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**TUDOR PARK EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2016**

**COMPANY REGISTRATION NUMBER:**  
**07798639 (ENGLAND AND WALES)**

**Tudor Park Education Trust**  
**Year to 31<sup>st</sup> August 2016**  
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**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Reference and Administrative Details**

**Registered Charity Name** Tudor Park Education Trust  
Formerly Feltham Community College (to 18<sup>th</sup> December 2015)

**Company Registration Number** 07798639 (England and Wales)

**Principal and Registered Office** Tudor Park Education Trust  
Browells Lane  
Feltham  
Greater London  
TW13 7EF

**Members from 18<sup>th</sup> December 2015** K Batty  
N Grant  
T Moore  
M Semple  
D Snaddon

**Trustees from 18<sup>th</sup> December 2015** M Cooper  
V Eadie (Chief Executive and Accounting Officer)  
N Grant (Chair of Springwest Academy LGB)  
R Lobatto  
J Pears  
S Sehmi (Chair)  
C Warner (Vice Chair)  
F Wilson (Chair of Logic Studio School LGB)

**Governors / Trustees of Feltham Community College (resigned 18<sup>th</sup> December 2015)** V Eadie (Headteacher and Accounting Officer)  
P Jabbal  
S Kandangwa  
S Stone  
K West  
P Wilson  
N Grant (Chair)  
H. Sekhon (Vice Chair)  
D Snaddon  
F Wilson  
N Fisher (Until May 2016)

**Senior Management Teams - Year to 31<sup>st</sup> August 2016**

**Senior Management Team** *Tudor Park*  
Executive Headteacher V Eadie  
Director of Finance: J Dixon (until 31 March 2016)  
N Stevens (from 11 April 2016)

*Feltham Community College (Springwest Academy)*  
Principal M Wilson  
Vice Principal H Hughes  
Assistant Principal M Hearn  
Assistant Principal A Pett  
Assistant Principal A Clements  
Assistant Principal S Marshall Banks  
Lead Expert Teachers: L Gray

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Reference and Administrative Details (continued)**

**Senior Management Team continued**

*Feltham Community College (Springwest Academy)*  
S McCormick  
D Botha

**Principal Designate** *Logic Studio School*  
J Lockwood

**Company Secretary** R Wilson

**Director of Finance** J Dixon (until 31 March 2016)  
N Stevens (from 1 April 2016)

**Independent Auditor** Mercer & Hole  
Batchworth House  
Church Street, Rickmansworth  
WD3 1JE

**Bankers** HSBC Group Plc  
8-14 Canada Square, London  
E14 5HQ

**Solicitors** Browne Jacobson LLP  
44 Castle Gate, Nottingham  
NG1 7BJ

# **Tudor Park Education Trust**

## **Year to 31 August 2016**

### **Trustees' Report (continued)**

The Trustees present their annual report together with the financial statements and auditor's report of Tudor Park Education Trust (the charitable company) formerly Feltham Community College (the charitable company) for the period ended 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law. The company changed its name from Feltham Community College to Tudor Park Education Trust (TPET) on 18<sup>th</sup> December 2015 in response to becoming a Multi Academy Trust.

The Trust operates one Secondary Academy 11-18 and a new Studio School 14 -19 which opened in September 2016. Both academies are in Feltham, Hounslow.

#### **Structure, Governance and Management**

##### Constitution

##### Multi Academy

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

The Trustees of Tudor Park Education Trust are also the Directors of the charitable company for the purposes of company law, these terms are used interchangeably throughout these financial statements. The Trust was constituted on 18<sup>th</sup> December 2015. Prior to this it was Feltham Community College; a standalone Trust. The Trustees / Governors of Feltham Community College were also the Directors of the charitable company for the purposes of company law.

Details of the Members, Trustees and Governors of Feltham Community College who served throughout the year except as noted are included in the Reference and Administrative Details on pages 1-2.

##### Members' Liability

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

##### Trustees' Indemnities

In accordance with normal commercial practice the Trust has purchased Trustees' liability insurance to protect them from claims arising from negligent acts, errors or omissions occurring whilst acting in good faith on Trust business.

##### Method of Recruitment and Appointment or Election of Trustees

The five Members of the Trust comprise the signatories to the Memorandum, provided that at any time the minimum number of Members shall not be less than three.

The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The Trust shall have the following Trustees: up to six Trustees appointed under Article 50 of the Articles of Association, up to two Trustees appointed under Article 51 of the Articles of Association. A minimum of two parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least two Parent Local Governors on each established Local Governing Body pursuant to Article 101A.

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

Under Article 50, Members may appoint by ordinary resolution up to 6 Trustees. Under Article 57, providing that the CEO agrees so to act, the Members may by ordinary resolution appoint the CEO as Trustee. Under Article 51 subject to Article 52 the Chair of the Local Governing Body shall be a Trustee for as long as they remain in office. If the number of academies exceeds 2 the Chairs of the LGBs shall elect two persons from amongst their number to the Trust. Any person elected in accordance with this Article shall only remain a Trustee for as long as they remain Chair of a Local Governing Body

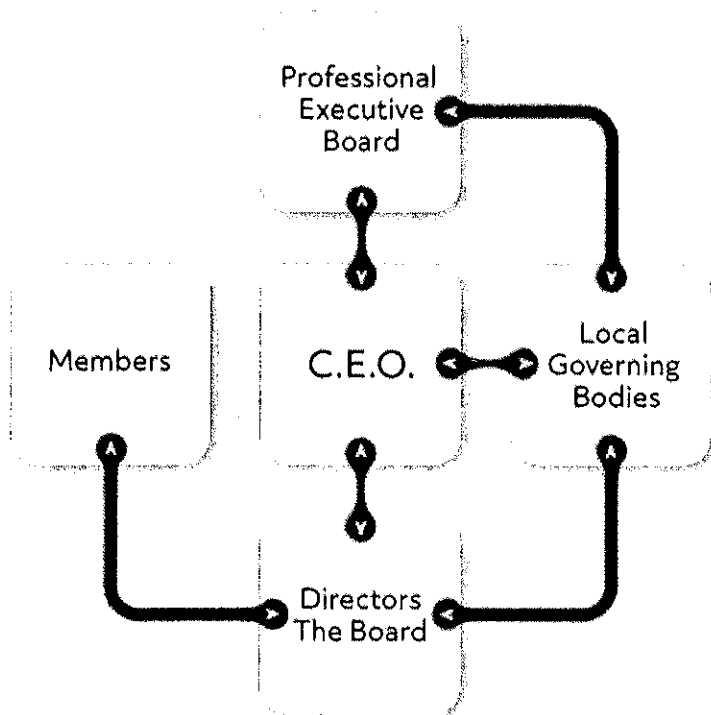
The term of office for any Trustee shall be four years, save that this time limit shall not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Method of recruitment of Trustees is identified according to the necessary skill set required to strengthen the operation of the Board.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees depends on their existing experience. All new Trustees are offered a tour of the schools and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction is managed by the CEO and Chair or Vice Chair of the Board. It is tailored specifically to the individual.

Organisational Structure



# **Tudor Park Education Trust**

## **Year to 31 August 2016**

### **Trustees' Report (continued)**

#### Organisational Structure (continued)

Tudor Park Education Trust is run by an Executive Board who are accountable to the Department for Education and run according to a scheme of delegation.

Each Academy has its own Local Governing Body (LGB). LGBs include both staff and parent representatives.

The Board has overall legal responsibility for the operation of the MAT and Academies within it. However, the Board works in close partnership with its family of Academies. There is a separate document – Overarching Scheme of Delegation – which sets out the principles behind the delegated authorities and provides for certain functions to be carried out by one or more of the following: the Members, The Board, The CEO, The LGBs and Academy Principals.

The areas of delegation are separated into the following areas:

- people
- systems & structures
- reporting
- being strategic
- holding to account
- ensuring financial probity

#### **Key Principles in Tudor Park Education Trust Governance**

Each part of the governance structure is committed to the success of the family of schools in our Trust and wider partnerships.

Professional management and leadership of the schools is delivered by the education professionals employed by the Trust. The CEO and Principals together form the **Professional Executive Board**.

There are 5 **Members** and they have ultimate responsibility for achieving the Trust's charitable aims. They appoint and remove directors and may amend the Trust's articles of association.

There are 8 **Directors** who are collectively the **Trust Board**. They work directly with the CEO who is also a Director. They are further advised in all financial and business operational matters by the Trust's Director of Finance. The Trust Board sets the strategic objectives of the Trust and its Academies. It reviews and challenges the progress of the Trust against its strategic objectives and the Academies' Key Performance Indicators

The Board is responsible for the Trust's compliance through all its operations with its Funding Agreement and the Academies Financial Handbook. It controls financial and risk management. The Trust appoints key officers such as the Finance Director and HR Director and ensures they are suitably trained and supported to complete their roles. It reviews and approves Trust-wide policies and terms of reference for the Academies' governing bodies.

The Trust is responsible for agreeing the scheme of delegation on an annual basis. According to the support need, and robustness, of a partner school the scheme of delegation may be altered.

**Local Governing Bodies** (LGBs) hold the Principals and senior leaders of their schools to account. They work most closely with their direct community in support of the Academy.

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

**Local Governing Body's Role – The Three Ps**

**Progress**

- Recommend targets for achievement and the school development plan
- Review progress regularly – ensuring progress gaps are closed or closing
- Review curriculum
- Review teaching for learning strategies
- Monitor ongoing professional development of staff
- Ensure performance management of staff is carried out and is robust
- Ensure SMSC offer is strong
- Report to the Board

**Protect**

- Monitor and review all safeguarding procedures – student welfare is of highest priority
- Monitor the school site for safety and accessibility
- Monitor the progress of Looked after Children, children with SEND and those with a CP plan
- Review all arrangements for ensuring health and wellbeing of the school community
- Monitor attendance, punctuality and exclusions targets and report
- Review transition arrangements and CEIAG
- Monitor safer recruitment practices
- Listen and respond to feedback from stakeholders

**Partnerships**

- Consult with the Board in agreeing a funding model and review compliance at school level
- Consult with the Finance Director in respect of the budget requirements of the school
- Consult with the Board on the determination and allocation of central services
- Recommend two Governors to sit on the appointment panel for a new Principal
- Appoint school staff as recommended by Principal / Head
- Recommend new Governors and LGB chair and vice-chair
- Review the training requirements of Governors and work with wider partnership networks on sharing best practice
- Ensure the school and Trust are represented in a strong network of wider partnerships to the benefit of the Trust and its wider educational community
- Work with the Clerk of the Trust and the Directors to ensure that reporting and lines of accountability are clear
- Proactively manage the reputation of the school within the community



**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

**The role of Tudor Park Education Trust Board is strategic - 'PPR'**

**1. Strategic Purpose**

- Overall accountability for the progress and attainment of all children and young people in the Trust, including standards of teaching and leadership
- Overall accountability for the safeguarding and welfare of all children and young people in our schools
- Setting the strategic direction and purpose of the Trust including its core values and ethos that set up future school partnerships, entrance and exits
- The reputation of the Trust as a model of excellence that can benefit wider educational partnerships
- Risk management and audit
- Accountable for Trust-wide policies and on setting the Admissions Policy

**2. Strategic People**

- The appointment and overall performance of the Chief Executive Officer
- Holding the Chief Executive Officer and Principals to account for the educational performance of the schools and the quality of teaching and learning
- Holding the Chief Executive Officer to account for the health and wellbeing of all staff and pupils within the Trust
- Ensuring there is a coherent HR strategy in place that makes the best use of the people employed in the Trust
- Ensuring that the Principals and School Headteachers are accountable for delivering on the key priorities set out in the School Development Plans, with robust performance management linked to the key outcomes
- Ensuring that there is a strong commitment to the personal and professional development of all people employed in the Trust in recognition of the importance of each person to the success of all
- Ensuring the key strategic people remain giving of their time, energy and enthusiasm to our wider partnerships

**3. Strategic Resources**

- Holding the Chief Executive Officer and the Finance Director to account for the financial and risk management of the Trust.
- Ensuring financial probity and stability
- Ensuring compliance with all financial regulations
- Overall effectiveness and efficiency of the use of all Trust resources
- Establish Trust-wide HR policies
- Ensuring there is a coherent property strategy
- Ensuring there is a coherent IT strategy

**The role of the Chief Executive Officer:**

- Delegated responsibility from the Board for the operation of the Trust and the performance of each Academy or school with their LGB Chair
- Performance manages the Principals and Headteachers

## **Tudor Park Education Trust**

### **Year to 31 August 2016**

### **Trustees' Report (continued)**

- Is the Accounting Officer – takes overall responsibility for the operation of the Trust's financial responsibilities.
- Leads the executive team and is accountable to the Board for their performance

#### **Arrangements for setting pay and remuneration of key management personnel**

CEO - annual performance and pay appraisal is carried out by the Chair of the Board, two other Board Members and an external advisor. The Remuneration Committee of the Board will agree the pay range for the CEO.

The Tudor Park Leadership Team have their performance management carried out by the CEO and the Chair of the Board of Directors. The Remuneration Committee of the Board will agree pay ranges for these members of staff.

The Principals – the CEO and LGB will assign a minimum of a 6 point Principal pay range.

Progression on the pay range will be subject to review of the Principal's performance set against the annual appraisal review.

Other leadership posts in the academies – the CEO and Local Governing Body will determine a minimum of a 4 point pay range for all other leadership posts. Progression on the pay range will be subject to review of the individual's performance set against the annual appraisal review.

#### **Related Parties and other Connected Charities and Organisations**

There were three related party organisations with which Feltham Community College and Tudor Park Education Trust conducted business;

- Metropolitan Construction - a company owned by the brother of the former Finance Director, John Dixon
- AC Breeze - a company owned by the brother of a Member, David Snaddon
- West Thames College – a further and higher education college which had a Trustee of Feltham Community College, now a member of Tudor Park Education Trust in common and operated in partnership with the academy.

All transactions with these related parties were conducted at arm's length in accordance with the normal tendering procedures and were authorised by Victoria Eadie as CEO.

# **Tudor Park Education Trust**

## **Year to 31 August 2016**

### **Trustees' Report (continued)**

#### **Objectives and Activities**

##### Objects and Aims

The charitable company's objects are specifically restricted to the following:

- a. To advance, for the public benefit, education in the United Kingdom. In particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- b. To promote for the benefit of individuals living in Hounslow and the surrounding area who have need by reason of their age, 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 individuals.

##### Objectives, Strategies and Activities

The Trust is founded on the belief that inspiring teaching and learning is the key to future opportunity and we have developed an expertise in training and developing our teachers.

The Trust was established to secure a community that is energised by the achievements of its young people.

- We want to create a collaboration of local schools, working together for the benefit of the individual and the whole.
- We will continue to be connected to wider partnerships that influence the broader educational landscape.
- We are committed to inclusion and determined to offer excellence in our provision for children with all ranges of educational needs.
- We will provide challenge and strong leadership to ensure our vision is achieved.

Tudor Park Education Trust is an organisation driven by its values. These inform the decisions we take and how we implement them: who we partner with; how we work with them; what we offer our pupils and staff and how we deliver this offer.

##### **Our core values:**

- Strong Leadership
- Learning From Each Other
- Openness
- Community
- Opportunity for Every Child

##### **Our personality:**

- Positive and invested
- Energetic and flexible
- Honest and generous
- Outward looking
- Listening and learning

# **Tudor Park Education Trust**

## **Year to 31 August 2016**

### **Trustees' Report (continued)**

#### **Where do we want to go?**

We want to be a collaboration of local schools of all ages and types, working together for the benefit of the individual and the whole. We will continue to be connected to wider partnerships that are outward looking and energising; influencing the broader educational landscape. We will provide challenge and strong leadership to ensure our vision is achieved.

#### **Why do we do what we do?**

We want to see a community that is inspired by, and proud of, the successes and achievements of its schools and children. We know that great teaching makes the greatest difference to the educational outcomes and life chances of children in our community. We are experts in training and growing our teachers. We are totally committed to inclusion and determined to offer excellence in our provision for children with all ranges of educational needs. We want to make a difference, we want to add value across the spectrum of opportunities. We understand our community and are committed to our partnerships and key relationships.

#### **TPET advantages**

- Expert central services for finance, HR, IT, facilities and business management, SENCO and safeguarding
- Fast track development of leaders for internal promotion opportunities
- Expertise in teacher training and development
- Close collaboration between senior leaders across the Trust
- High quality strategic governance with wide business and professional experience

#### **Public Benefit**

The Trustees confirm that they have complied with the requirements of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission (<https://www.gov.uk/running-charity>) in determining the activities undertaken by the Charity.

This report makes clear that TPET complies with the principles set out in the Charity Commission public benefit guidance.

There is no harm or detriment being incurred by pursuit of the charity's aims.

Beneficiaries are members of the public and include women, men and children, and their communities (both faith and secular) in general. The beneficiaries are therefore appropriate to the aims.

The opportunities for benefit are not unreasonably restricted by geographical or other restrictions or by the ability to pay any fees charged.

People in poverty and low incomes are included in the opportunity to benefit.

There are no private benefits being received.

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

**Strategic Report**

Achievements and Performance

Feltham Community College – now Springwest Academy continues to be judged as a strongly good school through our own self-evaluation confirmed by an external review team from Challenge Partners. Outcomes for all pupils continued to be good.

**Key Stage 4 performance data 2016 – to be updated / confirmed after validation in 2017**

Number of pupils at the end of Key Stage 4	174
Number of disadvantaged pupils	70
% of disadvantaged pupils	40%
Low prior attainment band: number of pupils	42
Low prior attainment band: % of pupils	27%
Middle prior attainment band: number of pupils	99
Middle prior attainment band: % of pupils	63%
High prior attainment band: number of pupils	15
High prior attainment band: % of pupils	10%
Number of pupils with English as an additional language	61
% of pupils with English as an additional language	35%
Number of pupils with SEN with statements or EHC plan	10
% of pupils with SEN with statements or EHC plan	6%
Number of pupils with SEN without statements or EHC plan (SEN support)	28
% of pupils with SEN without statements or EHC plan (SEN support)	16%
<b>Progress 8</b>	
Progress 8 score	0.09
Progress 8 lower confidence interval	0.26
Progress 8 upper confidence interval	-0.09
Number of pupils included in the Progress 8 score	156
% of pupils included in the Progress 8 score	90%
<b>Attainment 8</b>	
Average attainment 8 score per pupil	44.97
<b>Progress 8 element breakdown</b>	
English	0.11
Maths	0.43
English Baccalaureate element	0.46
Open element	-0.53
<b>Attainment 8 element breakdown</b>	
English	9.79
Maths	9.32
English Baccalaureate element	12.96
Open element	12.92
<b>Prior Attainment</b>	
Progress 8 score for pupils with low prior attainment	0.62
Progress 8 score for pupils with middle attainment	-0.09
Progress 8 score for pupils with high attainment	-0.23
<b>Disadvantaged pupils</b>	
Number of disadvantaged pupils in the Progress 8 score	70
Progress 8 score for disadvantaged pupils	-0.06
Progress 8 score for disadvantaged pupils - English	-0.04
Progress 8 score for disadvantaged pupils - Maths	0.41
Progress 8 score for disadvantaged pupils - English Baccalaureate slots	0.14
Progress 8 score for disadvantaged pupils - Open slots	-0.6
<b>GCSE and equivalent achievements of pupils at the end of key stage 4</b>	
% entering the English Baccalaureate	39.1%

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

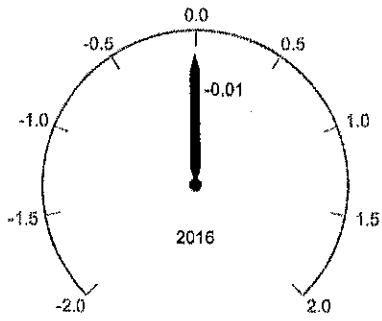
% achieving the English Baccalaureate	17%
% achieving a good pass in English and maths	58%
<b>Students with no KS2 data</b>	
% achieving a good pass in English and maths	55.6%
Average attainment 8 score per pupil	45.49

# Tudor Park Education Trust

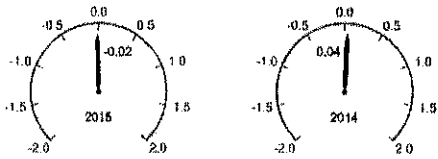
## Year to 31 August 2016

### Trustees' Report (continued)

#### Overall A-level Comparative Value Added



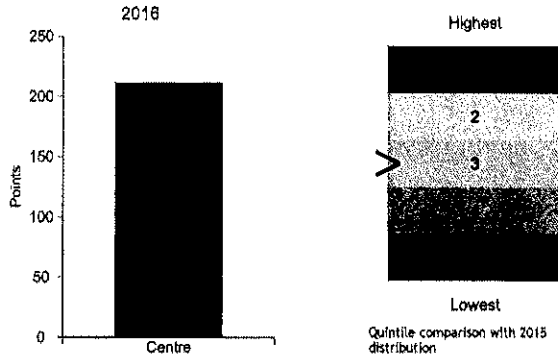
The comparative VA score is based on the latest set of Amended DfE VA data (January 2016). The value shown above is taken from one year's data. For comparison the previous DfE figures are shown below. These figures use 2-year data for completing students only, and count only non-discarded results (ie where a student did not achieve a better result in the same subject).



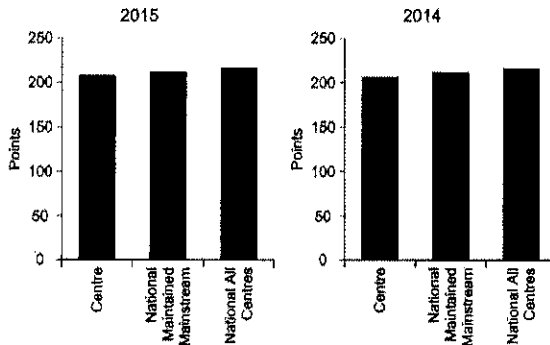
	Number of subjects	Percentage
Above VA average	3	50.0%
Below VA average	3	50.0%

See Section 4: Subject Analysis. Only subjects with at least 6 students eligible for the VA calculation are included in this table.

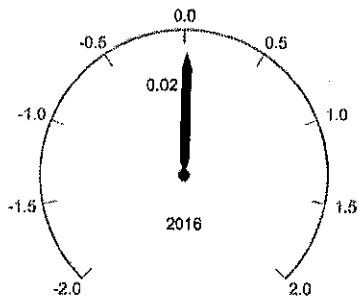
#### Overall A-level APE (in-year)



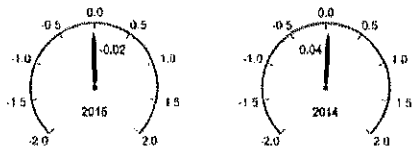
The value shown above is taken from one year's data. For comparison the previous DfE figures are shown below. These figures use 2-year data for completing students only, and count only non-discarded results (ie where a student did not achieve a better result in the same subject).



#### Overall Academic Comparative Value Added



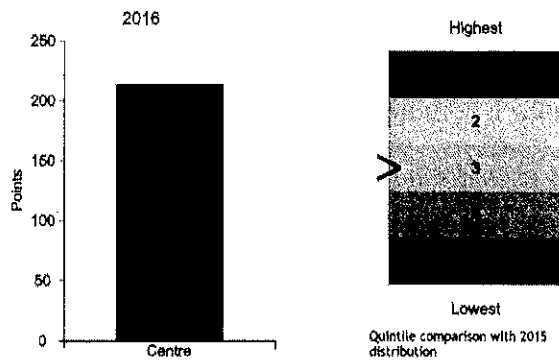
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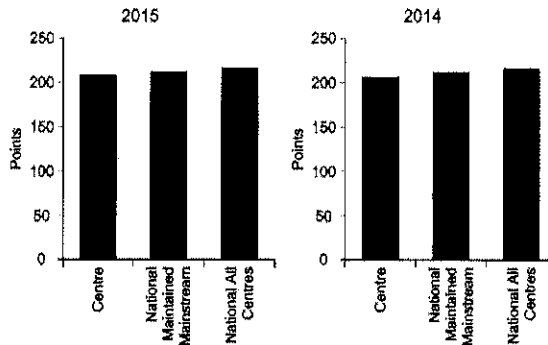
	Number of subjects	Percentage
Above VA average	3	62.5%
Below VA average	2	37.5%

See Section 4: Subject Analysis. Only subjects with at least 6 students eligible for the VA calculation are included in this table.

#### Overall Academic APE (in-year)



The value shown above is taken from one year's data. For comparison the previous DfE figures are shown below. These figures use 2-year data for completing students only, and count only non-discarded results (ie where a student did not achieve a better result in the same subject).

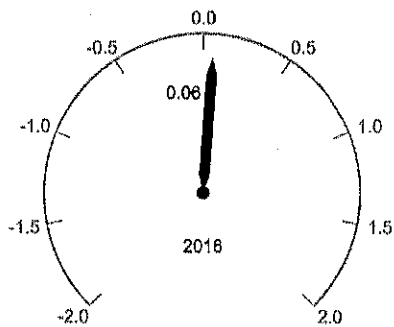


# Tudor Park Education Trust

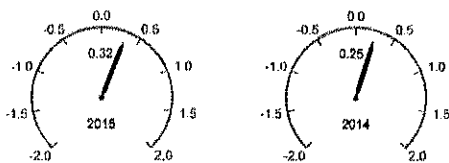
## Year to 31 August 2016

### Trustees' Report (continued)

Overall Vocational Comparative Value Added



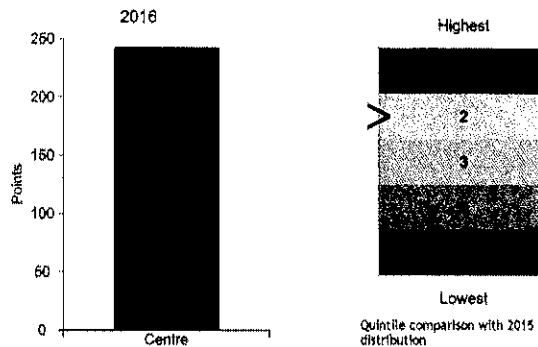
The comparative VA score is based on the latest set of Amended DfE VA data (January 2016). The value shown above is taken from one year's data. For comparison the previous DfE figures are shown below. These figures use 2-year data for completing students only, and count only non-discarded results (ie where a student did not achieve a better result in the same subject)



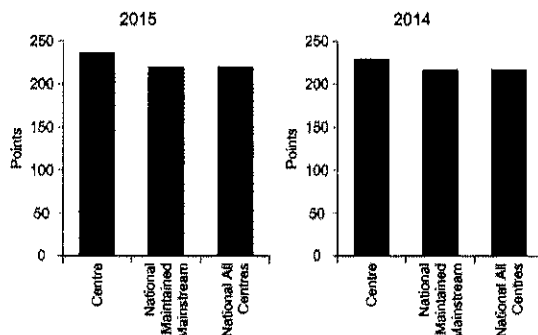
	Number of subjects	Percentage
Above VA average	3	75.0%
Below VA average	1	25.0%

See Section 4: Subject Analysis. Only subjects with at least 6 students eligible for the VA calculation are included in this table.

Overall Vocational APE (in-year)



The value shown above is taken from one year's data. For comparison the previous DfE figures are shown below. These figures use 2-year data for completing students only, and count only non-discarded results (ie where a student did not achieve a better result in the same subject)



### Logic Studio School

Logic Studio School had a successful pre-opening OFSTED inspection and opened in September 2016. It is monitored by the DfE through until its first OFSTED inspection.

### Key Performance Indicators

The Trustees consider the level of 'revenue reserves' to be the key performance indicator of the company. This balance is the total of the restricted general reserves (less pension) and the unrestricted reserves, indicating the level of reserves carried forward which the company can use to further its charitable goals. At the year end the level of revenue reserves is £41,031 (2015: £662,092). Management consider a revenue reserve figure above nil to be essential to the ongoing performance of the Trust.

The key performance indicators are monitored against prior period performance and to the industry averages.

### Going Concern

Most of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.



**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

During the year ended 31 August 2016, the excess of expenditure over income for the year was a £295,246 deficit (2015: £201,215 surplus) (before pension scheme adjustments).

At 31 August 2016 the net book value of fixed assets was £17,412,984 (2015: £17,638,197) as shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

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

Financial Review

*Reserves policy*

The Trust's unrestricted general fund is its funds after excluding restricted funds. Free reserves are therefore the resources the Trust has or can make available to spend for any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically unrestricted general reserves represent income to the Trust which is to be spent at the Trustees' discretion in furtherance of any of the Trust's objects but which is not yet spent, committed or designated.

The Trust's current level of unrestricted general reserves is £483,207 (2015: £260,266) as shown in note 16.

Demand on the Trust's restricted general reserves will vary over the coming years. The Trust's long term policy is that an appropriate level of reserves should be built up to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In addition such a reserve can be used to help deal with fluctuations in income caused by changes in student numbers or fluctuations caused by changes to the funding formula.

The Trust's current level of restricted general reserves is £442,176 deficit (2015: £401,826 surplus).

On conversion the Trust inherited land, buildings and equipment from the local authority. This was included as a gifted income to the Trust. The Trust also receives funding for the explicit purpose of purchasing items of a capital nature. As this income should not be used to fund fluctuations in the funding income it is held separately from the restricted general reserves (see above) as restricted fixed asset reserves.

The Trust's current level of restricted fixed asset reserves is £18,228,012 (2015: £17,638,197) and includes unspent Condition Improvement Funds received in the year of £815,028 (2015: not applicable)

*Investment policy*

The Trustees have resolved to invest any cash funds that are deemed surplus to the Trust's short-term requirements in an interest bearing account in a UK regulated bank.

*Principal Risk and Uncertainties*

			<b>RAG</b>
	Inaccurate financial records leading to poor decision-making	Monthly bank reconciliations Monthly budget monitoring Internal controls	

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

<b>Overall financial control risk</b>		<p>Internal and external audit</p> <p>Automated processes for purchase order authorisation and invoice approval from Sep 2016 (PS Financials)</p>	
	Budget overspend	<p>Internal controls</p> <p>Monthly budget monitoring and termly outturn forecasts</p> <p>Financial Scheme of Delegation</p> <p>Automated processes for purchase order authorisation and invoice approval from Sep 2016 (PS Financials)</p> <p>Requests for overspend are challenged and must be justified by SLT and approved by DoF/CEO</p>	
	Fraud/Theft	<p>Internal controls and vigilance</p> <p>Segregation of duties</p> <p>Cash held in locked safe and access restricted</p> <p>Internal and external audit</p>	<p>Review controls over cash income (sports hall) – interim audit – discuss with auditors</p> <p>Move to electronic payments (HSBC net) providing segregation between the person entering the payment and the person authorising it</p> <p>Move to cash collection service e.g. G4S</p>
	Risk that future commitments are entered into without sufficient funding to meet them	<p>Financial Scheme of Delegation</p> <p>5 year budget plan</p>	<p>Maintain register of all contracts/SLAs and renewal dates, auto-renewal clauses, notice periods etc. – in progress</p> <p>Always give notice at contract inception to terminate on the end date</p>
	Financial system unsuitable to meet the Trust's needs	<p>DoF has researched financial systems on the market for MATs</p> <p>Investment in market leader PS Financials</p>	

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

Financial systems risk	Provider fails to maintain the system in the long term	This is beyond our control but PS Financials have long-standing and are market leaders for MATs. High level system functionality evidences ongoing investment in the product	
	Financial information cannot be recovered in the event of a disaster	On and off site backup every 6 hours Disaster Recovery Plan Monthly testing of data recovery – restoring information and service	
	Risk of unauthorised access to the system	Password controls Virus protection Firewall Web filter Network policies to restrict access	
	Reliance on just 2 finance staff able to use the system	DoF and Finance Officer trained in use of new PS Financials software. Office Manager also trained in day to day transactional entry and able to cover Finance Officer leave. Detailed manuals available. PS Financials dedicated help desk. Option to purchase additional training as required.	As we expand, admin/finance personnel within individual schools to receive systems training
	Cuts to schools' funding	Keeping abreast of national funding formula consultations and changes Maintaining a flexible staffing structure to enable cutbacks Pooling resources where possible as a MAT to achieve savings	Scenario modelling
	Failure to recruit students and/or high pupil turnover	Renaming and branding of FCC as Springwest Continued focus on school improvement	Scenario modelling
	Incomplete accounting of income	Internal and external audit	Improve processes for lettings to ensure a paper trail exists and reconcile

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

<b>Income risk</b>			that back to monies banked	
			Auditors review as part of interim audit	
			Action any audit recommendations	
	Failure to recover debts	<p>Monthly credit control processes</p> <p>Write-offs must be authorised in accordance with Financial Scheme of Delegation</p> <p>Low risk debtors</p> <p>Low value debtors</p>		
Failure to meet income target for lettings	Monthly budget monitoring	<p>Review scale of charges</p> <p>Ensure completeness of income (see above)</p> <p>Consider marketing</p>		
Reliance on key personnel for lettings		<p>Documentation of some of the key procedures e.g. scale of charges, template lettings agreement</p> <p>DoF to review lettings files and ensure there are signed agreements, contact details and other key paperwork relating to each hirer</p>		
<b>Expenditure risk</b>	Expenditure not authorised	<p>Internal controls</p> <p>Financial Scheme of Delegation</p> <p>Automated processes for purchase order authorisation and invoice approval from Sep 2016 (PS Financials)</p>		
	Failure to achieve best value	<p>Quote limits applied</p> <p>Centralised purchasing for MAT</p> <p>Financial Scheme of Delegation</p>		
	No contingency in the budget for		It is not possible to set a contingency at this stage	

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

	emergency expenditure (e.g. premises/health and safety)		without setting a deficit budget. Going forward we will need to consider restructuring to further reduce overheads.
	No contingency in the budget for inflationary increases > 1%		We have allowed for inflationary increases in most cost centres of 1%. Increases over 1% will put us into deficit.
<b>Funds risk</b>	Risk that brought forward reserves are too low	Budget monitoring Credit control procedures	
	Insufficient cash flow	Consolidated bank account to assist cash flow	Whilst not an immediate concern cash flow is increasingly likely to become an issue as reserves are further depleted.  Stringent credit control  Careful management of payments to creditors, maximising invoice payment terms
<b>Taxation risk</b>	Risk that lettings income could be liable to corporation tax	Advice from HMRC is that this would be highly unlikely	
	Risk that VAT is not correctly applied to lettings	Advice from our accountants is that this would generally be exempt	
	Inability to attract and retain personnel leading to:  High recruitment costs  High agency costs  Declining standards	Budget for staff recruitment/advertising  Creative recruitment campaign (Logic)	National shortages make this a very real issue with potential to impact significantly on the budget. However all vacancies have been filled for Sep 16.

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

Personnel/ payroll risk	Courses being cut		
	Breach of employment legislation leading to potential claims	Insurance HR/legal advice from Browne Jacobson (Quickcall SLA)	
	Risk that the pension scheme deficit is unsustainable and the annual deficit recovery sum could exceed the budgeted £100k		We have budgeted for pension deficit recovery of £100k p.a., based on prior years. It is unlikely that the figure going forward would much exceed this but if it did, it would put us into a deficit position.
	Risk of further increases to employer pension and/or national insurance contributions		Probably not likely but if oncosts were to increase further we would be looking at a deficit position.
	Risk of pay increases to teachers and/or support staff > 1% over the next 5 years		Teacher and support staff salaries have not gone up by more than 1% for a number of years, and since we are still facing austerity measures any increases are probably unlikely. We would not be able to afford them without incurring redundancies.
	Risk that the staffing structure is unsustainable	5 year budget plan Annual staffing review	Our current staffing structure is unsustainable and we will need to restructure by Sep 2017 or we are facing a deficit position.
	Payroll errors	Monthly payroll reconciliation by DoF Monthly payroll checks by HR Manager	
	Loss/theft	Inventory of ICT equipment maintained by Gaia	

**Tudor Park Education Trust  
Year to 31 August 2016  
Trustees' Report (continued)**

Inventory risk		Insurance	
Health and Safety risk	Breach of health and safety legislation leading to potential claims	Insurance Health and safety policies and procedures	Cuts to the building maintenance budget may make this more of a risk going forward.
	Insufficient insurance	Contents are currently insured through Zurich, however from 1 Nov we have opted in to the government's Risk Protection Arrangements (RPA). Logic opted in from 1 Sep.	

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

Plans for Future Years

The Trust has set the following objectives which

h, in this initial period, will be reviewed at each meeting of the Directors. During summer 2017 a longer term strategic plan will be drawn up.

Culture and Ethos agreed	Gain internal and external understanding of TPET vision and Ethos	Identify and agree our values and ethos  Identify audiences  Understand their needs  Communicate our culture and ethos	September 2016       Ongoing	
Partnerships and Services Offer	Build first family of local primary partners with shared values and ethos to TPET	Agree on which schools to approach	July 2016	
Communication and Branding	Branding, Website, on and offline marketing	Launch TPET website  Agree framework for branding across partner schools	September 2016	
Quality Assurance & Improvement	Develop monitoring process to support schools in robust self evaluation and reporting	Draw up planned monitoring activities for the year to match in with each Academy's plan	October 2016	
Systems and Processes	Develop Schemes of Delegation and  Risk assessment frameworks		October - November	



**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Trustees' Report (continued)**

Funds held as Custodian Trustee on Behalf of Others

There are no asset or arrangements which are segregated or held under the safe custody of the Trustees.

Auditor

Insofar as the Trustees are aware:

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

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Mercer & Hole will therefore continue in office.

This Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors on 8<sup>th</sup> December 2016 and signed on its behalf by:



.....  
**S Sehmi**  
**(Chair of Trustees)**

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Governance Statement**

**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Tudor Park Education 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 for Feltham Community College met formally on two occasions. The Board of Trustees for Tudor Park Education Trust has formally met four times during the year. Attendance during the year at meetings of the Trust was as follows:

**Feltham Community College Trustees' attendance at formal meetings**

Director	06/10/2015	08/12/2015
Nick Grant	✓	✓
Harprit Sekhon	✓	✓
Victoria Eadie	✓	✓
John Cadogan	✓	✓
Nicola Fisher	✓	✓
Paul Jabbal	x	✓
Suresh Kandangwa	✓	✓
Marjorie Semple	✓	✓
David Snaddon	✓	✓
Sue Stone	✓	x
Charlotte Warner	✓	✓
Karen West	✓	✓
Penny Wilson	x	✓

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Governance Statement**

**Tudor Park Education Trust Trustees' attendance at formal meetings**

Director	Board of Directors Meeting			
	30 Jan 16	24 Mar 16	7 May 16	7 Jul 16
Michael Cooper	✓	✓	✓	✓
Victoria Eadie	✓	✓	✓	✓
Nick Grant	✓	x	✓	x
Robert Lobatto	x	✓	✓	x
Julie Pears	✓	x	✓	✓
Sandy Sehmi	✓	✓	✓	✓
Charlotte Warner	✓	x	✓	✓
Fiona Wilson	N/A	N/A	✓	x

The Board took the decision in the first year to take all potential committee work at whole board level in order that all Trustees develop a good understanding of the full remit of work.

**Governance Reviews**

The Board carried out an initial skills audit and the contribution of each Trustee will be reviewed by the Chair through the first year of operation. A full self-review will be undertaken in the summer of 2017.

**Review of Value for Money**

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

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

- Tendering a new Trust ICT managed service for the benefit of current and future academies
- Benchmarking and reviewing staffing structures across the Trust to ensure best value
- Costing the curriculum and looking carefully at every line of expenditure to ensure savings

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tudor Park Education Trust for the year to 31 August 2016 and up to the date of approval of the annual report and financial statements.

# **Tudor Park Education Trust**

## **Year to 31 August 2016**

### **Governance Statement**

#### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2016 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 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 Board of Trustees 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 ; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed Mercer & Hole, the external auditor to perform additional checks in the form of an interim review of controls.

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

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of control account/ bank reconciliations
- testing of asset systems
- testing the procedures used to prepare financial reports issued to Governors/Trustees
- ensuring correct use of the school credit card
- ensuring correct use of Petty Cash
- checking that procedures are in place to ensure cash balances are sufficient to pay creditors

On an annual basis, the external auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The external auditor has delivered their schedule of work as planned. There were no material control issues identified.

#### **Review of Effectiveness**

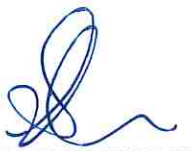
**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Governance Statement**

As accounting officer the chief executive 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 Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the external auditor 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 8<sup>th</sup> December 2016 and signed on its behalf by:



.....  
**S Sehmi**  
(Chair of Trustees)



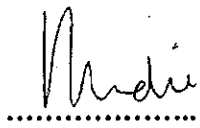
.....  
**V Eadie**  
(Accounting Officer)

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Statement of Regularity, Propriety and Compliance**

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

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

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



.....  
**V Eadie**  
(Accounting Officer)

**Date** 8<sup>th</sup> December 2016

# **Tudor Park Education Trust**

## **Year to 31 August 2016**

### **Statement of Trustees' Responsibilities**

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

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

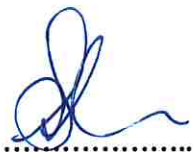
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the Members of the Board of Trustees on 8<sup>th</sup> December 2016 and signed on its behalf by:



.....  
**S Sehmi**  
**(Chair of Trustees)**

## **Tudor Park Education Trust**

**Year to 31 August 2016**

### **Independent Auditor's Report on the Financial Statements to the Governing Body of Tudor Park Education Trust**

We have audited the financial statements of Tudor Park Education Trust for the year to 31 August 2016 on pages 34 to 55. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, set out on page 29, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

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



**Tudor Park Education Trust**

**Year to 31 August 2016**

**Independent Auditor's Report on the Financial Statements to the Governing Body of Tudor Park Education Trust (continued)**

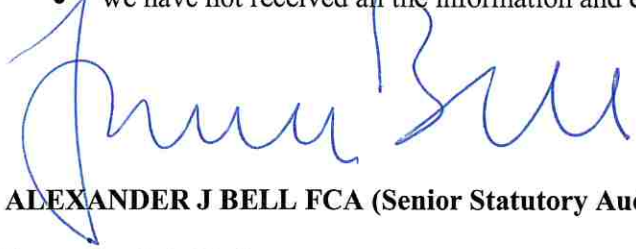
**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report and Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**ALEXANDER J BELL FCA (Senior Statutory Auditor)**

For and on behalf of  
MERCER & HOLE  
Chartered Accountants  
Batchworth House  
Batchworth Place  
Church Street  
Rickmansworth  
Hertfordshire WD3 1JE

16 Feb 2016

# **Tudor Park Education Trust**

## **Year to 31 August 2016**

### **Independent Auditor's Report on Regularity**

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

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

#### **Respective responsibilities of Tudor Park Education Trust's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of Tudor Park Education Trust's funding agreement with the Secretary of State for Education dated 2<sup>nd</sup> March 2016 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the controls procedures in place to monitor and control income and expenditure
- a discussion with the Director of Finance to substantiate any claims made by the Accounting Officer
- a review of the nominal ledger for any inappropriate expenses

**Tudor Park Education Trust**  
**Year to 31 August 2016**  
**Independent Auditor's Report on Regularity (continued)**

**Conclusion**

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



**MERCER & HOLE**

Chartered Accountants  
Batchworth House  
Batchworth Place  
Church Street  
Rickmansworth  
Hertfordshire WD3 1JE

16 June 2016  
.....

**Tudor Park Education Trust**  
**Statement of Financial Activities**  
**For the year ended 31 August 2016**  
**(including Income and Expenditure Account)**

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Restated Total 2015 £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
Donations and capital grants	2	-	24,978	1,752,546	1,777,524	74,766
Activities for generating funds	3	309,221	-	-	309,221	298,268
Investment income	4	1,146	-	-	1,146	674
<b>Incoming resources from charitable activities:</b>						
Funding for the Trust's educational operations	5	-	7,077,978	-	7,077,978	7,916,292
<b>TOTAL INCOMING RESOURCES</b>		<b>310,367</b>	<b>7,102,956</b>	<b>1,752,546</b>	<b>9,165,869</b>	<b>8,290,000</b>
<b>RESOURCES EXPENDED</b>						
<b>Expenditure on charitable activities:</b>						
Trust's educational operations	7	87,426	9,001,571	351,736	9,440,733	8,069,395
Governance costs	8	-	20,382	-	20,382	19,390
<b>TOTAL RESOURCES EXPENDED</b>		<b>87,426</b>	<b>9,021,953</b>	<b>351,736</b>	<b>9,461,115</b>	<b>8,088,785</b>
<b>NET INCOMING/(OUTGOING)</b>						
<b>RESOURCES BEFORE TRANSFERS</b>						
Gross transfers between funds	16	222,941	(1,918,997)	1,400,810	(295,246)	201,215
		-	810,995	(810,995)	-	-
<b>NET INCOME/ (EXPENDITURE) FOR THE YEAR</b>		<b>222,941</b>	<b>(1,108,002)</b>	<b>589,815</b>	<b>(295,246)</b>	<b>201,215</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial loss on defined benefit pension scheme	16	-	(2,786,000)	-	(2,786,000)	(72,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>222,941</b>	<b>(3,894,002)</b>	<b>589,815</b>	<b>(3,081,246)</b>	<b>129,215</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward at 1 September 2015</b>		<b>260,266</b>	<b>(3,559,174)</b>	<b>17,638,197</b>	<b>14,339,289</b>	<b>14,210,074</b>
<b>Total funds carried forward at 31 August 2016</b>		<b>483,207</b>	<b>(7,453,176)</b>	<b>18,228,012</b>	<b>11,258,043</b>	<b>14,339,289</b>

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.


The notes on pages 37 to 55 form part of these financial statements.

**Tudor Park Education Trust**  
**Balance Sheet**  
**as at 31 August 2016**

**company number 07798639**

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Tangible fixed assets	12	17,412,984	17,638,197
<b>Current assets</b>			
Stock	13	18,037	15,000
Debtors	14	350,739	252,594
Cash at bank and in hand		1,427,893	893,653
		<u>1,796,669</u>	<u>1,161,247</u>
<b>Creditors:</b> amounts falling due within one year	15	<u>(940,610)</u>	<u>(499,155)</u>
Net current assets		856,059	662,092
<b>Net assets excluding pension liability</b>		<u>18,269,043</u>	<u>18,300,289</u>
Pension scheme liability	23	(7,011,000)	(3,961,000)
<b>Net assets including pension liability</b>		<u><b>11,258,043</b></u>	<u><b>14,339,289</b></u>
<b>Funds of the Trust:</b>			
<b>Restricted funds</b>			
Fixed asset funds	16	18,228,012	17,638,197
Restricted income fund	16	(442,176)	401,826
Pension reserve	16	(7,011,000)	(3,961,000)
<b>Total restricted funds</b>		<u>10,774,836</u>	<u>14,079,023</u>
<b>Unrestricted income funds</b>			
General funds	16	483,207	260,266
<b>Total unrestricted funds</b>		<u>483,207</u>	<u>260,266</u>
<b>Total funds</b>		<u><b>11,258,043</b></u>	<u><b>14,339,289</b></u>

The financial statements on pages 34 to 55 were approved by the Trustees, and authorised for issue on 8<sup>th</sup> December 2016 and are signed on their behalf by:



S Sehmi  
 (Chair)

Registered company Number: 07798639

The notes on pages 37 to 57 form part of these financial statements.

**Tudor Park Education Trust**  
**Statement of Cash Flows**  
**for the year ended 31 August 2016**

	Notes	2016 £	2015 £
<b>Net cash inflow from operating activities</b>	19	533,094	467,595
<b>Returns on investments and servicing of finance:</b>			
Interest received	20	<u>1,146</u>	<u>674</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>1,146</b>	<b>674</b>
<b>Increase in cash</b>	21	<u><u>534,240</u></u>	<u><u>468,269</u></u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
<b>Net funds at 1 September 2015</b>		<u>893,653</u>	<u>425,384</u>
<b>Net funds at 31 August 2016</b>		<u><u>1,427,893</u></u>	<u><u>893,653</u></u>

The notes on pages 37 to 55 form part of these financial statements.

## **Tudor Park Education Trust**

### **Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

#### **1. Statement of Accounting policies**

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

##### **Basis of Preparation**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

##### **Going Concern**

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

##### **Income**

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants Receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year 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.

# **Tudor Park Education Trust**

## **Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

### **1. Statement of Accounting policies (continued)**

- **Grants Receivable (continued)**

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

- **Donations**

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

- **Other Income**

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

- **Donated Services and Gifts in Kind**

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

Fixed assets transferred to the Trust, from the predecessor establishment, on the date of conversion were included under incoming resources from generated funds. The land and buildings were independently valued at the date of conversion, on a depreciated replacement cost basis.

### **Resources Expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of Generating Funds**

These are costs incurred in attracting voluntary income, and those incurred in letting and other activities that raise funds.

- **Charitable Activities**

These are costs incurred on the Trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.



# **Tudor Park Education Trust**

## **Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

### **1. Statement of Accounting policies (continued)**

#### **Tangible Fixed Assets**

Assets, or combined groups of similar assets, costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold buildings	over 50 years straight line
Equipment, fixtures and fittings	20% on cost
Computer equipment	33% on cost
Motor Vehicles	20% on cost

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.

#### **Liabilities**

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

#### **Operating lease transactions**

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

#### **Stock**

Unsold uniforms are valued at the lower of cost or net realisable value.

#### **Taxation**

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

# **Tudor Park Education Trust**

## **Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

### **1. Statement of Accounting policies (continued)**

#### **Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### **Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied for specific capital purposes imposed by the Education Funding Agency (EFA), The Department for Education (DfE) or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the EFA and DfE.

#### **Critical accounting estimates and areas of judgement**

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

#### *Critical accounting estimates and assumptions*

The 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.

## Tudor Park Education Trust

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

#### 1. Critical accounting estimates and areas of judgement (continued)

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

##### *Critical areas of judgement*

##### *Determining residual values and useful economic life of tangible fixed assets (property, plant and equipment)*

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programs.

Judgment is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the Trust would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

#### 2. Donations and capital grants

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2016 £	Total Funds 2015 £
Other Donations	-	24,978	-	24,978	53,025
Capital Grants	-	-	1,752,546	1,752,546	21,741
	-	24,978	1,752,546	1,777,524	74,766

#### 3. Activities For Generating Funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2016 £	Total Funds 2015 £
Hire of facilities	309,221	-	-	309,221	276,310
Other income	-	-	-	-	21,958
	309,221	-	-	309,221	298,268

#### 4. Investment Income

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2016 £	Total Funds 2015 £
Bank interest	1,146	-	-	1,146	674

# Tudor Park Education Trust

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

### 5. Funding For The Trust's Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>DfE/EFA revenue grants</b>					
General Annual Grant (GAG)	-	5,778,800	-	5,778,800	6,284,695
Other DfE/EFA grants	-	1,179,178	-	1,179,178	1,397,821
	-	6,957,978	-	6,957,978	7,682,516
<b>Other Government grants</b>					
Special educational projects	-	120,000	-	120,000	233,776
	-	7,077,978	-	7,077,978	7,916,292

### 6. Resources Expended

	Staff Costs £	Premises Costs £	Other Costs £	Total 2016 £	Total 2015 £
Cost of generating voluntary income	-	-	(3,037)	(3,037)	-
Trust's educational operations:					
Direct costs	6,402,754	351,736	711,935	7,466,425	6,610,300
Allocated support costs	41,721	1,348,034	587,590	1,977,345	1,459,095
	6,444,475	1,699,770	1,296,488	9,440,733	8,069,395
Governance costs including allocated support costs	-	-	20,382	20,382	19,390
	6,444,475	1,699,770	1,316,870	9,461,115	8,088,785

#### Expenditure on resources for the year include:

	2016 £	2015 £
Operating lease rental	36,734	36,734
Depreciation	351,736	121,365
Audit	9,750	9,500
Other fees payable to auditor	7,000	7,950

### 7. Charitable Activities – Trust's Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Direct costs</b>					
Teaching and educational support staff costs	90,463	6,312,291	-	6,402,754	6,089,304
Depreciation	-	-	351,736	351,736	121,365
Educational supplies	-	137,884	-	137,884	202,727
Examination fees	-	72,286	-	72,286	72,553
Staff development	-	27,580	-	27,580	33,506
Educational consultancy	-	21,202	-	21,202	27,102
Other direct costs	-	452,983	-	452,983	63,743
	90,463	7,024,226	351,736	7,466,425	6,610,300

## Tudor Park Education Trust

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

#### Allocated support costs

Support staff costs	-	41,721	-	41,721	32,096
Recruitment and support	-	15,747	-	15,747	21,523
Maintenance of premises and equipment	-	945,867	-	945,867	559,631
Cleaning	-	136,372	-	136,372	167,620
Rent and rates	-	201,275	-	201,275	206,954
Insurance	-	64,520	-	64,520	73,446
Security and transport	-	9,988	-	9,988	4,394
Catering	-	57,344	-	57,344	69,644
Bank interest and charges	-	8,502	-	8,502	931
Other support cost	(3,037)	496,009	-	492,972	322,856
	(3,037)	1,977,345	-	1,974,308	1,459,095
	87,426	9,001,571	351,736	9,440,733	8,069,395

#### 8. Governance Costs

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2016 £	Total Funds 2015 £
Legal and professional fees	-	3,632	-	3,632	1,940
Audit of financial statements	-	9,750	-	9,750	9,500
Other services	-	7,000	-	7,000	7,950
	-	20,382	-	20,382	19,390

# Tudor Park Education Trust

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

### 9. Staff Costs and Emoluments

#### a) Staff costs

Staff costs during the year were:

	2016 £	2015 £
Wages and salaries	4,950,431	4,781,718
Social security costs	441,638	359,266
Pension costs	1,010,685	906,320
	<hr/> 6,402,754	<hr/> 6,047,304
Supply staff costs	41,721	32,096
	<hr/> <hr/> 6,444,475	<hr/> <hr/> 6,079,400

#### b) Staff numbers

The average number of persons (including senior management team) employed by the Trust during the year expressed as full time equivalents was as follows:

	2016	2015
Teachers	69	66
Administration and support	72	76
Management	8	10
	<hr/>	<hr/>

#### c) Staff severance payments

Included in staff costs are non-statutory/ non-contractual severance payments totalling £nil (2015: nil).

#### d) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2016	2015
£60,001 - £70,000	4	5
£70,001 - £80,000	3	3
£80,001 - £120,000	1	1
	<hr/>	<hr/>

68 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £472,305. 67 employees participated in the Local Government Pension Scheme, pension contributions amounted to £273,644.

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £913,667 (2015: £721,820).

## Tudor Park Education Trust

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

#### 10. Trustees' Remuneration and Expenses

The CEO and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees. The value of Trustees' remuneration was as follows:

V Eadie (chief executive officer and Trustee):

Remuneration: £115,000 - £120,000	(2015: £110,000 - £115,000)
Employers pension contributions: £15,000 - £20,000	(2015: £15,000 - £20,000)

K West (staff Trustee):

Remuneration: £35,000 - £40,000	(2015: £35,000 - £40,000)
Employers pension contributions: £5,000 - £10,000	(2015: £5,000 - £10,000)

Other related party transactions involving the Trustees are set out in note 24.

#### 11. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2016 was £45,481 (2015: £44,086).

The cost of this insurance is included in the total insurance cost.

# Tudor Park Education Trust

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

### 12. Tangible Fixed Assets

	Motor vehicles £	Computer equipment £	Freehold land and buildings £	Equipment, fixtures and fittings £	Total £
<b>Cost/Valuation</b>					
At 1 September 2015	50,044	145,382	17,474,559	398,500	18,068,485
Additions	-	126,523	-	-	126,523
<b>At 31 August 2016</b>	<b>50,044</b>	<b>271,905</b>	<b>17,474,559</b>	<b>398,500</b>	<b>18,195,008</b>
<b>Depreciation</b>					
At 1 September 2015	25,422	125,923	-	278,943	430,288
Charge for the year	10,008	24,882	237,870	78,976	351,736
<b>At 31 August 2016</b>	<b>35,430</b>	<b>150,805</b>	<b>237,870</b>	<b>357,919</b>	<b>782,024</b>
<b>Net book value</b>					
<b>At 31 August 2016</b>	<b>14,614</b>	<b>121,100</b>	<b>17,236,689</b>	<b>40,581</b>	<b>17,412,984</b>
At 31 August 2015	24,622	19,459	17,474,559	119,557	17,638,197

The land and buildings were valued on incorporation at their open market value and, in the opinion of the Trustees, no event or transaction has occurred since to indicate that a material change is necessary.

### 13. Stock

	2016 £	2015 £
Clothing	18,037	15,000

### 14. Debtors

	2016 £	2015 £
Trade debtors	9,821	55,842
VAT recoverable	70,863	27,958
Prepayments and accrued income	270,055	168,794
	<b>350,739</b>	<b>252,594</b>

### 15. Creditors: Amounts Falling Due Within One Year

	2016 £	2015 £
Trade creditors	633,494	224,309
Taxation and social security	127,676	112,568
Other creditors	99,075	82,759
Accruals	80,365	79,519
	<b>940,610</b>	<b>499,155</b>



# Tudor Park Education Trust

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

### 16. Funds

	Balance at 1 September 2015 £	Incoming resources £	Gains, losses and transfers £	Resources expended £	Balance at 31 August 2016 £
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	17,531,588	1,752,546	(810,995)	(57,029)	18,416,110
Capital expenditure from GAG	106,609	-	-	(294,707)	(188,098)
	<u>17,638,197</u>	<u>1,752,546</u>	<u>(810,995)</u>	<u>(351,736)</u>	<u>18,228,012</u>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(153,968)	5,505,800	-	(7,028,931)	(1,677,127)
Other DfE/EFA grants	347,029	1,179,178	810,995	(1,388,074)	949,128
Other income	208,765	144,978	-	(67,948)	285,795
	<u>401,826</u>	<u>6,829,956</u>	<u>810,995</u>	<u>(8,484,953)</u>	<u>(442,176)</u>
Pension reserve	(3,961,000)	273,000	(2,786,000)	(537,000)	(7,011,000)
<b>Total restricted funds</b>	<b>14,079,023</b>	<b>8,855,502</b>	<b>(2,786,000)</b>	<b>(9,373,689)</b>	<b>10,774,863</b>
<b>Unrestricted funds</b>					
General	260,266	310,367	-	(87,426)	483,207
<b>Total funds</b>	<b>14,339,289</b>	<b>9,165,869</b>	<b>(2,786,000)</b>	<b>(9,461,115)</b>	<b>11,258,043</b>

The transfers made above relate to:

- The removal of £810,995 from the restricted fixed asset fund regarding capital grants which relate to non-capitalised items, instead relating to large 'capital' projects.
- The Trust is carrying £815,028 of unspent condition improvement fund within the fixed asset fund. This is earmarked for expenditure post year end.
- The Trust is carrying a net deficit of £442,176 on restricted general funds (excluding pension reserves), including unrestricted funds of £483,207 this is however a surplus position of £41,031.

Total funds analysis by Academy:

	2016 £
Fund balances at 31 August 2016 were Allocated as follows:	
Springwest Academy	£ (2,865)
Logic Studio School	£ 43,896
	<hr/>
The total before fixed asset and pension reserve	£ 41,031
Restricted fixed asset fund	£18,228,012
Pension reserve	(£ 7,011,000)
<b>Total</b>	<b><u>£11,258,043</u></b>

# Tudor Park Education Trust

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

### 17. Analysis of Net Assets Between Funds

Fund balances at 31 August 2016 are represented by;

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2016 £	Total Funds 2015 £
Tangible fixed assets	-	-	17,412,984	17,412,984	17,638,197
Current assets	483,207	1,313,462	-	1,796,669	1,161,247
Current liabilities	-	(940,610)	-	(905,010)	(499,155)
Pension scheme liability	-	(7,011,000)	-	(7,011,000)	(3,961,000)
<b>Total Funds</b>	<b>483,207</b>	<b>(6,638,148)</b>	<b>17,412,984</b>	<b>11,258,043</b>	<b>14,339,289</b>

### 18. Financial Commitments

At 31 August 2016 the Trust has annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
<b>Operating leases</b>		
Expiring within one year	22,015	36,734
Expiring within two and five years inclusive	44,030	-
Expiring in over five years	-	-

### 19. Reconciliation of Net Income/(expenditure) to Net Cash flow from operating activities

	2016 £	2015 £
Net (expenditure)/income	(295,246)	243,215
Depreciation (note 12)	351,736	121,365
Capital grants from DfE and other capital income	(126,523)	(32,751)
Interest receivable (note 4)	(1,146)	(674)
Defined pension scheme cost less contributions payable (note 23)	109,000	126,000
Defined pension finance cost (note 23)	155,000	108,000
(Increase)/decrease in stock	(3,037)	-
(Increase)/decrease in debtors	(98,145)	(51,341)
Increase/(decrease) in creditors	441,455	(46,219)
Net cash inflow/(outflow) from operating activities	533,094	467,595

# Tudor Park Education Trust

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

### 20. Cash flows from investing activities

	2016 £	2015 £
Interest received	1,146	674
Net cash inflow from returns on investment and servicing of finance	<u>1,146</u>	<u>674</u>

### 21. Analysis of cash and cash equivalents

	At 31 Aug 2016 £	At 31 Aug 2015 £
Cash in hand and at bank	<u>1,427,893</u>	<u>893,653</u>

### 22. 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.

## **Tudor Park Education Trust**

### **Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

#### **23. Pension and Similar Obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS was 31 March 2013. The next actuarial valuation of the LGPS will be carried out as at 31 March 2016, but is not yet available.

#### **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 2015. Membership is automatic for full-time teachers and lecturers and from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

##### **Valuation of the Teachers' Pension Scheme**

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

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

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

## Tudor Park Education Trust

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

#### 23. Pension and Similar Obligations (Continued)

The pension costs paid to TPS in the period amounted to £472,305 (2015: £404,156).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £360,000 (2015: £370,000), of which employer's contributions totalled £273,000 (2015: £274,000) and employees' contributions totalled £87,000 (2015: £96,000).

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

#### Principal Actuarial Assumptions

	At 31 August 2016 % pa	At 31 August 2015 % pa
Rate of increase in salaries	4.1	4.5
Rate of increase for pensions in payment/inflations	2.2	2.7
Discount rate for scheme liabilities	2.2	4.0
Inflation assumption (CPI)	3.2	2.7

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.1	22.1
Females	26.7	26.6
<i>Retiring in 20 years</i>		
Males	24.4	24.2
Females	29.1	28.9

# Tudor Park Education Trust

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

### 23. Pension and Similar Obligations (Continued)

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

	Fair value at 31/08/2016 £	Fair value at 31/08/2015 £
Equities	2,015,000	1,565,000
Gilts	149,000	131,000
Other Bonds	548,000	372,000
Property	150,000	135,000
Absolute return fund	117,000	97,000
Cash	86,000	73,000
<b>Total market value of assets</b>	<b>3,065,000</b>	<b>2,373,000</b>
Present value of scheme liabilities- Funded	(10,076,000)	(6,334,000)
<b>Deficit in the scheme</b>	<b>(7,011,000)</b>	<b>(3,961,000)</b>

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The return on gilts and other bonds are assumed to be the gilt yield and the corporate bond yield respectively. The returns on equities and property are then assumed to be a margin above gilt yields.

The total return on the fund assets for the year to 31 August 2016 is £403,000 (2015: £12,000).

### Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost	382,000	400,000
Net interest cost	153,000	147,000
Administration expenses	2,000	3,000
<b>Total operating charge</b>	<b>537,000</b>	<b>550,000</b>

## Tudor Park Education Trust

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

#### 23. Pension and Similar Obligations (Continued)

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

	2016 £	2015 £
<b>At 1 September 2015</b>	<b>6,334,000</b>	<b>5,671,000</b>
Current service cost	382,000	400,000
Interest cost	254,000	235,000
Employee contributions	87,000	96,000
Change in financial assumptions	3,088,000	(1,000)
Benefits paid	(69,000)	(67,000)
<b>At 31 August 2016</b>	<b>10,076,000</b>	<b>6,334,000</b>

Movements in fair value of Trust's share of scheme assets:

	2016 £	2015 £
<b>At 1 September 2015</b>	<b>2,373,000</b>	<b>2,058,000</b>
Interest on assets	101,000	88,000
Return on assets less interest	302,000	(73,000)
Administration expenses	(2,000)	(3,000)
Employer contributions	273,000	274,000
Employee contributions	87,000	96,000
Benefit paid	(69,000)	(67,000)
<b>At 31 August 2016</b>	<b>3,065,000</b>	<b>2,373,000</b>

The three year experience adjustments are as follows:

	2016 £	2015 £	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(10,076,000)	(6,334,000)	(5,671,000)	(3,841,000)	(3,173,000)
Fair value of share of scheme assets	3,065,000	2,373,000	2,058,000	1,444,000	1,043,000
Deficit in the scheme	<u>(7,011,000)</u>	<u>(3,961,000)</u>	<u>(3,613,000)</u>	<u>(2,397,000)</u>	<u>(2,130,000)</u>
Experience adjustments on share of scheme assets	-	(115,000)	203,000	109,000	29,000
Experience adjustments on scheme liabilities	-	-	(616,000)	-	-

**24. Related Party Transactions**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

The Trust received works from AC Breeze, a related company, as D Snaddon, a Trustee, is a brother of the company owner. The invoices throughout the year amounted to £3,716 (2015: £1,576), with £nil (2015: £nil) being outstanding as at the year end.

The Trust received works from West Thames College, a related company, as M Semple, a Trustee, is a chief executive of the company. The invoices throughout the year amounted to £67,589 (2015: £44,520), with nil (2015: £nil) being outstanding as at the year end.

Within trade debtors there were amounts due from The Rise School, a related company, as Charlotte Warner, a Trustee, is a governor of the company. The invoices throughout the year amounted to £55,431 (2015: £71,099), with nil (2015: £10,430) being outstanding as at the year end.



## Tudor Park Education Trust

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

#### 25. Reconciliation of transition to FRS 102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

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

#### Reconciliation of net income/(expenditure)

	<b>31 August 2015</b>
	<b>£</b>
Net income/(expenditure) previously reported under UK GAAP	129,215
Change in recognition of LGPS interest cost	(42,000)
Actuarial loss on defined benefit pension scheme	42,000
Net movement in funds reported under FRS 102	<u>129,215</u>

#### Change in recognition of LGPS interest cost

Under previous UK GAAP the Trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to expense by £42,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

