

Company Registration Number: 08058921 (England and Wales)

THE COLLEGIATE TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

THE COLLEGIATE TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

Mr P Khan
Mrs K Myring
Mrs S Lewis

Trustees

Mr P Khan, Chair
Mr G H Smith, Chief Executive & Accounting Officer
Mr M Whittaker (resigned 31 August 2017)
Mr C Hotham (resigned 17 December 2016)
Mr D Clarke, Staff Trustee
Mrs S Moys
Mr P Hogan
Mr K Beattie
Ms F M McSorley (appointed 6 November 2017)

Company registered number

08058921

Company name

The Collegiate Trust

Registered office

Honister Heights, Purley, Surrey, CR8 1EX

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Company secretary

Mr D Clarke

Chief executive officer

Mr G H Smith

Senior management team

Mr G H Smith, Chief Executive
S Dey, Principal - Riddlesdown Collegiate
D Clarke, Business Manager
Mrs D Martin, Head Teacher - Gossops Green Primary School

Independent auditor

Bayar Hughes & Co, 4 Green Lane Business Park, 238 Green Lane, New Eltham, London, SE9 3TL

Bankers

Lloyds Bank, 95 George Street, Town Centre, Croydon, CR9 2NS

Solicitors

Veale Wasbrough Vizards LLP, Barnards Inn, 86 Fetter Lane, London, EC4A 1AD

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their report together with the audited financial statements of The Collegiate Trust (the Academy Trust) for the year to 31 August 2017. The annual report serves the purposes of both trustees' report and directors' report under company law.

The trust operates 2 academies for pupils aged 4 to 18 serving a catchment area in Croydon and Crawley. It has a pupil capacity of 2,650 and had a roll of 2,486 in the school census in October 2016.

STRUCTURE, GOVERNANCE & MANAGEMENT

a. Constitution

The Academy Trust is a exempt charitable company limited by guarantee

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

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

The charitable company is known as The Collegiate Trust.

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

b. Members' Liability

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

c. TRUSTEES' INDEMNITIES

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, as provided by the ESFA Risk Protection Arrangement, provides unlimited cover on any one claim. The cost is included in the total insurance cost.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

d. Method of recruitment and appointment of Directors

Members may by ordinary resolution appoint trustees to the board of The Collegiate Trust.

e. Policies and Procedures Adopted for the Appointment and Induction of Directors

The induction and training of Trustees will vary depending on the expertise and experience of the individual. All Trustees receive copies of all Governing Body meeting minutes and will meet with key members of staff to gain an understanding of the Academy Trust. The Collegiate also purchases the Governor Training Scheme from the Local Authority and subscribes to the National Governors' Association.

f. Organisational Structure

The Collegiate Trust was approved as a Multi Academy Trust on the 9th October 2015 and consists of 4 Members who have appointed a Board of six trustees to which they have delegated the strategic leadership of the Trust. Each individual School within the Trust will have its own Local Governing Body with schemes of delegation in place detailing specific areas of authority.

The Chief Executive is the Accounting Officer.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Chief Executive, Headteachers and Principals pay are decided by a committee of Directors or Governors as appropriate.

h. Connected Organisations & related Party Relationships

The Collegiate Trust owns 100% of the share capital of The Collegiate Trading Limited.

Objectives and Activities

a. OBJECTS AND AIMS

The principle object of the academy trust is to provide education to students from the age of 4 through to 18. Working with all stakeholders the academy trust provides the highest standard of education, care, support and guidance to ensure that every student maximises their individual potential.

The academy trust's main objectives are to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice, to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and to promote for the benefit of individuals living in Croydon and the surrounding area who have need by reason of their age,

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individual; in setting the objectives and planning activities

b. Objectives, Strategies & Activities

The Collegiate Trust exists to improve education in Croydon and Crawley for children and young people up to the age of 18, thereby preparing them from an early age for success – in school, at university, in ambitious careers and throughout a fulfilling life. We are building a local partnership of six schools for all ages over the next five years which will work collaboratively to deliver Exceptional Education for All.

Such an exceptional education, values and delivers wonderful academic learning and progress, but puts right alongside this the development of wider skills and qualities that come through a balanced focus on creative, cultural and active learning; it is driven by a strong Local Governing Body, under our clear Trust framework, and delivered by an expert headteacher and team of teachers and support staff. The successful learners developed by our schools become confident individuals and responsible citizens in our modern British Society.

c. Public Benefit

The trustees have given careful consideration to the Charity Commissions general guidance on public benefit and believes it has conducted the academy trust's business in accordance with the highest standards of integrity, probity and openness, and complies with their duty under the guidance.

Strategic report

a. Key Financial Performance Indicators

Riddlesdown Collegiate received an Outstanding inspection outcome from OFSTED in 2016.

Directors have not set any specific financial targets beyond the requirement that the financial position is reviewed regularly and the Trust does not operate a deficit budget. The key performance measures are non-financial and are detailed in the Collegiate Development Plan.

b. Going Concern

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

c. Achievements and Performance

The Collegiate Trust was a single school Multi Academy Trust with a primary school joining the Trust on 1st November 2016.

Riddlesdown Collegiate produced outstanding results at GCSE and best ever results at A Level in 2017. Gossops Green Primary School produced significant improvements at Key Stage 2 and impressive outcomes in other areas in 2017. These results have been carefully analysed and presented to the Directors.

A salary policy which links salary progression with performance has been in operation during the year for all staff.

The budget plan was delivered on budget and the Academy Trust will be in surplus including reserves heading into 2017/18.

All statutory returns were made on time.

Financial review

a. Reserves Policy

The academy trust does not have a formalised policy on reserves. Levels of reserves are reported to trustees on a regular basis to ensure that there are sufficient levels to meet all future obligations and to not build up excessive reserve levels.

Should the academy trust seek to place funds into any longer-term investments, the Board of Trustees would be responsible for making such decisions. Further details on the reserve balance are in note d below.

b. Investments Policy

The academy trust currently has no other investments other than funds held in the academy trust's bank accounts.

c. Principal Risks & Uncertainties

The trustees have considered the principal risks that the academy trust could potentially be exposed to. A central risk register has been prepared and is reviewed regularly by trustees, which will allow the academy trust to identify and respond quickly to any risks.

The register identifies the key risks as:

Credit Risk

The majority of the Trusts income is received from central / local government which does not pose a significant risk, all other income is monitored and the Collegiate Trading Company manages any risk from trading activities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Liquidity Risk

The Trust monitors cashflow on a regular basis to ensure that it can meet its financial obligations.

Capital Risk

The Trust will ensure that capital spending is managed so that its ability to continue as a going concern is preserved.

d. Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education Funding Agency who provide us with a grant, based largely on our student numbers to cover our staffing and other general running costs. The EFA may also provide us with additional grants which are earmarked for specific purposes, such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils. These appear in the financial statements as DfE/EFA grants. Such income is collectively referred to as Restricted Funds. Other income is received from parents, as contributions for trips or other costs, or from third parties such as banks for interest on our account balances, or from other who are charged for the use of our facilities. Such other income may be restricted or unrestricted depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the governors.

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

Spendable funds are in turn sub categorised between those which are available for spending at the discretion of the governors (Unrestricted Funds) and those which are subject to condition or restriction, (Restricted Funds). Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in the financial statements, and as this is not a conventional liability, it does not need to be deducted from spendable funds.

As of 31 August 2017 the academy trust held restricted funds of £31,065 (2016:£59,299) (excluding pension and fixed assets) and £809,454(2016:£865,184) of general unrestricted funds. The academy trust's share of the LGPS pension scheme deficit at 31 August 2017 is £2,934,000 (2016:£3,175,000) (calculated by actuaries in accordance with FRS102).

The Fixed Asset fund of £30,082,590 (2016:£23,909,951) is not available for spending as it represents the net book value of fixed assets transferred from the predecessor school and subsequent additions and disposals thereto. Future depreciation will be charged against this fund.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

e. PRINCIPAL FUNDING

The academy is reliant on continued government funding through the ESFA and the Local Authority.

PLANS FOR FUTURE PERIODS

a. Future Developments

At the start of 2017/18 the Trust consists of two schools, with a third due to join in the academic year. We await confirmation of the location of our approved free school and are continuing discussions with three further schools in Croydon. Our aim is to grow to 6-8 schools by December 2018, and then to double in size from that point by 2020.

Schools in The Collegiate Trust:

- maintain a strong individual identity within a powerful local partnership
- work collaboratively to improve education in each of our partner schools
- achieve value-for-money on highly cost-effective services delivered through the Trust
- have the opportunity to contribute to the development of outstanding new provision where it is needed through the free-school programme
- drive forward standards within their school under a well-supported but autonomous Principal and a strong Local Governing Body.

FUNDS HELD AS CUSTODIAN

No funds are held as custodian trustees on behalf of others by the academy trust.

AUDITOR

Insofar as the Trustees are aware:

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

AUDITORS

The auditors, Bayar Hughes & Co, were appointed during the period and have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2017 and signed on its behalf by:



Mr P Khan,
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Mr P Khan, Chair	8	8
Mr G H Smith, Chief Executive & Accounting Officer	8	8
Mr M Whittaker	6	8
Mr C Hotham	1	2
Mr D Clarke, Staff Trustee	8	8
Mrs S Moys	6	8
Mr P Hogan	8	8
Mr K Beattie	3	8

REVIEW OF VALUE FOR MONEY

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

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

- Reviewing staffing costs and identifying where savings can be made through natural wastage.
- A review of stationery expenditure by tendering with current suppliers to ensure that the Trust receives the best possible price.
- Reviewing current market conditions to ensure that the best energy prices are obtained.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Collegiate Trust for the year to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT(continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Directors has considered the need for a specific internal audit function and has decided to appoint Bayar Hughes & Co Ltd, the external auditor, to perform additional checks.

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

- testing of payroll systems
- testing of income and purchase systems
- testing of control accounts and bank reconciliations.

On a termly basis, the auditor's report to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The auditors' view is that systems operate well at The Collegiate Trust. No material control weaknesses have been identified and all findings have been reported to the Governors. Governors are satisfied that the role has been delivered effectively.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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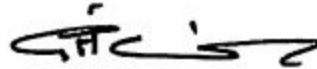
GOVERNANCE STATEMENT(continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Bayar Hughes & Co Ltd and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2017 and signed on their behalf, by:



Mr P Khan
Chair of Trustees



Mr G H Smith
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Collegiate Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Mr G H Smith
Accounting Officer

Date: 12 December 2017

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

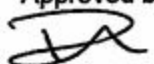
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 12 December 2017 and signed on its behalf by:


Mr P Khan
Chair

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE COLLEGIATE TRUST

OPINION

We have audited the financial statements of The Collegiate Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent academy's affairs as at 31 August 2017 and of the group's 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, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE COLLEGIATE TRUST

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- the parent academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy financial statements are not in agreement with the accounting records and returns; or

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE COLLEGIATE TRUST

- certain disclosures of Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES


As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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


Bayar Chakarto FCCA
Senior Statutory Auditor
for and on behalf of
Bayar Hughes & Co

4 Green Lane Business Park
238 Green Lane
New Eltham
London
SE9 3TL
Date: 22 December 2017

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
COLLEGIATE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 29 May 2012 (as updated on 2 November 2015), and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE COLLEGIATE TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
COLLEGIATE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

The work undertaken to draw our conclusion includes:-

- A review of the conclusion reached on regularity and propriety in the year, including the action taken in respect of points raised in the audit management letter.
- A review of minutes of the Governing Body and its key sub-committee;
- Checking a sample of expenditure transactions to ensure that they do not contravene the funding agreement and have been authorised in accordance with the Academy's financial procedures and/or the Academies Financial Handbook, and
- Evaluating and documenting internal controls and testing their application by walk through.

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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Bayar Hughes & Co Ltd

Reporting Accountants

4 Green Lane Business Park
238 Green Lane
New Eltham
London
SE9 3TL

22 December 2017

THE COLLEGIATE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08058921

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	120,780	-	6,765,000	6,885,780	31,199
Charitable activities	3	-	11,743,166	-	11,743,166	10,059,764
Other trading activities	4,5	1,147,325	-	-	1,147,325	1,219,685
Investments	6	570	471	-	1,041	1,684
TOTAL INCOME		1,268,675	11,743,637	6,765,000	19,777,312	11,312,332
EXPENDITURE ON:						
Raising funds	5	505,269	-	-	505,269	439,649
Charitable activities		582,632	12,546,712	710,024	13,839,368	11,585,822
TOTAL EXPENDITURE	7	1,087,901	12,546,712	710,024	14,344,637	12,025,471
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	180,774 (236,504)	(803,075) 118,841	6,054,976 117,663	5,432,675 -	(713,139) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(55,730)	(684,234)	6,172,639	5,432,675	(713,139)
Actuarial gains/(losses) on defined benefit pension schemes	26	-	897,000	-	897,000	(1,044,000)
NET MOVEMENT IN FUNDS		(55,730)	212,766	6,172,639	6,329,675	(1,757,139)
RECONCILIATION OF FUNDS:						
Total funds brought forward		865,184	(3,115,701)	23,909,951	21,659,434	23,382,227
TOTAL FUNDS CARRIED FORWARD		809,454	(2,902,935)	30,082,590	27,989,109	21,625,088

THE COLLEGIATE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08058921

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	15		30,082,589		23,909,951
CURRENT ASSETS					
Stocks	16	8,291		6,116	
Debtors	17	387,365		272,785	
Cash at bank and in hand		<u>1,334,620</u>		<u>1,310,498</u>	
		1,730,276		1,589,399	
CREDITORS: amounts falling due within one year	18	<u>(889,756)</u>		<u>(699,262)</u>	
NET CURRENT ASSETS			<u>840,520</u>		<u>890,137</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			30,923,109		24,800,088
Defined benefit pension scheme liability	26	<u>(2,934,000)</u>		<u>(3,175,000)</u>	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>27,989,109</u>		<u>21,625,088</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	31,065		59,298	
Restricted fixed asset funds	19	<u>30,082,590</u>		<u>23,909,951</u>	
Restricted income funds excluding pension liability		30,113,655		23,969,249	
Pension reserve		<u>(2,934,000)</u>		<u>(3,175,000)</u>	
Total restricted income funds			27,179,655		20,794,249
Unrestricted income funds	19		<u>809,454</u>		<u>830,839</u>
TOTAL FUNDS			<u>27,989,109</u>		<u>21,625,088</u>

THE COLLEGIATE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08058921

The financial statements on pages 19 to 51 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

A handwritten signature in black ink, consisting of a stylized 'P' followed by a cursive 'K' and a final flourish.

Mr P Khan, Chair of Directors

THE COLLEGIATE TRUST
(A company limited by guarantee)

**ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	15		30,082,589		23,909,951
CURRENT ASSETS					
Debtors	17	634,822		382,392	
Cash at bank and in hand		<u>990,289</u>		<u>1,128,647</u>	
		1,625,111		1,511,039	
CREDITORS: amounts falling due within one year	18	<u>(888,065)</u>		<u>(655,246)</u>	
NET CURRENT ASSETS			<u>737,046</u>		<u>855,793</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			30,819,635		24,765,744
Defined benefit pension scheme liability	26	<u>(2,934,000)</u>		<u>(3,175,000)</u>	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>27,885,635</u>		<u>21,590,744</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds		(126,922)		59,298	
Restricted fixed asset funds		<u>30,082,589</u>		<u>23,909,951</u>	
Restricted funds excluding pension asset		29,955,667		23,969,249	
Pension reserve		<u>(2,934,000)</u>		<u>(3,175,000)</u>	
Total restricted funds			27,021,667		20,794,249
Unrestricted funds			<u>863,968</u>		<u>796,495</u>
TOTAL FUNDS			<u>27,885,635</u>		<u>21,590,744</u>

THE COLLEGIATE TRUST
(A company limited by guarantee)

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

A handwritten signature in black ink, appearing to be 'P. Khan' with a stylized flourish at the end.

Mr P Khan
Chair of Trustees

THE COLLEGIATE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>140,899</u>	<u>91,455</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		886	1,600
Purchase of tangible fixed assets		<u>(117,663)</u>	<u>(108,581)</u>
Net cash used in investing activities		<u>(116,777)</u>	<u>(106,981)</u>
Change in cash and cash equivalents in the year		24,122	(15,526)
Cash and cash equivalents brought forward		<u>1,310,498</u>	<u>1,326,024</u>
Cash and cash equivalents carried forward	22	<u><u>1,334,620</u></u>	<u><u>1,310,498</u></u>

THE COLLEGIATE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

.2 Going concern

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

THE COLLEGIATE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

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

THE COLLEGIATE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Basis of consolidation

The financial statements consolidate the accounts of The Collegiate Trust and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.6 Turnover

Turnover comprises revenue recognised by the academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

THE COLLEGIATE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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

Freehold buildings	-	2% Straight line
Plant and machinery	-	20% Reducing balance
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	20% Reducing balance
Freehold Improvements	-	2% Straight line
Computer equipment	-	25% Straight line

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

1.8 Operating leases

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

1.9 Stocks

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

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

THE COLLEGIATE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.12 Liabilities and provisions

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

Provisions are 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 the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

Financial assets- trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities- trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.14 Taxation

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

THE COLLEGIATE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

The academy trust is registered for VAT and is able to recover input tax paid in respect of some, but not all, of its taxable supplies. Where VAT cannot be recovered, it is included with the cost to which it relates on the SOFA.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.16 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

THE COLLEGIATE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	11,120	-	-	11,120	31,199
Transfer of assets from former school	109,660	-	6,765,000	6,874,660	-
	<u>120,780</u>	<u>-</u>	<u>6,765,000</u>	<u>6,885,780</u>	<u>31,199</u>
Total 2016	<u>31,199</u>	<u>-</u>	<u>-</u>	<u>31,199</u>	

THE COLLEGIATE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
General Annual Grant (GAG)	-	10,431,815	10,431,815	9,018,138
Other Dfe/ESFA grants	-	698,111	698,111	637,061
Local Authority Grants	-	382,883	382,883	221,501
Educational activities	-	230,357	230,357	183,064
	<u>-</u>	<u>11,743,166</u>	<u>11,743,166</u>	<u>10,059,764</u>
<i>Total 2016</i>	<u>-</u>	<u>10,059,764</u>	<u>10,059,764</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Catering	620,669	-	620,669	671,818
Lettings	10,828	-	10,828	-
School fund	17,881	-	17,881	14,325
School trips etc	283,934	-	283,934	304,157
	<u>933,312</u>	<u>-</u>	<u>933,312</u>	<u>976,300</u>
<i>Total 2016</i>	<u>976,300</u>	<u>-</u>	<u>976,300</u>	

THE COLLEGIATE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Subsidiary trading income				
Trading income	<u>214,013</u>	<u>-</u>	<u>214,013</u>	<u>243,385</u>
Subsidiary trading expenses				
Expenditure	<u>505,269</u>	<u>-</u>	<u>505,269</u>	<u>439,649</u>
Net (expenditure)/income from trading activities	<u>(291,256)</u>	<u>-</u>	<u>(291,256)</u>	<u>(196,264)</u>

6. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	<u>570</u>	<u>471</u>	<u>1,041</u>	<u>1,684</u>
Total 2016	<u>768</u>	<u>916</u>	<u>1,684</u>	

7. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	-	505,269	505,269	439,649
Educational Operations:					
Direct costs	8,862,592	-	993,354	9,855,946	8,449,112
Support costs	<u>1,202,982</u>	<u>1,024,977</u>	<u>1,755,463</u>	<u>3,983,422</u>	<u>3,136,710</u>
	<u>10,065,574</u>	<u>1,024,977</u>	<u>3,254,086</u>	<u>14,344,637</u>	<u>12,025,471</u>
Total 2016	<u>8,707,043</u>	<u>568,778</u>	<u>2,749,650</u>	<u>12,025,471</u>	

THE COLLEGIATE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Educational activities 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations	<u>9,855,946</u>	<u>3,983,422</u>	<u>13,839,368</u>	<u>11,585,822</u>
Total 2016	<u>8,449,112</u>	<u>3,136,710</u>	<u>11,585,822</u>	

Analysis of support costs

	Educational Operations £	Catering £	Total 2017 £	Total 2016 £
Staff costs	1,202,982	-	1,202,982	1,135,450
Depreciation	710,024	-	710,024	621,382
Premises costs	1,024,977	-	1,024,977	960,003
Technology costs	9,302	-	9,302	26,435
Other support costs	1,023,137	-	1,023,137	285,586
Governance costs	13,000	-	13,000	10,500
Catering	-	-	-	97,354
	<u>3,983,422</u>	<u>-</u>	<u>3,983,422</u>	<u>3,136,710</u>
At 31 August 2016	<u>3,039,356</u>	<u>97,354</u>	<u>3,136,710</u>	

9. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount	Reason
Ex-gratia payments	17,150	17,150	Termination of employment

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2017, being delegated authority or approval from the Education Funding Agency.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. AUDITORS' REMUNERATION

	2017 £	2016 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	12,000	10,500
Fees payable to the academy's auditor and its associates in respect of:		
All other non-audit services not included above	<u>5,500</u>	<u>4,500</u>
	2017 £	2016 £
Fees payable to the academy's auditor and its associates in connection with the academy's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	<u>1,000</u>	<u>500</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

11. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	7,934,579	6,854,833
Social security costs	762,645	587,049
Operating costs of defined benefit pension schemes	1,182,698	1,103,193
	<u>9,879,922</u>	<u>8,545,075</u>
Apprenticeship levy	10,564	-
Supply teacher costs	157,938	160,548
Staff restructuring costs	17,150	75,720
	<u>10,065,574</u>	<u>8,781,343</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	<u>17,150</u>	<u>75,720</u>

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

	2017 No.	2016 No.
Teachers	149	100
Administration and Support	105	71
Management	<u>4</u>	<u>6</u>
	<u>258</u>	<u>177</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	6	6
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	0	1
In the band £150,001 - £200,000	2	1

9 of the above employees participated in the Teachers' Pension Scheme. During the period to 31 August

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FOR THE YEAR ENDED 31 AUGUST 2017

11. STAFF COSTS (continued)

2016, pension contributions for these staff amounted to £120,766 (2016:£117,623) The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £14,422 (2016:£17,945).

The key management personnel of the academy trust comprise of 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 £491,742.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

12. CENTRAL SERVICES

The academy has provided the following central services to its academies during the year:

- Teaching and mentoring services
- Management and administrative services

The academy charges for these services on the following basis:

As a percentage of gross salaries.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Gossop Green Primary School	<u>66,250</u>	<u>-</u>

13. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017 £	2016 £
Mr G H Smith, Principal & Accounting Officer	Remuneration	165,000-170,000	160,000-165,000
	Pension contributions paid	25,000-30,000	25,000-30,000
Mr D Clarke, Staff Trustee	Remuneration	80,000-85,000	80,000-85,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

14. 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, as provided by the ESFA Risk Protection Arrangement, provides unlimited cover on any one claim. The cost is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Freehold improvements £
Cost and valuation					
At 1 September 2016	25,275,767	253,379	26,839	24,958	63,991
Additions	6,765,000	60,874	-	33,265	-
At 31 August 2017	32,040,767	314,253	26,839	58,223	63,991
Depreciation					
At 1 September 2016	1,781,997	120,067	17,572	8,136	2,560
Charge for the year	529,265	38,838	2,317	9,173	1,280
At 31 August 2017	2,311,262	158,905	19,889	17,309	3,840
Net book value					
At 31 August 2017	29,729,505	155,348	6,950	40,914	60,151
At 31 August 2016	23,493,770	133,312	9,267	16,822	61,431
				Computer equipment £	Total £
Group					
Cost and valuation					
At 1 September 2016				520,642	26,165,576
Additions				23,524	6,882,663
At 31 August 2017				544,166	33,048,239
Depreciation					
At 1 September 2016				325,293	2,255,625
Charge for the year				129,152	710,025
At 31 August 2017				454,445	2,965,650
Net book value					
At 31 August 2017				89,721	30,082,589
At 31 August 2016				195,349	23,909,951

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. TANGIBLE FIXED ASSETS (continued)

Included in Freehold property is freehold land at valuation of £2,700,000 for Riddlesdown Collegiate, and £2,100,000 for Gossops Green Primary School, which are not depreciated.

The academy procured a valuation of the land and property at Gossops Green Primary School, which was transferred from West Sussex County Council to the academy upon conversion.

This valuation was undertaken in October 2017 by Stiles Harrold Williams, who are regulated by the Royal Institute of Chartered Surveyors (see note 23 for further details), on a depreciated replacement cost basis.

Academy	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
Cost					
At 1 September 2016	25,275,767	253,379	26,839	24,958	63,991
Additions	<u>6,765,000</u>	<u>60,874</u>	<u>-</u>	<u>33,265</u>	<u>-</u>
At 31 August 2017	<u>32,040,767</u>	<u>314,253</u>	<u>26,839</u>	<u>58,223</u>	<u>63,991</u>
Depreciation					
At 1 September 2016	1,781,997	120,067	17,572	8,136	2,560
Charge for the year	<u>529,265</u>	<u>38,838</u>	<u>2,317</u>	<u>9,173</u>	<u>1,280</u>
At 31 August 2017	<u>2,311,262</u>	<u>158,905</u>	<u>19,889</u>	<u>17,309</u>	<u>3,840</u>
Net book value					
At 31 August 2017	<u>29,729,505</u>	<u>155,348</u>	<u>6,950</u>	<u>40,914</u>	<u>60,151</u>
At 31 August 2016	<u>23,493,770</u>	<u>133,312</u>	<u>9,267</u>	<u>16,822</u>	<u>61,431</u>
Academy				Computer equipment £	Total £
Cost					
At 1 September 2016				520,642	26,165,576
Additions				<u>23,524</u>	<u>6,882,663</u>
At 31 August 2017				<u>544,166</u>	<u>33,048,239</u>
Depreciation					
At 1 September 2016				325,293	2,255,625
Charge for the year				<u>129,152</u>	<u>710,025</u>
At 31 August 2017				<u>454,445</u>	<u>2,965,650</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. TANGIBLE FIXED ASSETS (continued)

Net book value

At 31 August 2017

89,721 **30,082,589**

At 31 August 2016

195,349 **23,909,951**

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STOCKS

	<u>Group</u>		<u>Academy</u>	
	2017 £	2016 £	2017 £	2016 £
Catering stock	<u>8,291</u>	<u>6,116</u>	<u>-</u>	<u>-</u>

17. DEBTORS

	<u>Group</u>		<u>Academy</u>	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	175,798	38,101	375,218	55,798
Other debtors	138,364	82,700	138,364	82,700
Prepayments and accrued income	73,203	151,984	121,240	243,894
	<u>387,365</u>	<u>272,785</u>	<u>634,822</u>	<u>382,392</u>

18. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	258,844	249,709	262,560	249,027
Other taxation and social security	213,943	194,580	196,036	173,369
Other creditors	139,700	-	120,969	-
Accruals and deferred income	277,269	254,973	308,500	232,850
	<u>889,756</u>	<u>699,262</u>	<u>888,065</u>	<u>655,246</u>

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18. CREDITORS: Amounts falling due within one year (continued)

	<u>Group</u>		<u>Academy</u>	
	£	£	£	£
Deferred income				
Deferred income at 1 September 2016	129,930	154,589	129,930	154,589
Resources deferred during the year	275,650	129,930	275,650	129,930
Amounts released from previous years	<u>(129,930)</u>	<u>(154,589)</u>	<u>(129,930)</u>	<u>(154,589)</u>
Deferred income at 31 August 2017	<u>275,650</u>	<u>129,930</u>	<u>275,650</u>	<u>129,930</u>

Income deferred at the year-end relates to Free School Meal Grant income of £110,616 (2016:£Nil), DFC Grant £38,115 (2016:£37,587), SEN Grant £15,014 (2016:£Nil), ESFA Growth Grant £80,500 (2016:£Nil), Pupil Premium Grant £2,600 (2016:£3,798), Rates Relief of £Nil (2016:£40,326) and Condition Improvement Grant Funding of £28,805 (2016:£Nil). Additionally, in 2016 there were grants received from ESFA in relation to conversion to a MAT of £23,219 and a Start-up Grant for Gossop Green Primary School of £25,000 which were deferred.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	830,836	1,097,347	(953,376)	(236,504)	-	738,303
Trading Company	34,348	171,328	(134,525)	-	-	71,151
	<u>865,184</u>	<u>1,268,675</u>	<u>(1,087,901)</u>	<u>(236,504)</u>	<u>-</u>	<u>809,454</u>
Restricted funds						
General Annual Grant (GAG)	59,299	10,431,815	(10,578,890)	118,841	-	31,065
Other Dfe/ESFA Grants	-	698,111	(698,111)	-	-	-
Local Authority Grants	-	382,886	(382,886)	-	-	-
Other Grants	-	93,650	(93,650)	-	-	-
Investment Income	-	471	(471)	-	-	-
Other Income	-	136,704	(136,704)	-	-	-
Pension reserve	(3,175,000)	-	(656,000)	-	897,000	(2,934,000)
	<u>(3,115,701)</u>	<u>11,743,637</u>	<u>(12,546,712)</u>	<u>118,841</u>	<u>897,000</u>	<u>(2,902,935)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	<u>23,909,951</u>	<u>6,765,000</u>	<u>(710,024)</u>	<u>117,663</u>	<u>-</u>	<u>30,082,590</u>
Total restricted funds	<u>20,794,250</u>	<u>18,508,637</u>	<u>(13,256,736)</u>	<u>236,504</u>	<u>897,000</u>	<u>27,179,655</u>
Total of funds	<u>21,659,434</u>	<u>19,777,312</u>	<u>(14,344,637)</u>	<u>-</u>	<u>897,000</u>	<u>27,989,109</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds	893,618	1,251,652	(1,080,086)	(200,000)	-	865,184
	<u>893,618</u>	<u>1,251,652</u>	<u>(1,080,086)</u>	<u>(200,000)</u>	<u>-</u>	<u>865,184</u>
Restricted funds						
General Annual Grant (GAG)	(119,893)	9,018,138	(8,930,364)	91,418	-	59,299
Other Dfe/ESFA Grants	-	378,483	(378,483)	-	-	-
Local Authority Grants	-	221,501	(221,501)	-	-	-
Investment Income	-	916	(916)	-	-	-
Other Income	-	183,064	(183,064)	-	-	-
Dfe/ESFA Capital Grant	233,097	258,578	(491,675)	-	-	-
Pension reserve	(2,013,000)	-	(118,000)	-	(1,044,000)	(3,175,000)
	<u>(1,899,796)</u>	<u>10,060,680</u>	<u>(10,324,003)</u>	<u>91,418</u>	<u>(1,044,000)</u>	<u>(3,115,701)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	24,422,751	-	(621,382)	108,582	-	23,909,951
	<u>24,422,751</u>	<u>-</u>	<u>(621,382)</u>	<u>108,582</u>	<u>-</u>	<u>23,909,951</u>
Total restricted funds	<u>22,522,955</u>	<u>10,060,680</u>	<u>(10,945,385)</u>	<u>200,000</u>	<u>(1,044,000)</u>	<u>20,794,250</u>
Total of funds	<u>23,416,573</u>	<u>11,312,332</u>	<u>(12,025,471)</u>	<u>-</u>	<u>(1,044,000)</u>	<u>21,659,434</u>

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

Restricted Funds:

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

The General Annual grant is provided by the Education funding Agency (EFA) to enable the Academy to fulfil its general educational objectives.

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

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

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

The Restricted Fixed Asset Fund represents the net book value of fixed assets £30,082,590 (2016: £23,909,951). When fixed assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at the yearend that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Riddlesdown Collegiate	766,075	890,138
Gossops Green Primary School	3,293	-
The Collegiate Trust Trading Limited	<u>71,151</u>	<u>34,345</u>
Total before fixed asset fund and pension reserve	840,519	924,483
Restricted fixed asset fund	30,082,590	23,909,951
Pension reserve	<u>(2,934,000)</u>	<u>(3,175,000)</u>
Total	<u>27,989,109</u>	<u>21,659,434</u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Riddlesdown Collegiate	7,498,402	1,080,957	879,208	1,525,754	10,984,321	11,398,580
Gossops Green Primary School	<u>1,364,190</u>	<u>122,025</u>	<u>94,632</u>	<u>542,161</u>	<u>2,123,008</u>	-
	<u>8,862,592</u>	<u>1,202,982</u>	<u>973,840</u>	<u>2,067,915</u>	<u>13,107,329</u>	<u>11,398,580</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	30,082,590	30,082,590
Current assets	811,147	919,130	-	1,730,277
Creditors due within one year	(1,693)	(888,065)	-	(889,758)
Provisions for liabilities and charges	-	(2,934,000)	-	(2,934,000)
	<u>809,454</u>	<u>(2,902,935)</u>	<u>30,082,590</u>	<u>27,989,109</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	23,909,951	23,909,951
Current assets	880,245	709,152	-	1,589,397
Creditors due within one year	(40,422)	(649,854)	-	(690,276)
Provisions for liabilities and charges	-	(3,175,000)	-	(3,175,000)
	<u>839,823</u>	<u>(3,115,702)</u>	<u>23,909,951</u>	<u>21,659,434</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group	
	2017	2016
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	5,432,675	(438,974)
Adjustment for:		
Depreciation charges	710,025	621,381
Dividends, interest and rents from investments	(886)	(1,600)
(Increase)/decrease in stocks	(2,175)	2,128
Decrease in debtors	20,441	35,786
Increase/(decrease) in creditors	199,479	(245,266)
Defined benefit pension scheme finance cost	343,000	118,000
Net (loss) on assets and liabilities from local authority on conversion	(6,561,660)	-
Net cash provided by operating activities	<u>140,899</u>	<u>91,455</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2017	2016
	£	£
Cash in hand	<u>1,334,620</u>	<u>1,310,498</u>
Total	<u>1,334,620</u>	<u>1,310,498</u>

23. CONVERSION TO AN ACADEMY TRUST

On 1st November 2016 Gossop Green Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Collegiate Trust from West Sussex County Council for £NIL consideration.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	6,765,000	6,765,000
Budget surplus/(deficit) on LA funds	84,033	-	-	84,033
Budget surplus/(deficit) on other school funds	25,627	-	-	25,627
LGPS pension surplus/(deficit)	-	(313,000)	-	(313,000)
Net assets/(liabilities)	<u>109,660</u>	<u>(313,000)</u>	<u>6,765,000</u>	<u>6,561,660</u>

24. CONTINGENT LIABILITIES

The Academy had no contingent liabilities as at 31 August 2017 and 31 August 2016.

25. CAPITAL COMMITMENTS

At 31 August 2017 the group and academy had no capital commitments as follows:

	<u>Group</u>		<u>Academy</u>	
	2017 £	2016 £	2017 £	2016 £
Contracted for but not provided in these financial statements	-	-	-	-

26. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £120,969 were payable to the schemes at 31 August 2017 (2016 - Nil) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS(continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £893,339 (2016 - £760,840).

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS(continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £496,000 (2016 - £305,877), of which employer's contributions totalled £394,000 (2016 - £224,316) and employees' contributions totalled £102,000 (2016 - £81,561). The agreed contribution rates for future years are 17.7% for employers and 6.5% for employees.

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

London Borough of Croydon Pension Fund

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50%	2.10%
Rate of increase in salaries	2.90%	3.10%
Rate of increase for pensions in payment / inflation	2.40%	2.10%

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

	2017	2016
Retiring today		
Males	22.3	22.3
Females	24.4	24.4
Retiring in 20 years		
Males	24	24.4
Females	26.2	26.7

West Sussex County Council Pension Fund

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2017	2016
Discount rate for scheme liabilities	2.50%	- %
Rate of increase in salaries	3.10%	- %
Rate of increase for pensions in payment / inflation	2.40%	- %

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

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FOR THE YEAR ENDED 31 AUGUST 2017**

26. PENSION COMMITMENTS(continued)	2017	2016
Retiring today		
Males	23.6	-
Females	25	-
Retiring in 20 years		
Males	26	-
Females	27.8	-
Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	853,000	-
Mortality assumption - 1 year increase	148,000	-
CPI rate +0.1%	691,000	-

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26. PENSION COMMITMENTS(continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	2,227,000	1,403,000
Corporate bonds	814,000	421,000
Property	352,000	180,000
Cash and other liquid assets	105,000	-
Derivatives	-	-
	<hr/>	<hr/>
Total market value of assets	<u>3,498,000</u>	<u>2,004,000</u>

The actual return on scheme assets was £472,000 (2016 - £270,000).

The amounts recognised in the Statement of financial activities are as follows:

	2017 £	2016 £
Interest cost	78,000	134,000
Current service cost	343,000	351,000
	<hr/>	<hr/>
Total	<u>421,000</u>	<u>485,000</u>
	<hr/>	<hr/>
Actual return on scheme assets	<u>472,000</u>	<u>270,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	5,179,000	3,321,000
Transferred in on existing academies joining the trust	1,210,000	-
Interest cost	146,000	134,000
Employee contributions	111,000	81,000
Actuarial (gains)/losses	(818,000)	1,311,000
Benefits paid	(64,000)	(19,000)
Current service cost	668,000	351,000
	<hr/>	<hr/>
Closing defined benefit obligation	<u>6,432,000</u>	<u>5,179,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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Movements in the fair value of the Academy's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	2,004,000	1,308,000
Transferred in on existing academies joining the trust	897,000	-
Interest income	68,000	57,000
Actuarial losses	79,000	267,000
Employee contributions	111,000	81,000
Benefits paid	(64,000)	(19,000)
Employer contributions	403,000	310,000
	<u>3,498,000</u>	<u>2,004,000</u>
Closing fair value of scheme assets	<u>3,498,000</u>	<u>2,004,000</u>

27. OPERATING LEASE COMMITMENTS

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

Group	2017 £	2016 £
Amounts payable:		
Within 1 year	25,838	25,838
Between 1 and 5 years	3,250	29,088
	<u>29,088</u>	<u>54,926</u>
Total	<u>29,088</u>	<u>54,926</u>

28. 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.

29. RELATED PARTY TRANSACTIONS

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

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NOTES TO THE FINANCIAL STATEMENTS
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30. CONTROLLING PARTY

As the Academy is Limited by Guarantee there is no Ultimate Controlling Party.

31. PRINCIPAL SUBSIDIARIES

The Collegiate Trading Limited

Subsidiary name	The Collegiate Trading Limited
Company registration number	09317797
Basis of control	£1 Ordinary Shares
Equity shareholding %	100%
Total assets as at 31 August 2017	£ 427,688
Total liabilities as at 31 August 2017	£ 324,211
Total equity as at 31 August 2017	£ 103,477
Turnover for the year ended 31 August 2017	£ 978,815
Expenditure for the year ended 31 August 2017	£ 909,655
Profit for the year ended 31 August 2017	£ 69,160

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