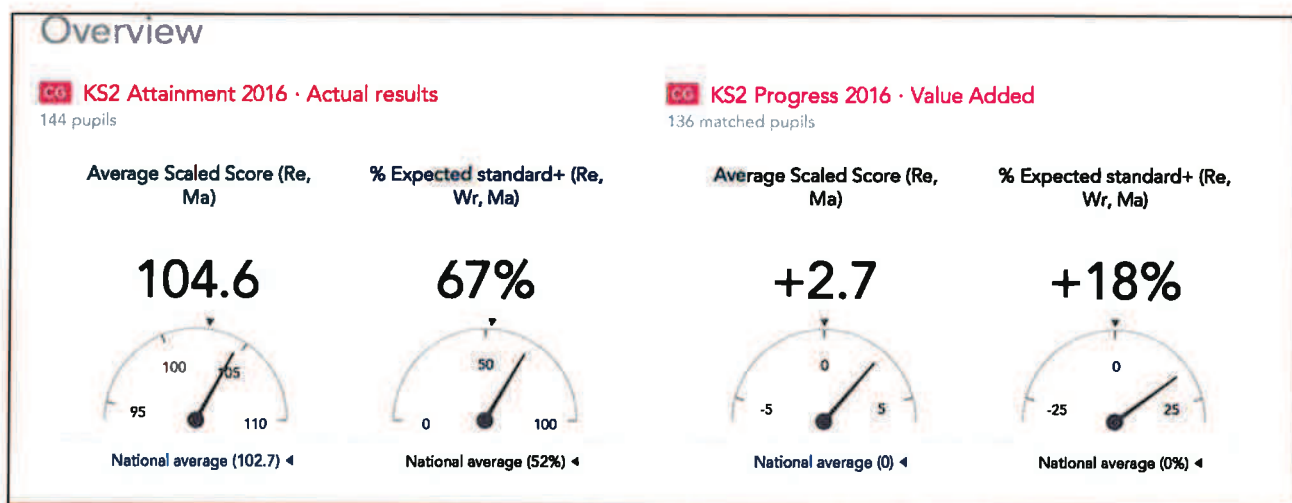
Strategic Report

Achievements and Performance (including key performance indicators)

We are proud of our achievements across the Trust.

Outcomes for all pupils who left Y6 in schools in Frays Academy Trust in July 2016.

The following data takes account of all pupils regardless of school. To provide trends over time and context for the 2016 results, FFT (Fischer Family Trust) has converted pupil results from previous years to the new 2016 DFE performance indicators, taking into account the new higher standard of which we attribute the following data.



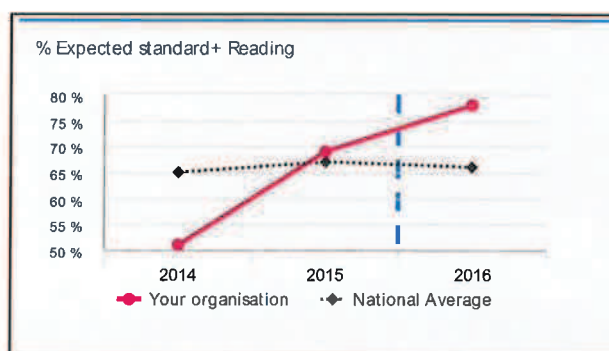
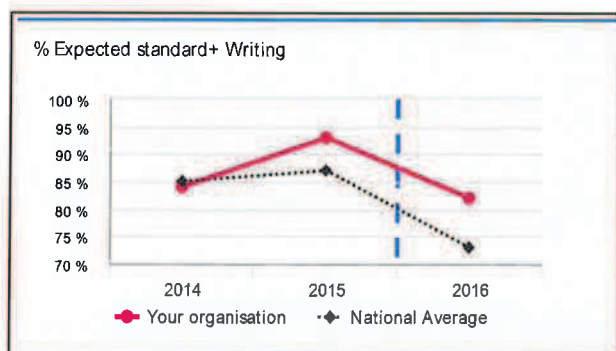
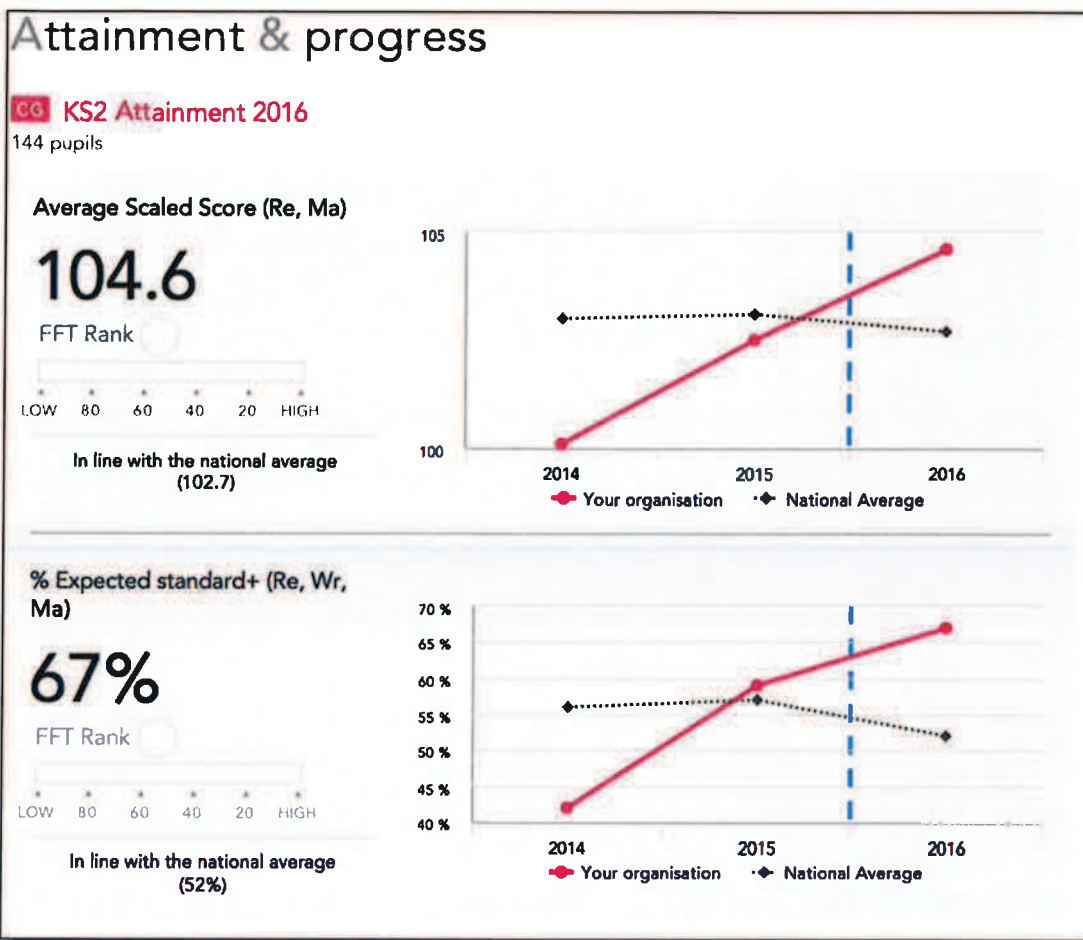
The above demonstrates:

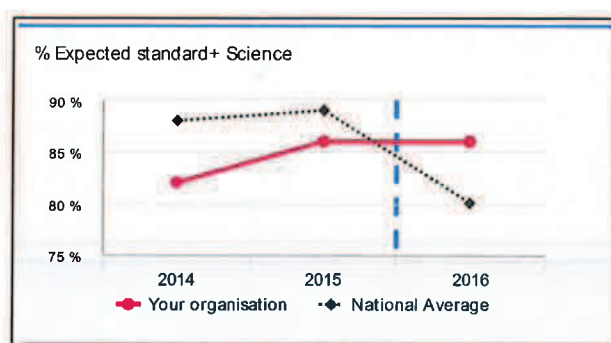
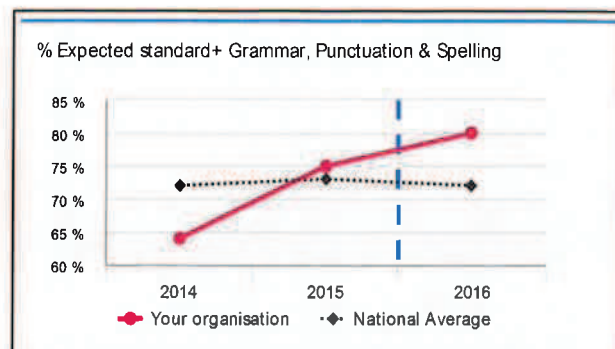
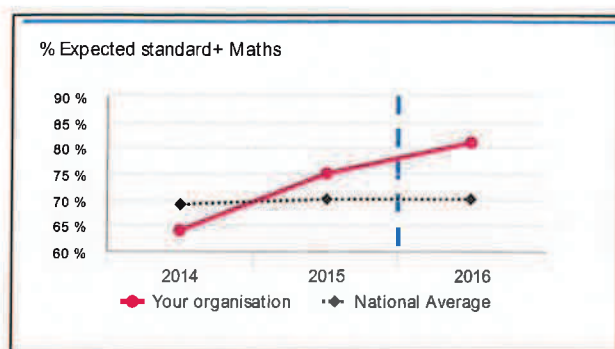
- Average scaled scores across Reading and Maths in the Trust were above the national average
- The % of pupils achieving the expected standard in Reading, Writing and Maths was above the national average in the Trust
- The average scaled scores were 2.7 above what was expected and the % of pupils achieving the expected standard in Reading, Writing and Maths was 18% above expectations. This means that the progress pupils made between Key Stage 1 and Key Stage 2 was above the national average.

Directors' Report for the year ended 31 August 2016 (continued)

Trends

In 2014, attainment at the end of Key Stage 2 was below the national average; in 2016 this was above from an upward trend, as the charts below demonstrate:

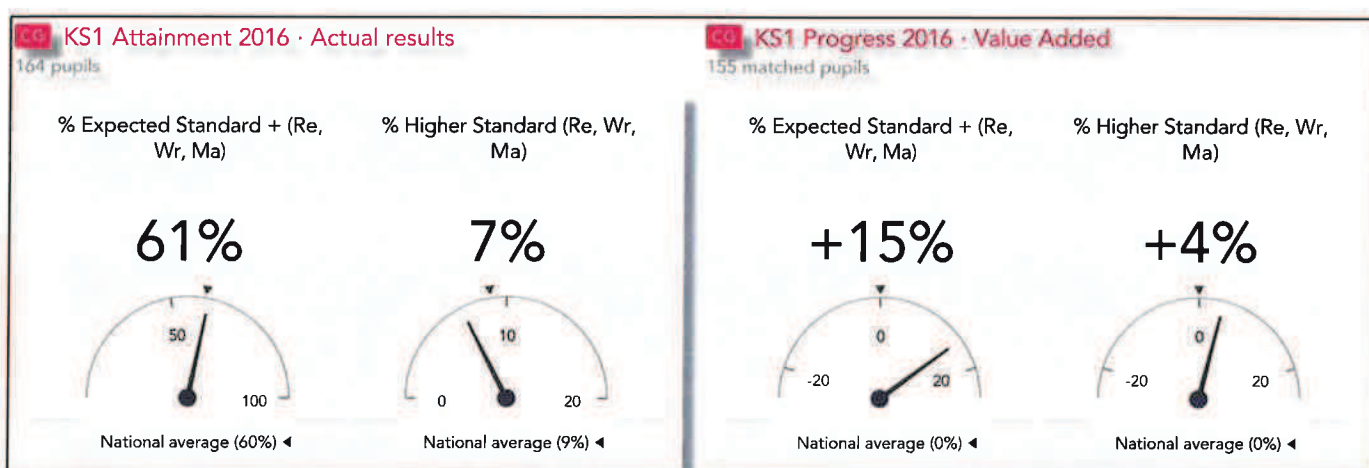




In each of the cases above, attainment has risen above the national average. It is more difficult to compare Writing to previous assessment measures due to the changes in assessment, however, it is still clear that pupils in the Trust achieved above the national average.

Key Stage 1

The following data takes account of all pupils regardless of school. It has not been possible to match this against previous years' data due to the changes in assessment at key stage 1.

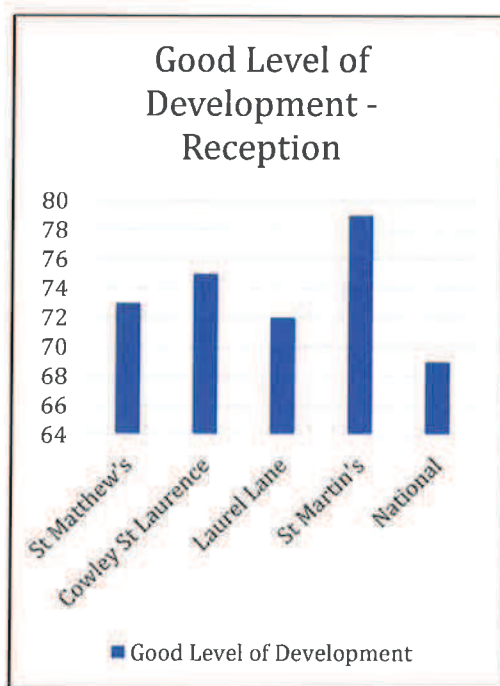
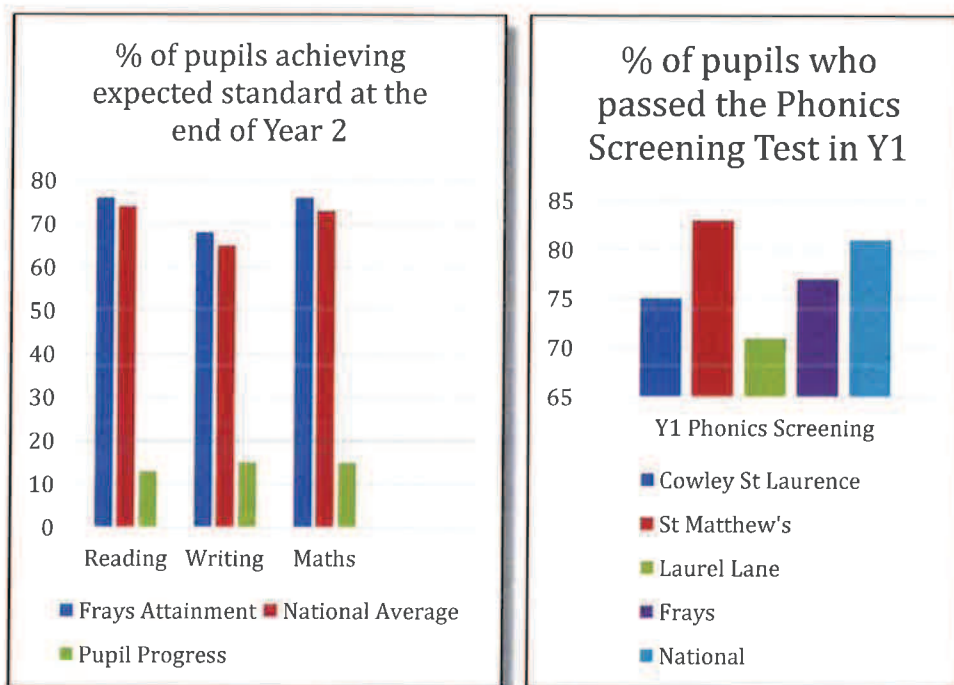


The table above demonstrates:

- The % of pupils achieving the expected standard in Reading, Writing and Maths was above the national average, although the % of pupils achieving the higher standard was below

Directors' Report for the year ended 31 August 2016 (continued)

- The % of pupils achieving the expected standard in all three subjects was 15% above what was expected and 4% above achieving the higher standard. This means that pupils made more progress between Reception and Year 2.



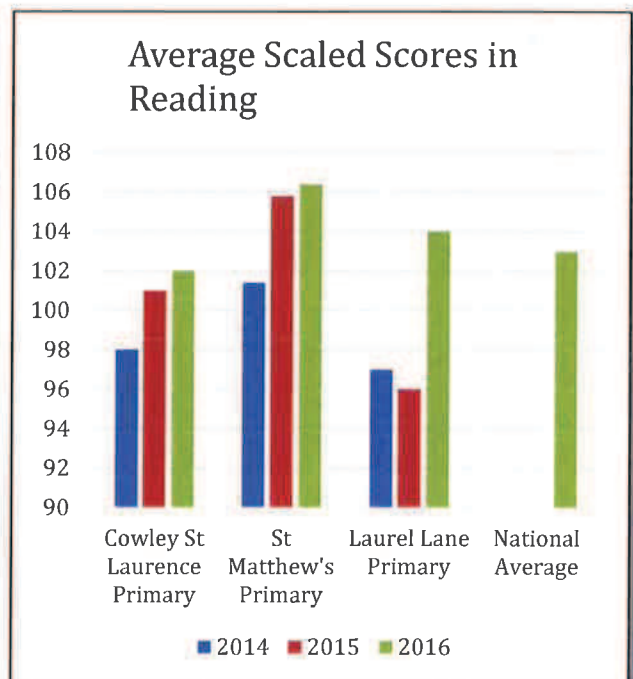
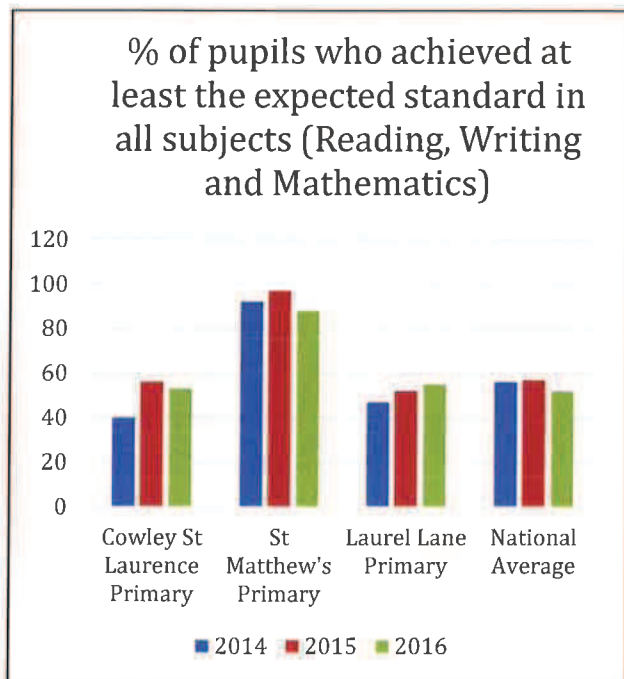
Frays Academy Trust

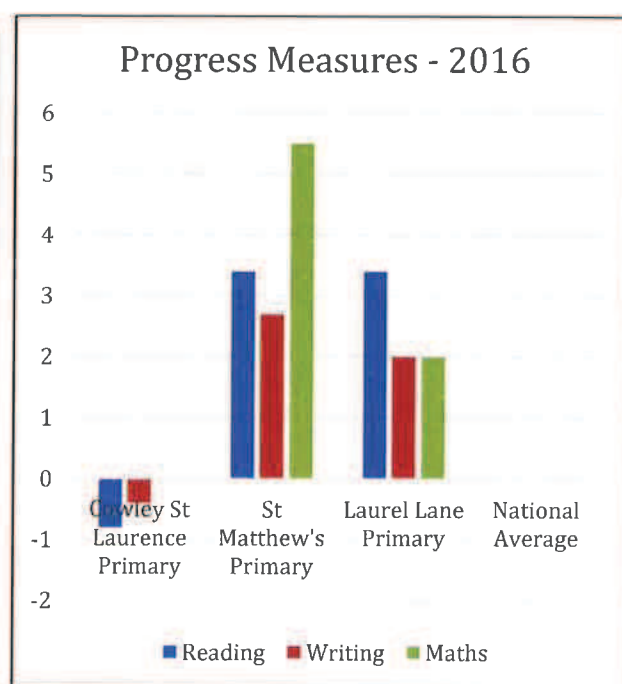
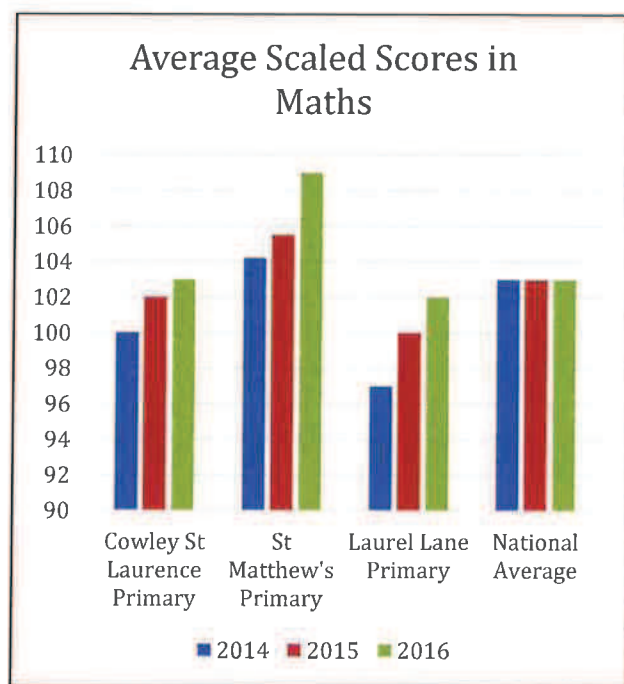
Directors' Report for the year ended 31 August 2016 (continued)

Outcomes had improved in 2016 across each key stage. This had been result of the following:

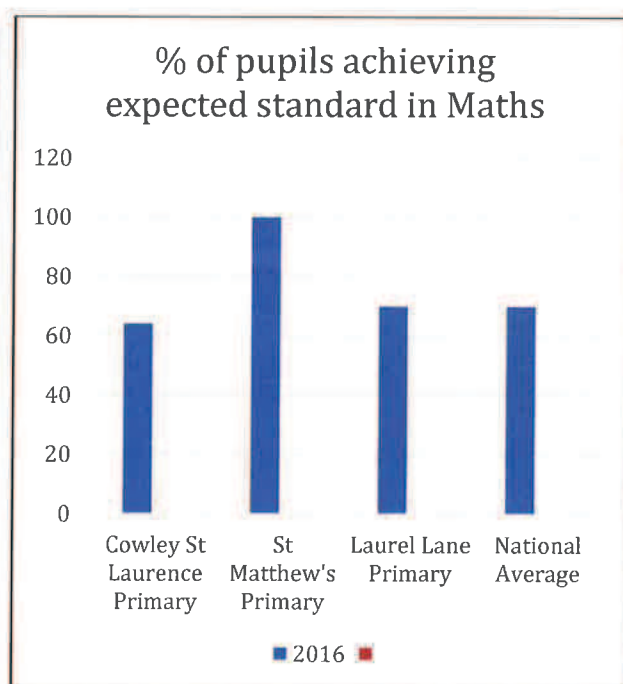
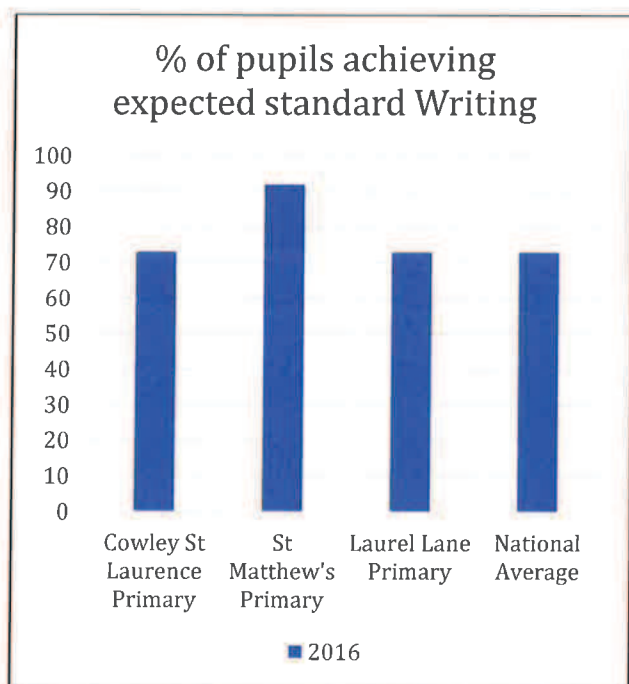
- The achievement of targets identified in Trust's Strategic Plan
- The achievement of targets identified in each School Improvement Plan, which were closely aligned to the Trust's Strategic Plan
- The improvements in quality of teaching and learning across all schools in the Trust
- The Trust's School 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 Appendix 2, Improvement Targets)

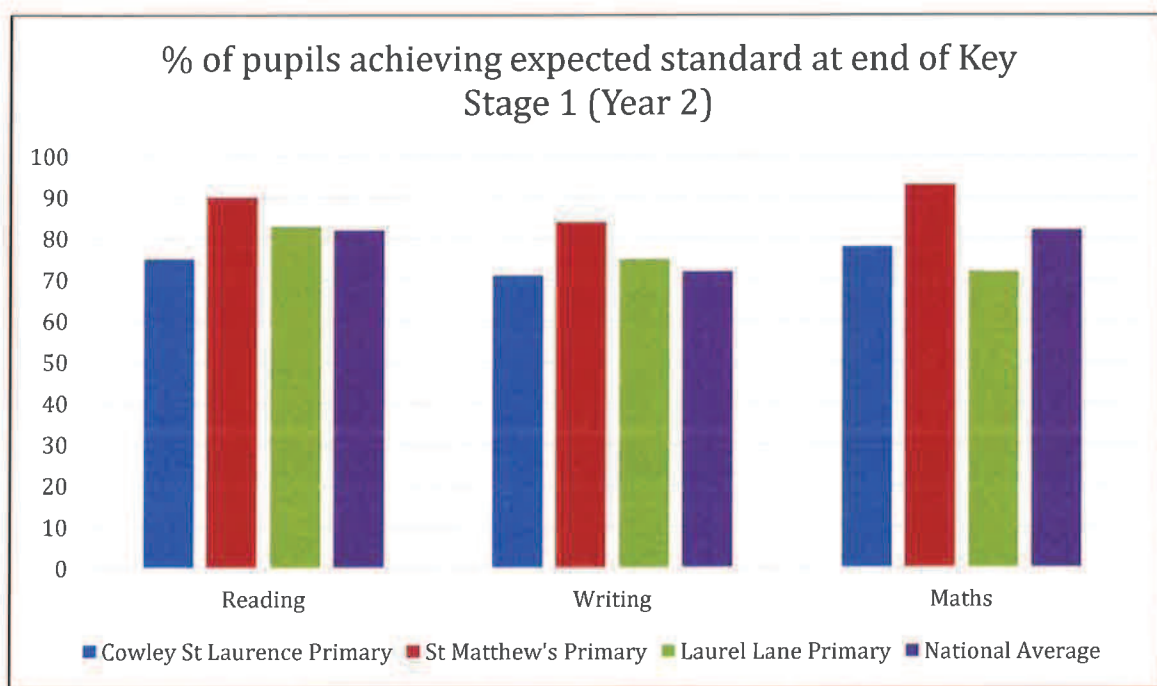
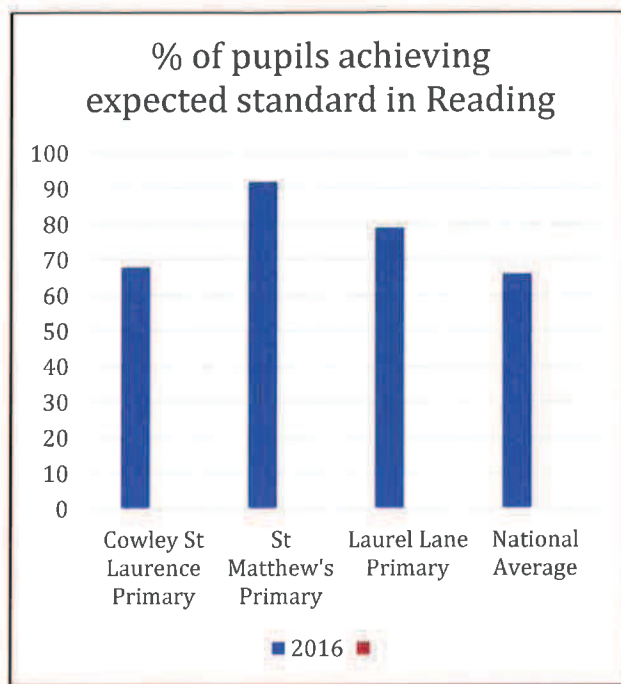
Key Stage 2 (Year 6, who left in July 2016)



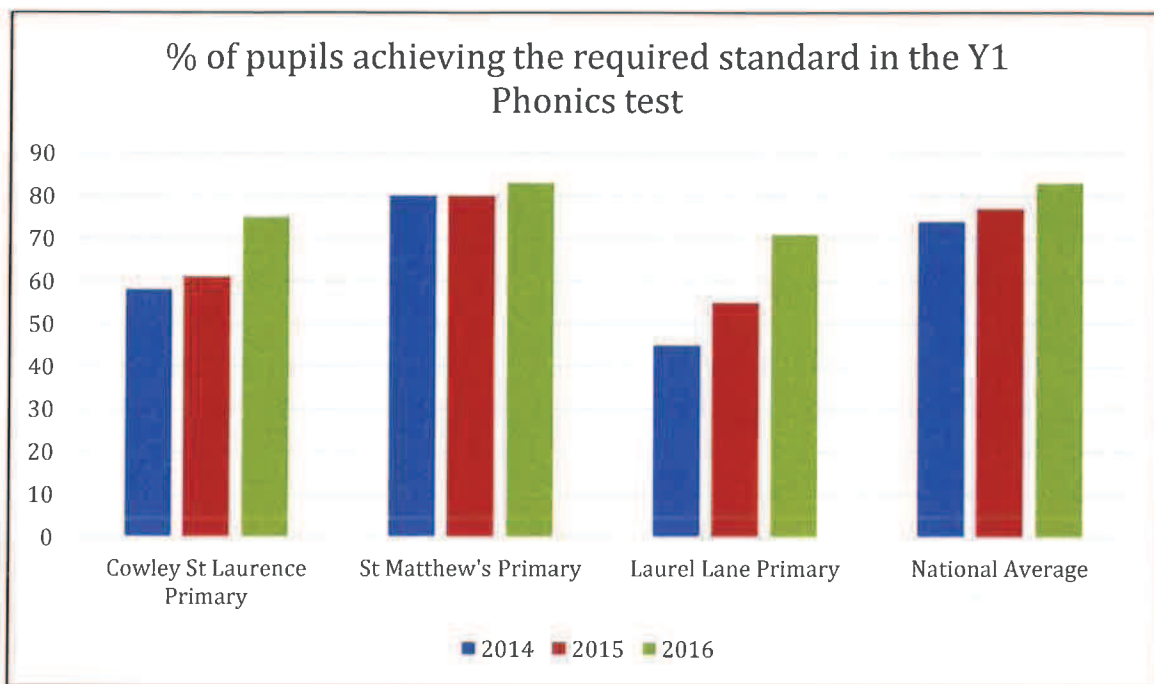


Where the progress is above 0 this is above the national average. The 'Progress Measures' chart demonstrates that progress across all subjects was above the national average.

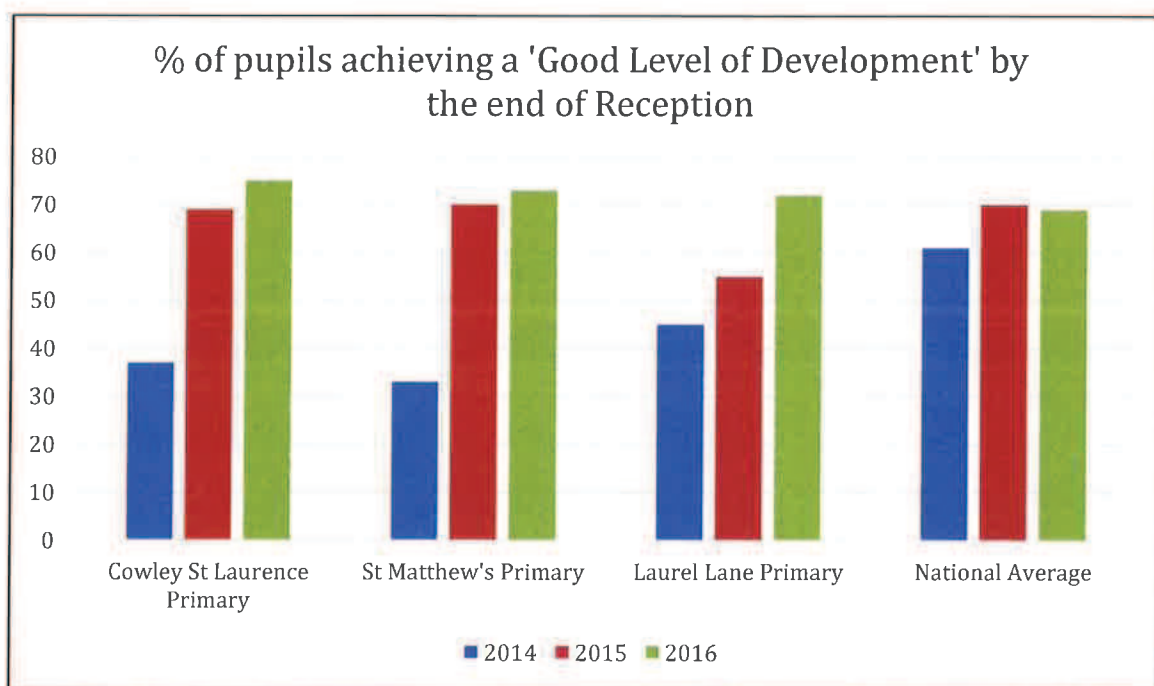




There was an increase in the number of pupils achieving the required standard in the Phonics Screening Test in Y1:



There was also an increase in the number of pupils achieving a 'Good Level of Development' by the end of Reception:



See Appendix 2: Improvement Measures of Academies in the Trust

Frays Academy Trust

Directors' Report for the year ended 31 August 2016 (continued)

Going Concern

After making appropriate enquiries, the board of Directors 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 2016, the total income of the Trust was £17,341k (2015: £8,004k). This 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 Cof E Primary School which opened on 1 September 2015. This has been recognised at best estimate of cost, being £9,305k.

Most of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of grants. The grants received from the DfE and other government bodies during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Principal revenue funding from the EFA amounted to £6,427k (2015: £6,202k) and revenue funding from the London Borough of Hillingdon amounted to £814k (2015: £711k). Other income generated by the Trust amounted to £177k (2015: £153k).

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 EFA. In accordance with the Academies Accounts Direction 2015 to 2016, 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 EFA and the London Borough of Hillingdon amounted to £618k (2015: £938k).

As at 31 August 2016 the Trust had total funds of £12,750k. This comprised £13,796k (2015: £4,830k (restated)) restricted capital fixed assets funds, a restricted pension deficit reserve in respect of the LGPS of (£2,956k) (2015: (£1,764k)), £766k (2015: £883k) of restricted revenue funds and £1,144k (2015: £1,107k) of unrestricted general fund balances.

Financial and Risk Management Objectives and Policies

The Trust monitors financial performance through its governance structure. The Trust Board and sub committee's financial reports are presented termly to each committee.

The Strategic Finance & Resource Manager carries out additional scrutiny of financial data at least three times a term. The Finance & Resources Committees of Local Governing Bodies, Strategic Action & Resources Committee (SARG) meet on a termly basis, which includes 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

Frays Academy Trust

Directors' Report for the year ended 31 August 2016 (continued)

remains 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 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 2016 we had a deficit of £2,956k.

Reserves Policy

The Trust has a reserve policy which sets out a minimum percentage of at least 8% reserves, against GAG income.

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

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

As at 31 August 2016, the Trust's total reserves amounted to £12,750k. Of this, £13,796k 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 £2,956k representing the LGPS defined benefit pension fund deficit which is met over the long term through our contributions as specified by the actuary. This leaves the Trust with free reserves of £1,910k of which £766k is restricted funds and £1,144k 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 three years
- a contingency of 2-3 months of operational expenditure

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

Investment 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 intends to consider 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 is approved and monitored by the Audit Committee and by the Strategic Action & Resources Committee (SARG). The register is also actively

Frays Academy Trust

Directors' Report for the year ended 31 August 2016 (continued)

monitored on a regular and frequent basis in individual academies by their respective Senior Leadership Teams.

The Trust reports that the financial and internal controls conform to guidelines issued by the Education Funding Agency (EFA) and that improvement 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.
- Material decrease in income affecting provision. The budget 2016-17 is sound and the long term financial plan shows an adequate level of reserves. The Trust's 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.

Plans for Future Periods

High quality teaching

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

Develop Leadership

- Provide high quality professional development for leaders of learning

Narrowing the Attainment Gap

- 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
- Develop the two year old provision at Laurel Lane known as 'The Pond'

Christian Distinctiveness

- Improve the Christian distinctiveness of schools in the Trust.

Attendance

- Improve attendance across all schools in the Trust

Governance

- Improve Governance across the Trust and at all levels

Trust Values

- Ensure that values are embedded in all policies, especially appraisal and performance management
- Ensure that there is visual representation of values in all schools

Frays Academy Trust

Directors' Report for the year ended 31 August 2016 (continued)

School Improvement Strategy

- Revise Frays School Improvement strategy to make use of the skills, expertise and successful practice across the schools in the trust.

Marketing and Communication

- Improve communication between the Trust, the schools and the community at all levels and to ensure that the Trust schools are number one choice in the area for parents

Trust Central Support Functions

- Improve administrative support for schools

Health and Safety

- Ensure that the safety of pupils in the schools is given highest priority.

Auditor

In so far as the Directors are aware:

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

The Directors' Report, incorporating a strategic report, was approved by order of the board of Directors, as the company directors, on 14 December 2016 and signed on the board's behalf by:



A Whitlam

Chair of Directors

Frays Academy Trust

Governance Statement

Scope of Responsibility

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

The board of Directors 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 Frays Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' Responsibilities. The board of Directors has formally met 6 times during the year. Attendance during the year at meetings of the board of Directors was as follows:

Directors	Meetings attended	Out of a possible
A Whitlam (Chair)	6	6
I Woolf	5	6
R Young	4	6
C Cole (Chief Executive and accounting officer)	6	6
C Allen	6	6
J Duncan	5	6
R Hughes	6	6
K Buckler (appointed 18 th July 2016)	1	1
<u>Attending Officer</u>		
R Ahmad (Strategic Finance & Resources Manager)	5	6

The **Strategic Action & Resources Committee** is a sub-committee of the main board of Directors; Its members are drawn from the Board of Directors and representatives of Local Governing Body committees.

Its purpose is to:

- Monitor Finance at a strategic level
- Add value for money
- Business planning, which includes 5 year estate management
- All regulatory matters

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

Frays Academy Trust

Governance Statement (continued)

<u>Attending Officers</u>	4	5
	5	5
R Ahmad (Strategic Finance & Resources Manager)	5	5
C Mosdell (Clerk to committee)	5	5
C Richardson	4	5
S Voisey	4	5
J Tighe		
T Francis		

The **Audit committee** is also a sub-committee of the main board of Directors.

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>The Audit Committee comprises of :</u>		
A Brett (Chair of Audit)	4	4
R Antcliffe (Co- opted Member – resigned Feb 2016)	2	2
I Woolf (Director)	4	4
<u>Attendees</u>		
C Cole (Accounting Officer/CEO)	4	4
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 it's resources has provided good value for money during each academic year, and reports to the board of Directors where value for money can be improved, including the use of benchmarking data where possible. The accounting officer for the academy trust has delivered improved value for money during the year by:-

- Ensuring the Academies work together for the benefit of the children. 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.
- 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 establish consortiums. Large building works are placed via the Academies consultants who may be part of the London Diocesan Board of Schools who apply Best Value principles within a safe legal framework.

Frays Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Directors have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Directors are of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Strategic Action & Resource's 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 Directors;

- 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 Directors have considered the need for a specific internal audit function and has decided to not to appoint an internal auditor. However, the directors 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 academy trust's financial systems. All the academies within the Trust have been inspected by the auditor and reports to the Directors on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

Frays Academy Trust

Governance Statement (continued)

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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Directors on 14th December 2016 and signed on its behalf by:



Mrs A Whitlam

Chair of Directors



Mr C Cole

Accounting Officer

Frays Academy Trust

Statement of Regularity, Propriety and Compliance

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

I confirm that I and the Directors 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 2015.

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



Mr C Cole

Accounting Officer

Frays Academy Trust

Statement of Directors' Responsibilities

The Directors (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 Directors' 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make 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 Directors 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 Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Directors 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 Directors on ^{14th} December 2016 and signed on its behalf by:



A Whitlam
Chair of Directors

Appendix 1: Improvement Measures of in 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

The school set the following targets for the school improvement plan:

Ensuring children achieve better by:

- Monitoring the progress of all groups of children and individuals closely to ensure all potential is met
- Ensuring that children with a Special Educational Need or Disability progress and learn as well as their peers
- Focus on improving children's writing, giving them skills for the future.

Impact:

- Pupils with a Special Educational Need who left the school in Y6 in July 2015 made significant more progress than pupils from the Y6 cohort who left in 2014. This higher achievement was more significant in Writing. The improvements were seen in other year groups in the school where the attainment gap between their peers is narrowing. However, this is not yet a consistent picture across the school as there are some year groups where the attainment gap is not yet narrowing.
- Writing at the end of Y6 was inline with national averages. The progress that pupils made in Writing was above the national averages.

Improving teaching and learning by:

- Supporting and encouraging even more good teachers to become outstanding

Impact:

- As a result of the improvements in teaching and learning, teaching was far more consistently good by the end of the summer term 2015 than it had been before. Not enough teaching is yet outstanding.

Improving behaviour and safety by:

- Sharing our behavior successes with parents and the community
- Continuing to improve pupil's attendance across the school

Impact:

- A SIAMS Section 48 inspection report in November 2014 recognised:
'The school places great emphasis on the well-being of its pupils, providing them with a supportive and inclusive environment within which they can flourish and grow'.
- Attendance is continuing to improve in the school and has risen to 95.07% from 94.63% from the previous year

Improving leadership and management by:

- Further developing skills to assess progress in children's books
- Improving the way we track and assess children's learning in Religious Education

Impact:

- Pupils made better progress across the school in 2014-15 as a result of the support that teachers received from leaders
- New leaders are in place and already supporting teachers to help improve their practice
- Strategies for improving assessment in Religious Education are too early to show an impact

St Matthew's CE Primary School

Ensuring children make better progress:

- To raise the achievement of Reading across the school
- To reduce the attainment gap of FSM and SEN pupils
- To raise the achievement of pupils in Mathematics in Key Stage Two

Impact:

- The progress that pupils made in Reading at the end of Y6 was higher in 2015 than it was in 2014
- Pupils with a Special Educational Need and those pupils who are entitled to Free School Meals achieved at least in line with all pupils nationally
- The progress that pupils made in Mathematics at the end of Y6 was higher in 2015 than it was in 2014

Improving Teaching and Learning

- To develop a greater proportion of teachers graded as 'outstanding'
- To improve the presentation of pupils' work throughout the school
- To improve the teaching of spelling

Impact:

- As a result of the professional development offered in the school, a significant proportion of teaching and learning was judged to be outstanding, with none that was less than good
- Achievement data across the school was judged as outstanding across the school in 2014-15

Improving Leadership and Management

- To ensure succession planning is in place for Leadership roles

Impact:

- New senior leaders have been inducted into new roles and are already making a significant impact on the quality of teaching and learning

Laurel Lane Primary School

Ensuring our children make better progress:

- To raise the achievement of Reading across the school
- To ensure pupils on the Free School Meals and Special Educational Needs and Disability registers make as much progress as their peers
- To raise the achievement of pupils in Mathematics in Key Stage Two

Impact:

- The % of pupils achieving a L4+ at the end of key stage 2 improved in 2015 from 60% to 78%
- Pupils made progress at least in line with the national averages for expected progress and more than expected progress
- Pupils on the Free School Meals and Special Educational Needs and Disability registers made less progress than their peers at the end of Y6 in 2015. This is area for improvement in 2015-16
- Some improvements were made in the achievement of Mathematics at the end of Key Stage 2 but these were not sufficient enough to enable pupils to make good progress and to reach national expectations.

Improving Teaching and Learning

- Supporting and encouraging even more good teachers to become outstanding
- To improve the presentation of pupils' work throughout the school
- To improve the teaching of spelling

Impact

- A greater proportion of teaching and learning was judged good by July 2015 and with a small increase in the amount of outstanding teaching
- Presentation of pupils' work had improved since July 2014 but this is still an area for development
- The teaching of spelling remains an area for development

Improving Leadership and Management

- To improve the skills and abilities of current leaders to take on new leadership opportunities within the school

Impact

- The leadership capacity of the school has grown and the new leaders are beginning to make a positive impact on teaching and learning.

The Trust's Strategic Plan for 2015-16 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 2015-16

Strand 1: High Quality Teaching

Quality of teaching and learning is stronger across the Trust and this has been reflected in the positive outcomes at the end of each key stage.

Both the Improving Teacher Programme and the Outstanding Teaching Programme made a significant impact on the quality of teaching and learning across the Trust, securing at least good teaching across our schools in 2015-16.

Strand 1.2: Leadership for Learning

Leaders across the Trust have made a significant impact on the quality of teaching and learning. Several different leadership development projects have made a direct impact on quality of teaching and learning and the capacity across the Trust to make further improvements. These include:

- The 'Leaders of Learning' project
- The 1:1 support for individual teachers
- Support from an assigned consultant to develop individual leaders
- Eight leaders across the Trust successfully completed the National Professional Qualification for Middle Leaders
- Appointment of three new leaders within the year to schools in the Trust

Strand 2: Personal Development and Well-Being

The key aspect of this strand was to close the gap between vulnerable pupils and their peers.

Evaluation:

- Pupils entitled to the Pupil Premium Grant made similar progress to their peers and above the national average
- Pupils entitled to Free School Meals made better progress than their peers and the attainment gap narrowed
- SEND pupils made progress above the national average
- All significant groups of pupils made progress above the national average

Spiritual Development

Governors took part in a learning walks at Cowley St Laurence and St Matthew's Primary School. Overall, the Christian Distinctiveness is strong in both schools, supported well by collective worship.

Strand 3: Early Years as 'Centres of Excellence'

Outcomes for Early Years in the Trust were the strongest they have been since the Trust began with 76% of pupils reaching a 'Good Level of Development' in all schools in the Trust. This is above the national average for 2016. All cohorts of pupils have made better than expected progress. The improved outcomes were particularly due to the improvements in the quality of teaching and learning.

Strand 4: Excellence in Arts and Creativity

Exland Music is now responsible for overseeing the development of music in the Trust. Pupils are being taught Music by Exland from Reception to Year 6 (Nursery as well in one school). From

September, a range of musical instruments will be taught as part of whole class teaching, including: Ukelele, Guitar, brass and world instruments. Music awareness and appreciation will be included within the class provision. Three schools in the Trust took part in a local community concert.

Strand 5: Excellence in Sports

A number of Trust-wide inter-school activities took place across the year, including Tag Rugby for all Y5 pupils and a Y2 Olympics. Cowley St Laurence came 2nd in the local District Sports event, gaining a silver award and St Matthew's was 2nd in the league table for Football.

Strand 6: Strong partnership between schools

The Trust now has a well established system for moderating assessment judgements and quality of teaching and learning in each school as below:

- The Trust's Literacy Team are responsible for moderating judgements in each school in Reading and Writing
- The Trust's Maths Team are responsible for moderating judgement in each school in Maths
- Each member of the Maths and Literacy Team are chaired by a Head of School from the Heads Executive Board
- The Heads Executive Board receive reports from each of the Teams
- Inclusion Managers across the Trust cross-moderate in schools to evaluate the quality of provisions
- The Trust's Early Years Strategic Lead is responsible for moderating of Early Years judgements
- A focused programme of professional development is in place both for staff at team and whole staff level

Strand 7: Strong links with the community to create community cohesion

Each school now has an active Parent Council.

Strand 8: Governance

A programme of training for all Governors took place across the academic year. This included:

- RAISEonline
- Safeguarding and the Prevent Duty
- Curriculum development

The Trust recruited a number of new Governors to local governing bodies as well as a Director for the Board of Directors. In addition, the Trust appointed the Royal Borough of Windsor and Maidenhead to provide governor support through a service level agreement. In addition to the training that they have provided, the governor support service has also led to self-reviews of local governing bodies to improve their effectiveness.

Strand 9: Marketing

The Trust made improvements to its marketing campaign. Whilst this is too earlier to evaluate, there have been some successes in recruiting 23 pupils for the new two-year-old provision.

Strand 10: St Martin's School – Specialist Resource Provision

Through the year, preparations put into place to open a Specialist Resource Provision for pupils with Autistic Spectrum Disorders (complex). The provision opened in September 2016 with two pupils.

Appendix 2: Improvement Targets for 2016/17

Effectiveness of School Improvement – School Targets 2016/17

As well as the targets set through the Trust's Strategic Plan, the Board of Directors set individual school targets for the local governing bodies to monitor and report on, as detailed below.

St Matthew's Primary School

1. Improve teaching and learning so that it is never less than good and a high proportion is outstanding

There is clear evidence to demonstrate that teaching and learning is outstanding in the school over time; this judgement has been supported by the School Improvement Partner. This reflects well alongside outcomes for pupils.

2. To improve the induction and development of all staff in the school to establish high expectations

The effective approach to professional development has meant that all four new staff are at least good.

3. To develop leadership skills and capacity for further improvement

Leaders have developed well over the year and the senior leadership team. This has also had a very positive impact on teaching and learning.

4. To improve the quality of teaching and the curriculum in key stage 1 to ensure that pupils make rapid and sustained progress

Achievement is good across Key Stage 1 but not yet as strong in Key Stage 2. Although two teachers were judged as outstanding in January, the improvements in the quality of teaching have yet to impact overall outcomes.

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

- On average, pupils made an additional 5 steps progress over and above what is expected (this equates to 2.5 terms), with some areas in Personal, Social and Emotional as an additional year of progress. This would suggest that outcomes for pupils are outstanding
- 73% of pupils achieved a Good Level of Development
- Teaching and learning is strong

6. To improve provision in PE & Sports

Evidence demonstrates from sporting evidences that provision is much improved.

Cowley St Laurence Primary School

1. To raise attainment in core subjects in line with national expectations

At the end of each key stage, pupils performed inline both in terms of attainment and progress, with the national average.

2. To develop leadership skills and capacity for further improvement

A recent external report commented that 'Leaders of Learning' project has had a good impact and that teaching was observed to be good in every class.

Progress across the school this year has been stronger than in previous years and the amount of outstanding teaching that has been observed has already increased.

3. To improve the professional development of staff to improve the quality of teaching and learning

Quality of teaching and learning has improved since the beginning of the year as a result of the professional development put in place.

4. To narrow the attainment gap between advantaged and disadvantaged pupils

The strategy to narrow the attainment gap in the school was more successful in Key Stage 1 and Year 3. This was not as effective in upper key stage 2, where the attainment between pupils with Special Educational Needs and Disabilities and their peers remains similar to last year.

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

- Quality of teaching and learning has improved across the year and is now strong
- Current Reception pupils have made very strong progress across the two years in the Early Years and gaps are closing between disadvantaged pupils and their peers.

Laurel Lane Primary School

1. To improve the achievement of Mathematics

Pupils at the end of Y6 attained in line with the national averages, with pupils making significantly more than expected progress from their starting points in Y2. In six out of eight year groups, pupils are on track to meet national expectations. This is a significant improvement on the previous year.

2. To improve the quality of teaching so that it is consistently good

The quality of teaching and learning has improved across the year and evidence in books demonstrates that progress is now much stronger and more consistent. This would match with the improve outcomes at the end of each key stage.

3. To develop leadership skills and capacity for further improvement

Leaders now have a clearer sense of what is going well in the school and what needs to improve. They are beginning to manage priorities more carefully and are making a more significant improvement on the quality of teaching and learning.

4. To improve attendance

- Whilst attendance remains below the national average, the full time attendance officer is beginning to make a positive impact
- Strategies for getting pupils to school on time is beginning to make a positive impact
- Monitoring of attendance has improved during the year as a result of professional development from the Trust

St Martin's Primary School

1. To ensure that the pupils meet national expectations

On average and across the 12 areas of learning that combine to make a good level of development, pupils have an additional term of progress since their time in Reception. Attainment figures put St Martin's above national averages for 2016 national averages.

2. To ensure that teaching is outstanding and never less than good

Teaching was judged to be strong in the school, with a high proportion outstanding.

3. To establish high expectations of behaviour of pupils through the implementation of school policies

Pupils in the school are always engaged in activities. They understand how to make choices and to respond and work with other children. There is always a calm yet vibrant feeling in the setting. Pupils are keen to do well to achieve.

4. Develop managers in their roles to ensure that the management systems in the school run smoothly

The senior leadership team is making a positive impact on quality of teaching and learning and the school is running smoothly. The school engages well parents and the community by putting a number of events which encourages parent participation.

5. To implement the Trust's Spiritual Development Policy

The school is beginning to strong Christian distinctive elements through collective worship, partnership with the local parish, values and resources.

6. To develop effective provision for the SRP

Teaching and support staff were recruited to open the provision in readiness for September with a clear leadership structure to ensure that the curriculum meets the needs of the learners.

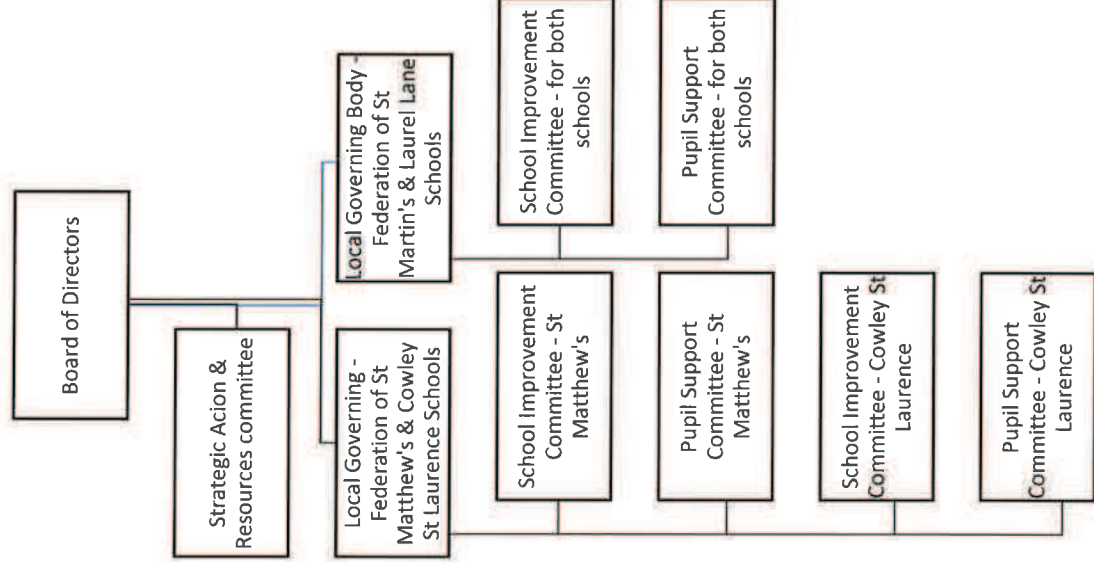
Appendix 3: Safeguarding

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:

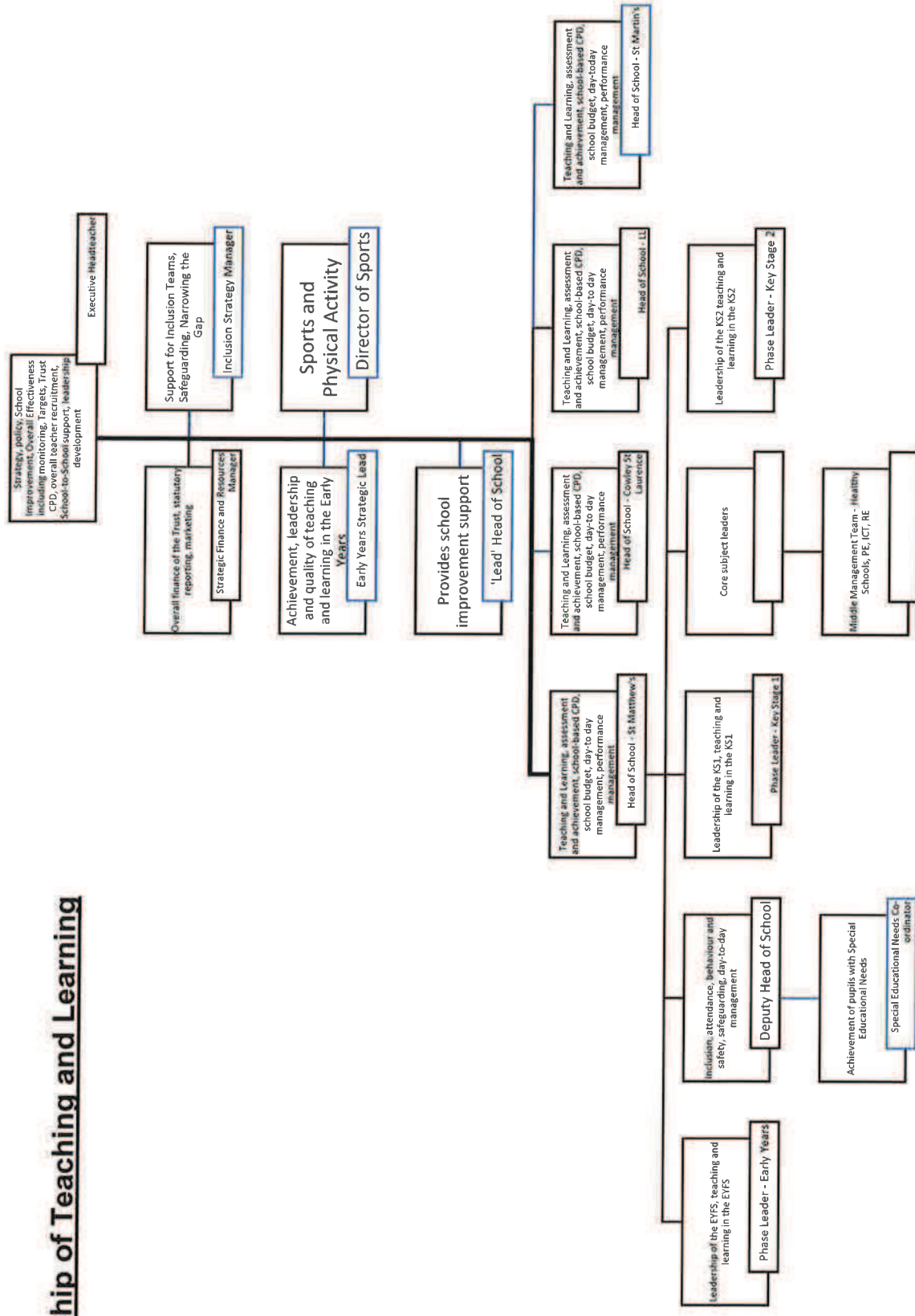
- Safeguarding Policy has been revised to take account of the changes introduced
- All Governors in the Trust have completed training on the Prevent Duty
- All Governors have signed to state they have read part one of the 'Keeping Children Safe in Education' 2016 statutory guidance.
- Each school's Single Central Record has been updated to reflect best practice
- 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.

Appendix 4: Organisational Structure

Governance Arrangements

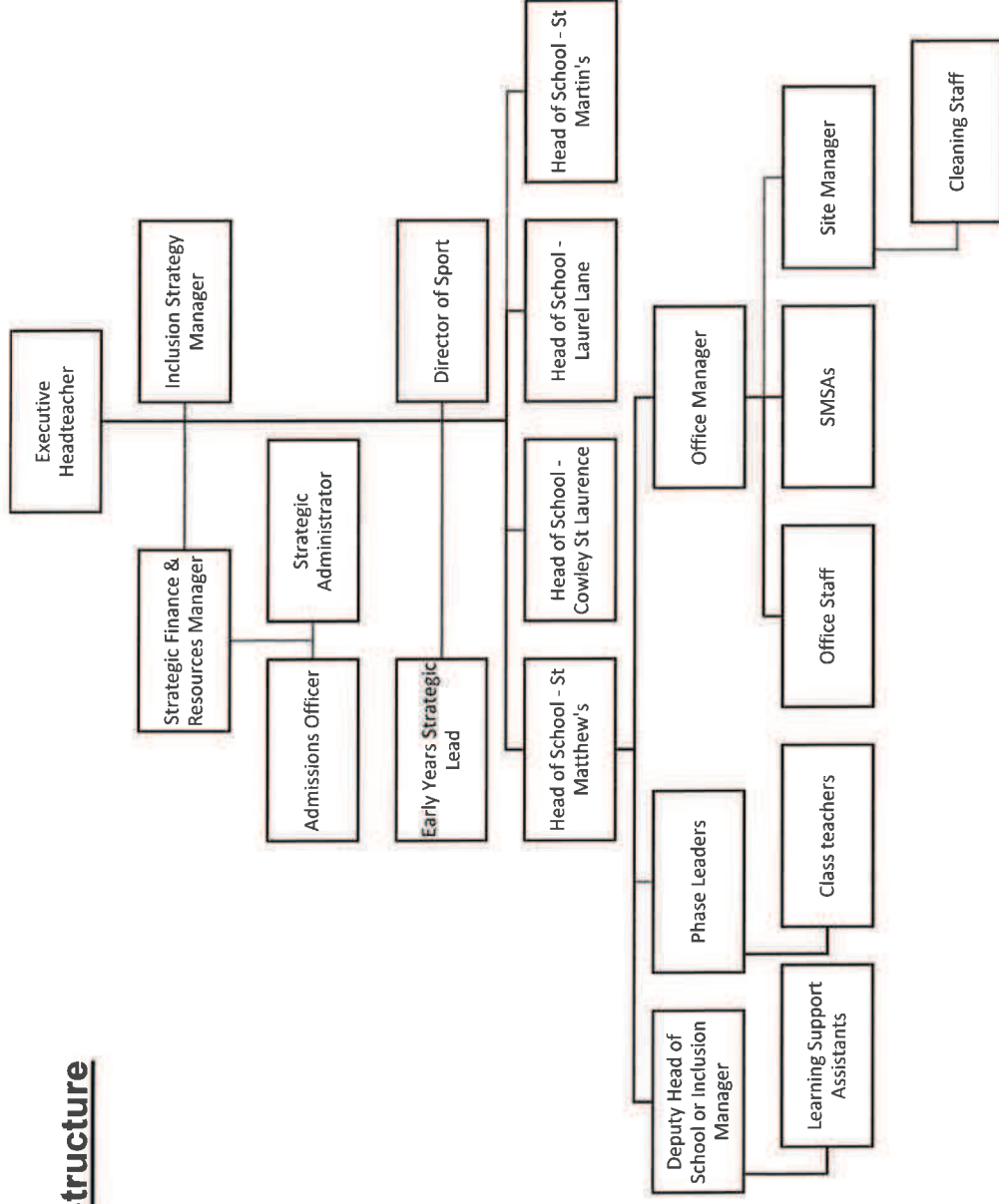


Leadership of Teaching and Learning



Please note that each academy in the Trust has a similar structure to support and improve teaching and learning, apart from in St Martin's, an academy which is still in its early years of opening, with only 5 classes total.

Management Structure



Please note that there are some variations to this in each academy. St Martin's has a much smaller structure based on the smaller number of pupils.

LDBS Frays Academy Trust

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

We have audited the financial statements of LDBS Frays Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 (FRS 102).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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.

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

LDBS Frays Academy Trust

Independent Auditor's Report on the Financial Statements to the members of LDBS Frays Academy Trust (continued)

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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.

Kingston Smith LLP

Date: 15 December 2016

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

LDBS Frays Academy Trust

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

In accordance with the terms of our engagement letter dated 16 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LDBS Frays Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to LDBS Frays Academy Trust and the EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than LDBS Frays Academy Trust and the EFA, 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry
- Inspection and review
- Observation and reperformance

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

Conclusion

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

Kingston Smith LLP

Date: 15 December 2016

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

LDBS Frays Academy Trust

Statement of Financial Activities

For the year ended 31 August 2016

(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 2016 £000	Restated Total 2015 £000
Income and endowments from:						
Donations and capital grants	2	9	-	9,923	9,932	959
Charitable activities:						
Funding for the academy trust's educational operations	3	-	7,381	-	7,381	7,015
Other trading activities	4	25	-	-	25	28
Investment income	5	3	-	-	3	2
Total		37	7,381	9,923	17,341	8,004
Expenditure on:						
Raising funds		-	-	-	-	15
Charitable activities:						
Academy trust educational operations	7	-	7,417	1,081	8,498	7,335
Total	6	-	7,417	1,081	8,498	7,350
Net income/ (expenditure)		37	(36)	8,842	8,843	654
Transfers between funds	15	-	(124)	124	-	-
Other recognised (losses)/gains:						
Actuarial (losses)/gains on defined benefit pension schemes	15, 25	-	(1,149)	-	(1,149)	4
Net movement in funds		37	(1,309)	8,966	7,694	658
Reconciliation of funds						
Total funds brought forward at 1 September 2015	15	1,107	(881)	4,830	5,056	7,640
Prior year adjustment	27	-	-	-	-	(3,242)
Total funds carried forward at 31 August 2016		1,144	(2,190)	13,796	12,750	5,056

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

LDBS Frays Academy Trust

Balance Sheet

As at 31 August 2016

	Notes	2016 £000	2016 £000	2015 £000	Restated 2015 £000
Fixed assets					
Tangible assets	12		13,513		4,241
Current assets					
Debtors	13	319		890	
Cash at bank and in hand		2,700		2,488	
		3,019		3,178	
Liabilities					
Creditors : amounts falling due within one year	14	(826)		(599)	
Net current assets			2,193		2,579
Total assets less current liabilities			15,706		6,820
Net assets excluding pension liability			15,706		6,820
Pension scheme liability	25		(2,956)		(1,764)
Total net assets			12,750		5,056
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	13,796		4,830	
General fund	15	766		883	
Pension reserve	15	(2,956)		(1,764)	
Total restricted funds			11,606		3,949
Total unrestricted funds	15		1,144		1,107
Total funds			12,750		5,056

The financial statements on pages 35 to 50 were approved by the trustees, and authorised for issue on 14th December 2016 and are signed on their behalf by:

Anne Whitlam

Mrs A. Whitlam

Chair of trustees

Company registration no: 08335073

LDBS Frays Academy Trust

Statement of Cash Flows

For the year ended 31 August 2016

		2016 £000	Restated 2015 £000
	Notes		
Cash flows from operating activities			
Net cash provided by operating activities	19	9,523	197
Cash flows from investing activities	20	(9,311)	301
Cash flows from financing activities	21	-	-
Change in cash and cash equivalents in the reporting period	22	<u>212</u>	<u>498</u>
Cash and cash equivalents at 1 September 2015		2,488	1,990
Cash and cash equivalents at 31 August 2016		<u>2,700</u>	<u>2,488</u>

LDBS Frays Academy Trust

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

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

First time adoption of FRS 102

These financial statements are the first financial statements of LDBS Frays Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of LDBS Frays Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

Donations

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

Other Income

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

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

1 Statement of Accounting Policies (continued)

Donated Goods, Facilities and Services

The value of donated services and gifts in kind provided to the academy trust are recognised at fair value in the period in which they are receivable as incoming resources, where the benefit to the academy 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 academy trust's accounting policies.

Donated fixed assets

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.

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 academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

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

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

1 Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of 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 academy trust at the discretion of the trustees.

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

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

Church Academy

The academy 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. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The academy trust occupies the land and buildings under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church'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 academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company 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.

Critical accounting estimates and assumptions

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

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 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Restated Total 2015 £000
Capital grants	-	618	618	938
Donated fixed assets	-	9,305	9,305	-
Other donations	9	-	9	21
	<u>9</u>	<u>9,923</u>	<u>9,932</u>	<u>959</u>
2015 total	<u>21</u>	<u>938</u>	<u>959</u>	

3 Funding for the Academy Trust's educational operations

	Total 2016 £000	Total 2015 £000
Restricted funds		
DfE / EFA grants	5,755	5,512
General Annual Grant (GAG)	-	25
Start Up Grants	672	665
Other DfE/EFA grants	<u>6,427</u>	<u>6,202</u>
Other Government grants	814	711
Local authority grants	<u>814</u>	<u>711</u>
Other income from the academy trust's education operations	140	102
	<u>7,381</u>	<u>7,015</u>

4 Other trading activities

	Total 2016 £000	Total 2015 £000
Unrestricted Funds		
Hire of facilities	20	12
Other income	5	16
	<u>25</u>	<u>28</u>

5 Investment income

	Total 2016 £000	Total 2015 £000
Unrestricted Funds		
Interest on short term deposits	3	2
	<u>3</u>	<u>2</u>

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2016 £000	Restated Total 2015 £000
Expenditure on raising funds	-	-	-	-	15
Academy's educational operations					
Direct costs	4,990	-	362	5,352	4,565
Allocated support costs	810	1,641	695	3,146	2,770
	<u>5,800</u>	<u>1,641</u>	<u>1,057</u>	<u>8,498</u>	<u>7,335</u>
2015 total (restated)	<u>5,047</u>	<u>1,205</u>	<u>1,098</u>	<u>7,350</u>	<u>7,350</u>

Net income/(expenditure) for the period includes:

	2016 £000	Restated 2015 £000
Operating lease rentals	15	14
Depreciation	660	442
Fees payable to auditor:		
Audit		
Audit of the financial statements	12	10
Audit fees in respect of prior years	-	4
Non-audit services:		
Accountancy	3	4
Non-statutory audit and assurance work	6	4
March 2015 comparison audit	-	12
Other accountancy and advisory work	3	5

7 Charitable activities

	Total 2016 £000	Total 2015 £000
Direct costs - educational operations	5,352	4,565
Support costs - educational operations	<u>3,146</u>	<u>2,770</u>
	<u>8,498</u>	<u>7,335</u>

	Educational operations £000	Total 2016 £000	Restated Total 2015 £000
Support costs - educational operations			
Support staff costs	810	810	854
Depreciation	660	660	442
Technology costs	116	116	62
Premise costs	981	981	783
Catering	183	183	154
Pension finance costs	65	65	62
Other support costs	285	285	355
Governance costs	46	46	58
Total support costs	<u>3,146</u>	<u>3,146</u>	<u>2,770</u>

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

8 Staff

a. Staff costs

Staff costs during the period were:

Wages and salaries
Social security costs
Operating costs of defined benefit pension schemes

Supply staff costs

Total 2016 £000	Total 2015 £000
4,233	3,799
329	254
692	599
5,254	4,652
546	395
5,800	5,047

b. Staff numbers

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

Charitable Activities

Teachers
Administration and support
Management

2016 No.	2015 No.
50	59
101	96
2	5
153	160

c. Higher paid staff

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

£60,001 - £70,000
£70,001 - £80,000
£130,001 - £140,000
£140,001 - £150,000

2016 No.	2015 No.
3	1
1	1
-	1
1	-
5	3

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £476,695 (2015:£333,285)

9 Central Services

The academy trust's central services are as follows:

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

The trust charges for these services using a threshold of 6.4% of the annual GAG income, with the exception of St Martin's CofE Primary School who were allowed an agreed flat cost of £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:

	2016 £000	2015 £000
Cowley St Laurence CofE Primary School	110	98
St Matthew's CofE Primary School	110	98
Laurel Lane Primary School	110	98
St Martin's CofE Primary School	22	-
	352	294

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

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 (2015: £130,000 - £135,000)
Employer's pension contributions	£20,000 - £25,000 (2015: £15,000 - £20,000)

The number of trustees for whom retirement benefits are accruing under the Teachers' Pension Scheme amounted to 1 (2015: 1)

Company pension contributions to the Teachers' Pension Scheme in respect of trustees amounted to £23,075 (2015: £18,634)

During the year ended 31 August 2016, no expenses were reimbursed to trustees (2015: Nil).

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £5,194 (2015: £4,466). 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 2015 (restated)	2,843	478	1,139	730	5,190
Additions	9,307	503	32	90	9,932
At 31 August 2016	12,150	981	1,171	820	15,122
Depreciation					
At 1 September 2015 (restated)	54	13	439	443	949
Charged in period	223	10	203	224	660
At 31 August 2016	277	23	642	667	1,609
Net book values					
At 31 August 2016	11,873	958	529	153	13,513
At 31 August 2015 (restated)	2,789	465	700	287	4,241

During the year a prior year adjustment was made in respect of the fair value of the land and buildings at Laurel Lane Primary School. This is discussed in note 27.

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 Academy 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.

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

13 Debtors

	Total 2016 £000	Total 2015 £000
Trade debtors	6	8
VAT recoverable	150	114
Prepayments and accrued income	163	568
	319	690

14 Creditors: Amounts falling due within one year

	Total 2016 £000	Total 2015 £000
Trade creditors	489	260
Other taxation and social security	102	79
Accruals and deferred income	235	260
	826	599

Deferred income

	Total 2016 £000	Total 2015 £000
Deferred Income at 1 September 2015	65	-
Released from previous years	(65)	-
Resources deferred in the year	68	65
Deferred Income at 31 August 2016	68	65

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 2016 to August 2017.

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

15 Funds

	Restated Balance at 1 September 2015 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	883	5,755	(5,370)	(502)	766
Start Up Grant	-	-	-	-	-
Other DfE/EFA grants	-	672	(672)	-	-
Other grants	-	954	(954)	-	-
Pension reserve	(1,764)	-	(421)	(771)	(2,956)
	<u>(881)</u>	<u>7,381</u>	<u>(7,417)</u>	<u>(1,273)</u>	<u>(2,190)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	4	618	(421)	(127)	74
Local authority capital grants	585	-	-	(376)	209
Fixed assets purchased with capital grants	487	-	(32)	446	901
Capital expenditure from GAG	640	-	(143)	181	678
Transfer from Local Authority on conversion	3,114	9,305	(485)	-	11,934
	<u>4,830</u>	<u>9,923</u>	<u>(1,081)</u>	<u>124</u>	<u>13,796</u>
Total restricted funds	<u>3,949</u>	<u>17,304</u>	<u>(8,498)</u>	<u>(1,149)</u>	<u>11,606</u>
Total unrestricted funds	<u>1,107</u>	<u>37</u>	<u>-</u>	<u>-</u>	<u>1,144</u>
Total funds	<u>5,056</u>	<u>17,341</u>	<u>(8,498)</u>	<u>(1,149)</u>	<u>12,750</u>

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

General annual grant

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

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

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 academy 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 2016 were allocated as follows:

	Total 2016 £000	Restated Total 2015 £000
Cowley St Laurence CofE Primary School	357	391
St Matthew's CofE Primary School	676	663
Laurel Lane Primary School	742	901
St Martin's CofE primary school	75	-
Central Services	60	35
Total before fixed assets and pension reserve	<u>1,910</u>	<u>1,990</u>
Restricted fixed asset fund	13,796	4,830
Pension reserve	(2,956)	(1,764)
Total	<u>12,750</u>	<u>5,056</u>

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

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 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
Academy Trust	4,989	811	200	1,838	7,838

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2015 £000
Cowley St Laurence CofE Primary School	1,415	218	36	343	2,012
St Matthew's CofE Primary School	1,359	234	70	546	2,209
Laurel Lane Primary School	1,241	242	68	396	1,947
St Martin's CofE Primary School	-	-	-	-	-
Central services	178	96	-	113	387
Academy Trust	4,193	790	174	1,398	6,555

16 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	13,513	13,513
Current assets	1,144	1,592	283	3,019
Current liabilities	-	(826)	-	(826)
Pension scheme liability	-	(2,956)	-	(2,956)
Total net assets	1,144	(2,190)	13,796	12,750

17 Capital Commitments

Contracted for, but not provided in the financial statements

	2016 £000	2015 £000
	-	-

18 Commitments under operating leases

Operating Leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
Amounts due within one year	15	15
Amounts due between one and five years	15	23
Amounts due after five years	-	-
	30	38

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities	2016	Restated
	£000	2015
		£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	8,843	654
Adjusted for:		
Depreciation [note 6]	660	442
Capital Grants from DfE and other capital income	(618)	(938)
Interest receivable [note 5]	(3)	(2)
Defined benefit pension scheme obligation inherited	4	-
Defined benefit pension scheme cost less contributions payable [note 25]	(26)	32
Defined benefit pension scheme finance cost [note 25]	65	62
(Increase)/decrease in debtors	371	8
Increase/(decrease) in creditors	227	(61)
Net Cash provided by / (used in) operating activities	9,523	197
20 Cash flows from investing activities	2016	2015
	£000	£000
Dividends, interest and rents from investments	3	2
Purchase of tangible fixed assets	(9,932)	(359)
Capital grants from DfE/EFA	618	353
Capital funding received from sponsors and others	-	305
Net cash provided by / (used in) investing activities	(9,311)	301
21 Cash flows from financing activities	2016	2015
	£000	£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	At 31
	August	August
	2016	2015
	£000	£000
Cash in hand and at bank	2,700	2,488
	2,700	2,488
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.		

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

25 Pension and Similar Obligations

The academy'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 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 2013.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £336,000 (2015: £262,000).

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 2016 was £444,000 (2015: £373,000), of which employer's contributions totalled £378,000 (2015: £304,000) and employees' contributions totalled £66,000 (2015: £69,000). The agreed contribution rates for future years are 24.8 per cent for employers and between 5.5 and 12.5 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.

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

25 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.33%	3.57%
Rate of increase for pensions in payment/inflation	2.38%	2.67%
Discount rate for scheme liabilities	2.92%	3.77%

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 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.7 years	22.7 years
Females	24.7 years	24.7 years
<i>Retiring in 20 years</i>		
Males	24.3 years	24.3 years
Females	26.9 years	26.9 years

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

	Fair value at 31 August 2016	Fair value at 31 August 2015
Equities	1,498	1,031
Bonds	646	410
Property	310	232
Cash	129	107
Total market value of assets	2,583	1,780
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	(356)	(336)
Net interest cost	(65)	(62)
Total operating charge	(421)	(398)

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)

For the year ended 31 August 2016

25 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

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

	2016 £000	2015 £000
At 1 September	3,544	3,070
Transferred on conversion	5	-
Current service cost	352	336
Interest cost	141	120
Employee contributions	66	36
Actuarial loss/(gain)	1,431	(18)
At 31 August	<u>5,539</u>	<u>3,544</u>

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

	2016 £000	2015 £000
At 1 September	1,780	1,396
Transferred on conversion	1	-
Interest income	76	58
Contributions by members	66	36
Contributions by the employer	378	304
Actuarial gain/(loss)	282	(14)
At 31 August	<u>2,583</u>	<u>1,780</u>

LDBS Frays Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2016

26 Related Party Transactions

Owing to the nature of the academy trust's 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 transaction took place in the period of account.

Mr I. Woolf is an employee of the London Diocesan Board for Schools. The academy trust incurred expenses of £455 (2015: £750) 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 academy trust totalling £350 (2015: £5,653).

Mr C. Cole is the Chair of the IEB at Minet Junior School, during the year the trust charged £3,700 (2015: £3,575) to Minet Junior School in respect of recharges of 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.

27 Prior year adjustment

A prior year adjustment was made to correct the valuation of the land and buildings at Laurel Lane Primary School gifted to the trust on conversion on 1 April 2013. This had been recognised in the previous accounts at insurance value as the best estimate of the fair value on conversion. A valuation was undertaken as at 31 March 2014 by Mouchel which gave a more accurate estimate of the value of the assets transferred. Whilst undertaken in 2014, this was not made available until the current year. This resulted in a decrease in the cost of leasehold land and buildings as at 1 September 2014 and 31 August 2015 of £3,400k and a decrease in the accumulated depreciation to 1 September 2014 of £158k, and a decrease in depreciation charge in the year to 31 August 2015 of £87k. The restated fixed asset fund as at 1 September 2015 is ££4,830k (£3,155k lower than previously reported) with net income for the year to 31 August 2015 being £681k (£87k higher than previously reported).

28 Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made. There was no change to total funds as at 1 September 2014 or 31 August 2015 as a result of FRS 102.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on presentation and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net income/(expenditure)	Notes	31 August 2015 £000
Net income/(expenditure) previously as restated under old UK GAAP		681
Change in recognition of LGPS interest cost	A	(27)
Net movement in funds reported under FRS 102		<u>654</u>

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £[0] and increase the credit/debit in other recognised gains and losses in the SoFA by an equivalent amount.

B – Governance costs

Governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities as they are not regarded as part of support costs which are allocated to the cost of activities undertaken by the trust.

C – Cash flow statement

The adoption of FRS 102 has required certain presentational changes to the cash flow statement, although the cash flow statement presents substantially the same information as under previous UK GAAP. Under previous UK GAAP cash flows are presented under nine standard headings whereas under FRS 102 the requirement is to classify cash flows into operating, investing and financing activities.