

Company Registration No. 09343767 (England and Wales)

**SOMERSET ROAD EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

SOMERSET ROAD EDUCATION TRUST

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SOMERSET ROAD EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

R Bexon (Chairman)
Z Bailey (Appointed 13 May 2015)
J Bowden (Resigned 25 November 2015)
Mr R J Chapman (Chief Executive Officer and Accounting Officer)
C Clifford
N Curtis
G Flemington
S Hackett
A Mayhew
M Podkolinski
A Smith (Resigned 13 May 2015)
P Wain
G Walker

Members

R Bexon
C Clifford
S Hackett
G Walker

Senior management team

- Head Exeter House	R Chapman
- Head St Mark's Junior School	G Flemington
- Acting Head Wyndham Park Infants School	Z Bailey

Company secretary

Mrs S C E Day

Company registration number

09343767 (England and Wales)

Registered office

Exeter House School
Somerset Road
Salisbury
Wiltshire
SP1 3BL

Academies operated

Exeter House Special School
St Marks CE Junior School
Wyndham Park Infants School
Somerset Road Academy Trust

Location

Salisbury
Salisbury
Salisbury
Salisbury

Principal

R Chapman
G Flemington
Z Bailey
R Chapman

Independent auditor

Moore Stephens (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

SOMERSET ROAD EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
38 Blue Boar Row
Salisbury
Wiltshire
SP1 1DB

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2015

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 5 December 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The multi-academy trust operates three academies located on Somerset Road, to the north east of the medieval city of Salisbury. These are:

Exeter House Special School – that caters for children aged 2-19 with severe and profound multiple learning difficulties. The school has a capacity of 121 and pupil numbers of 105.

St Mark's CE Junior School – that caters for children from 7-11 (years 3 – 6). It has three classes of 30 pupils in each of its four year groups, giving a total capacity of 360 pupils.

Wyndham Park Infants' School – that caters for Reception and years 1 & 2 children. It has three classes of 30 pupils in each of its three year groups, giving a total capacity of 270 pupils.

The three schools are based on a shared campus which originally housed just St Mark's School but which, over the years, has been developed to become the home for all three schools. In the past they were separate schools with limited interaction but it was agreed that their future would be better served if they were to form a MAT, which they did on 1 January 2015.

Structure, governance and management

Constitution

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

The trustees of Somerset Road Education Trust (SRET) are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Since the incorporation of the Charitable Company on 5th December 2014 the Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The indemnity is unlimited under the EFA insurance pooling scheme.

Method of recruitment and appointment or election of trustees

In accordance with the Articles of Association, the four members are responsible for the appointment of Directors/Trustees. The heads of the three schools are Trustees, three Trustees are appointed by the Diocese, three are the Chairs of Governors of the three schools, and we aim to have SRET representatives from the Governing Bodies of each school that is part of the Trust. New trustees will be sought as required and in the event of an excess of candidates, will be elected by a vote by the members.

The Directors who served during the period are shown above.

Policies and procedures adopted for the induction and training of trustees

Relevant documents such as the EFA's Governors Handbook and the SRET Finance Manual are given to new Trustees on appointment and informal training is given as required for the role they will be taking on. The trustees subscribe to the Wiltshire Governors' Association and the National Governors' Association and will arrange for external training for Directors as required so that they are fully aware of their role and responsibilities.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Organisational structure

The organisation operates at three levels: the Members; the Board of Directors/Trustees and its sub-committees, and the three Local Governing Bodies (LGBs), one per school. The aim of the structure is to devolve /delegate responsibilities to the lowest level possible in the organisation. The Directors set the Policies for the MAT, set the plans for the year and make major decisions about capital expenditure and senior staff appointments. The LGBs are provided with a Scheme of Delegation by which they are responsible for the day-to-day running of their school.

The CEO and the three Heads have executive responsibility for implementing the policies established by the Board of Directors and LGBs.

The Members appoint nine Directors, and the Salisbury Diocesan Board of Education (SDBE) nominates the other three Directors to preserve its interests. Each school Local Governing Body has a remit to review its structure, which should include (but not be limited to) parent governors, staff governors, community governors, and foundation governors (for St Mark's school).

Related parties and other connected charities and organisations

The Trust has no related parties and other connected charities and organisations.

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company is the operation of the three schools within the Trust. The vision of the company is that SRET is a unique supportive family of three schools where learning is accessible, fun and life-long, and where the teaching is always inspirational. It is a place where everyone is encouraged to always be the best they can.

Objectives, strategies and activities

The main objectives of the Trust during its first eight months of operation have been as follows:

1. To ensure a smooth conversion to academy and MAT status
2. To begin the integration of the Trust through shared activities (e.g. joint training day in April with keynote speech by Sir Tim Brighouse)
3. To identify bids that can be developed for CIF funding across the Trust
4. To ensure that the Directors understand their responsibilities and authorities
5. To appoint key personnel to the Trust
6. To seek additional space in Salisbury for development of the post-16 facilities offered by Exeter House Special School to address longer-term demand in this area.

The Directors regard Equal Opportunities as an integral part of the way in which it operates and represents best practice in the workplace. The MAT wishes to operate in an environment where the contribution and needs of all people are fully valued.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

This report covers the first eight months in the life of the Somerset Road Education Trust. Main achievements in the period to 31 August 2015 have been as follows:

1. We achieved a smooth conversion to MAT status with minimal disturbance to our three schools.
2. We have established a Board of Directors with a wide range of relevant skills who meet regularly and are working very closely and cooperatively.
3. St Mark's school achieved its best results in SATS in the past 7 years, marking a steady increase in performance over that period.
4. A SRET Business Manager was successfully appointed.
5. Wiltshire Council commissioned Exeter House to create an additional 9 pupil places to deal with demand
6. The Trust held a very successful Training day in April for all staff, which began the process of integration. Inspiring keynote speech by Sir Tim Brighouse.
7. Our activities as a Board during the year have allowed us to better understand the workings of the MAT.

Pupil numbers are growing, demonstrating the trust and confidence that parents have in the three schools. Wyndham Park is full, St Mark's is growing and Exeter House is expanding.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Key performance indicators

Key Indicators of each school's performance (such as Ofsted inspection reports, examination and Key Stage results, attendance data, pupil recruitment data and use of Pupil Premium funds) are available on each school's web site in accordance with DfE requirements, or can be obtained on request from the relevant school office.

Wyndham Park Infants' School

Early Years Foundation Stage

	School	National
Percentage of pupils achieving a good level of development in 2015	76.9%	66.3%

Year 1 Phonics

	School	National
Percentage of pupils who passed the phonics screening check in 2015	53.9%	76.8%

End of Key Stage 1

Percentage of pupils attaining level 2 or better in 2015	School	National
Reading	95.5%	90.5%
Writing	95.5%	87.5%
Maths	94.4%	92.8%

Attendance

During the 2014 academic year, overall attendance was 96.4% compared to 96.1% nationally.

Ofsted

Wyndham Park was subject to an Ofsted inspection in May 2014 and was awarded an overall grading of outstanding. The areas of achievement of pupils, quality of teaching, behaviour and safety of pupils and leadership and management were all graded as being outstanding.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

St Mark's C.E. Junior School, Salisbury

St Mark's tops the table for all local schools feeding into both of the Grammar Schools. It now outperforms all private and maintained schools.

Attainment (test results) is very strong for KS2 in 2015 – best results ever.

Progress (value added from KS1 to KS2) is good considering the children enter the school significantly above the national average from the feeder infant school (Wyndham Park).

Attainment Results – highlighted box (Significantly above national average)

Year		2011	2012	2013**	2014	2015
All Subjects	Cohort	91	81	89	77	77
	School	29.2	28.7	29.2	30.0 †	30.8
	National	27.5	28.2	28.3	28.7	28.8
	Difference	1.7	0.5	0.9	1.3	2.0
	Significance	Sig+			Sig+	Sig+
Mathematics	Cohort	91	81	89	77	77
	School	29.6	28.3	29.6	30.2	30.7
	National	27.6	28.4	28.7	29.0	29.0
	Difference	2.0	-0.1	0.9	1.2	1.7
	Significance	Sig+				Sig+
Reading	Cohort	91	81	89	77	77
	School	29.5	29.4	29.4	29.4	30.9 †
	National	28.1	28.8	28.5	29.0	29.0
	Difference	1.4	0.6	0.9	0.4	1.9
	Significance	Sig+				Sig+
Writing(TA)	Cohort	91	81	89	77	77
	School	27.7	28.0	28.1	29.6	30.7
	National	26.4	27.3	27.5	27.9	28.2
	Difference	1.3	0.7	0.6	1.7	2.5
	Significance	Sig+			Sig+	Sig+
English Grammar, Punctuation & Spelling	Cohort	-	-	89	77	77
	School	-	-	28.5	29.1	31.4 †
	National	-	-	28.0	28.6	29.1
	Difference	-	-	0.5	0.5	2.3
	Significance	-	-			Sig+
English	Cohort	91	81	-	-	-
	School	28.8	29.1	-	-	-
	National	27.3	28.1	-	-	-
	Difference	1.5	1.0	-	-	-
	Significance	Sig+	Sig+	-	-	-

		A/T	<L3	L3+	L4+	L4B+	L5+	L6
Mathematics	Entries	0	2	75	69	63	43	15
	School%	0	3	97	90	82	56	19
	National%	0	4	96	87	77	41	9
	Difference%	0	-1	2	3	5	14	11
	Significance	-	-	-			Sig+	Sig+
Reading	Entries	0	3	74	74	70	56	0
	School%	0	4	96	96	91	73	0
	National%	0	5	95	89	80	48	0
	Difference%	0	-1	1	7	11	25	0
	Significance	-	-	-	Sig+	Sig+	Sig+	-
Writing (TA) (Writing TA is reported as a level)	Entries	0	1	76	72	-	40	13
	School%	0	1	99	94	-	52	17
	National%	0	3	96	87	-	36	2
	Difference%	0	-2	2	7	-	16	15
	Significance	-	-	-	-	-	Sig+	-
English Grammar, Punctuation and Spelling (EGPS)	Entries	0	1	76	70	64	56	8
	School%	0	1	99	91	83	73	10
	National%	0	5	95	80	73	55	4
	Difference%	0	-3	4	11	10	17	7
	Significance	-	-	-	Sig+	Sig+	Sig+	-

Percentage passing each level at KS2 (2015)

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

One in every five children left the school with a L6 (significantly above NA) in Maths.

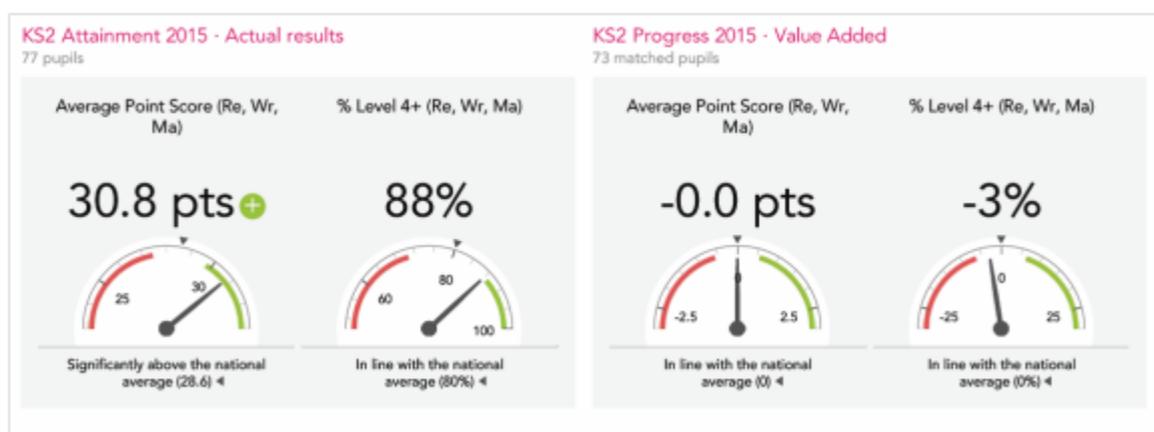
Three out of four children left the school with a L5 in Reading (Well above NA).

Value added for Writing put the school in the 34th centile (others 66% worse results) – top third

Value added for Reading put the school in 40th centile (60% worse).

Both value added figures represent a significant improvement in recent years.

Areas for development – Progress for Disadvantaged Learners and Maths for the whole school.



SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

School-specific highlights

Exeter House Special School

1. La Folia (Salisbury's professional chamber orchestra) performed with the school at Salisbury Cathedral
2. BBC came to film a new student making a successful transition to the school with the help of his dog
3. Exeter House develop their own behaviour analyst with Bangor University
4. Exeter House hosts prestigious SSAT training, one of only a small group of schools in England invited to do so
5. All staff given opportunity to undertake two day TEACCH training to help students with autism
6. Post 16s host a market stall at the Salisbury Christmas fare.
7. Forest School learning area fully completed

St Mark's CE Junior School

8. Osmington Bay Residential for Y6. This annual event had a new Y6 team in charge, making it a memorable experience for all. Everyone is encouraged, challenged and supported to be the best they can.
9. Staff changes – the retirement of Andy Hamilton, after 36 years at the school, was a sad loss. He left a wonderful legacy of sport at St Mark's. His teaching and humour were an example to us all.
10. The Y3 day trip to the Isle of Wight was eagerly anticipated and showed just how much these pupils had blossomed in their short time at the school.
11. Sharing with others - the many shared events such as Church Services at Easter and the Year 6 Leavers' Service remind us of our special and supportive relationship with the Church. The Y6 show (The Lion King) was a crowd pleaser that showcased the extraordinary talent, confidence, ability and teamwork of these children.
12. The Science Fair was the culmination of everyone's hard work – particularly with home learning. The fair was a whole school project – simple in concept but enormously gratifying to see what everyone brought to share.
13. Our Y6 children, who left us in July 2015, produced the best set of school results in recent memory. Their enthusiasm, hard work and the excellent teaching ensured that the children were truly secondary ready. It encapsulated the outcomes we expect for our leavers - successful, confident, responsible and eager to learn more.

Wyndham Park Infants' School

14. Inspiring teacher training day with the whole MAT and the keynote speech by Sir Tim Brighouse inspired all staff to make sure children saw their time with us at Wyndham Park in colour.
15. Whole school topic in the summer term on Alice in Wonderland led to lots of creative and collaborative learning across the school. Year 2 performed a show and we had a whole school tea party on the playground dressed up as characters from Alice in Wonderland.
16. Purchase of new computers for our ICT suite so that we now have 30 high spec computers in order to teach the new computing curriculum.
17. EYFS and end of KS1 data is above national average in all areas.
18. Adopted the new Chris Quigley curriculum and are now teaching to ensure they have a depth of understanding in each area.
19. Aims, vision and values created for the school with all key stakeholders having an input to share what is important to us as a school and highlighting where we want to be in the future.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the multi-academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

In the period of this report since conversion the Directors report an in-year deficit of £8,840.

The majority of the Trusts income is obtained from the Education Funding Agency (EFA) in the form of General Annual Grant (GAG) the use of which is restricted to particular purposes; ie the objects of the Academy Trust. Additional funding is received from local authorities for provision to high needs students. The grants received from the EFA and local authorities during the period to 31st August 2015 and associated expenditure are shown as restricted funds in the statement of activities.

Reserves policy

The MAT has had limited opportunity to build up reserves since its inception. The Board is still evaluating the level of reserves it believes it should hold but it has set itself the target of achieving reserves in each school of 5-8% of annual turnover by the year 2020, corresponding to a saving of 1% of expenditure every year. These reserves will not be designated for specific projects but rather to enable the Trust to weather the changes and uncertainties in the current educational environment.

At 31st August 2015, the balances in the trust's revenue funds were:

Restricted £128,042

Restricted capital fund (unspent capital grants) £48,339

Unrestricted funds £262,279

The net revenue funds inherited on conversion from the predecessor schools was £399,161.

During the period the SRET undertook major IT infrastructure upgrade in both St Mark's CE Junior School and Wyndham Park Infants' School. No other major capital or other works were undertaken in the period.

Investment policy and powers

The Board of Directors may seek to invest further in the Trust's charitable aims ensuring that the investment risk is properly managed. The Board of Directors have delegated to the Chief Executive Officer the use of any spare funds held. If available, these may be placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Principal risks and uncertainties

A risk management framework has been established under which risks to the MAT are monitored regularly. Prior to the framework being established, schools monitored their own risks, and the Board of Directors reviewed major risks as they became aware of them.

SRET feels that it has a solid base from an education standpoint. St Mark's and Wyndham Park schools are very popular with the local community and are running at capacity. Exeter House School provides unique provision for SEND pupils in South Wiltshire and is under pressure from Wiltshire Council to accept more students. Its funding is from two sources – the EFA and Top Up funding from Local Authorities for its pupils. It is therefore harder for Exeter House to predict its income and this presents a risk.

As detailed above, there is significant scope for Exeter House to expand its numbers but to do this it needs to acquire further accommodation. It has identified additional premises in Salisbury that are ideal for its needs and it is in negotiation with Wiltshire Council and the EFA to acquire them. There is a risk that the school will miss CIF funding if this transfer of ownership cannot be achieved in the near future.

Financial risks to the MAT include:

- a drop in pupil numbers which would affect DfE income, although there is no sign of this happening, all three schools being very popular.
- reducing DfE funding per pupil due to central government cost pressures.
- the Local Government Pensions Scheme Deficit which has a particularly adverse effect on special schools where a higher proportion of staff are part of this scheme than mainstream schools. The SRET has recognized the deficit and a fixed sum repayment is being negotiated in order to repay it. This is a substantial cost that will need to be met over the repayment period, and it may fluctuate when the valuation of the pension scheme is carried out triennially.

To mitigate these risks, school's financial reports are monitored closely and the aim is to build reserves to a level of 5-8% of annual expenditure over the next 5 years.

Plans for future periods

The SRET intends to put forward two bids into the EFA Condition Improvement Fund (CIF) programme for 2016.

St Mark's School will be submitting a proposal for the refurbishment and improvement of its kitchens so that they can provide full catering support to the three schools and also have spare capacity to offer preparation of lunches to other schools. This will be a SRET-wide project.

Exeter House School needs additional accommodation to meet the demands for increased spaces for special needs in the Wiltshire area. It has identified an ideal solution in Salisbury and is in negotiation with the Wiltshire Council to try to secure a 125 year Academy lease. There are a number of options for bringing the building on-line depending on the speed with which it is made available. Should the timing be wrong for a CIF 2016 bid then other fundraising pathways may be sought.

The SRET Directors are in the process of drawing up a 5-year plan for the SRET taking account of individual Schools Development Plans.

St Mark's will be concentrating on maths throughout the school to enhance its scores in this area.

Exeter House and Wyndham Park schools have the task of appointing new Headteachers. These are SRET appointments but will require LGB input.

Funds held as custodian trustee on behalf of others

SRET does not hold any assets or arrangements as Custodian Trustees on behalf of others.

SOMERSET ROAD EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all 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.

A resolution proposing that Moore Stephens (South) LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 December 2015 and signed on its behalf by:

R Bexon
Chairman

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Somerset Road 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 principal, 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 Somerset Road 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.

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the period. Attendance during the period at meetings of the board of trustees was as follows:

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

Trustees	Meetings attended	Out of possible
R Bexon (Chairman)	4	4
Z Bailey (Appointed 13 May 2015)	3	3
J Bowden (Resigned 25 November 2015)	0	4
Mr R J Chapman (Chief Executive Officer and Accounting Officer)	4	4
C Clifford	4	4
N Curtis	4	4
G Flemington	4	4
S Hackett	4	4
A Mayhew	4	4
M Podkolinski	3	4
A Smith (Resigned 13 May 2015)	1	1
P Wain	4	4
G Walker	4	4

There was one change to the Board of Directors during the reporting period. Ms A Smith, Headteacher of Wyndham Park Infants' School, was successful in applying for a headteacher post in Bournemouth and resigned during the year. Her deputy, Ms Z Bailey, was appointed as acting Headteacher with immediate effect and was simultaneously appointed Director of SRET.

During the period of this report the Trust has had an Operations Board comprising those members of the Board who are available at 0800 every Friday. This group has dealt with the day to day issues involved in establishing the Trust and in resolving issues raised by the CEO.

Governance reviews

During the period of this report the schools have begun the process of reviewing the format of their Local Governing Bodies, their sub-committees and their composition. St Mark's and Wyndham Park schools have incorporated sub-committee meetings back into the main LGB meetings, providing a better use of senior staff time. The Scheme of Delegation for each LGB requires them to consider the make-up of their LGB and to recommend to the Directors, by the end of August 2016, the make-up of their LGBs to be used from academic year 2016-17 onwards. This structure will be reviewed annually.

The Board of Directors intends to have a third party external review of its Governance arrangements during the first quarter of 2016.

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to:

The Finance Committee is a sub-committee of the main board with coopted members from the three schools. The Board of Directors has approved a written scheme of delegation of financial powers that maintains robust internal control arrangements. The Finance Committee has been delegated financial scrutiny and oversight.

The finance committee is chaired by the Finance Director Mark Podkolinski and comprises:

The Finance Director (chairman)

The CEO

The chairs on the school finance sub-committees

SRET Business Manager

Gavin Walker, Director.

In addition, the three Business Managers (one per school) attend as required.

They have met four times during the year, twice informally where they met to determine their Terms of Reference and to produce the Finance Manual. They have met twice formally to write Policies and to finalize the Finance Manual. They have also written policies for which they are responsible, The Committee will meet six times in a full year. Latterly they have advised on the preparation of CIF bids.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
Mr R J Chapman (Chief Executive Officer and Accounting Officer)	1	2
M Podkolinski	2	2
G Walker	2	2

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

The audit committee is a sub-committee of the main board of trustees. Its purpose is to:

The Audit Committee is a sub-committee of the main Board. Its purpose is to monitor the SRET's governance, risk management, internal control and value for money framework.

The audit committee is chaired by the Gavin Walker, a Director and former accountant, and comprises:

Gavin Walker (chairman)
Neil Curtis
Angus Mayhew

They have met once formally since the Trust's incorporation and all attended. They have also maintained regular informal contact. They have been responsible for:

1. Agreeing their Terms of Reference
2. Creating various MAT policies
3. The appointment of internal auditors and reviewing their reports and subsequent actions
4. Identification of high level risks and enabling their discussion at the Board meetings.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
N Curtis	1	1
A Mayhew	1	1
G Walker	1	1

Review of value for money

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

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

- Multiple quote have been sought for IT upgrades, resulting in excellent solutions within the budget available.
- Streamlining of Policies (eg tree survey, Legionella survey and asbestos review) , and their implementation across the whole of SRET, has resulted in good value for money and the standardization of processes and procedures, saving effort and using best practice from within the schools in the SRET.
- Use of professionals within the three schools to provide advice and guidance across the Trust.
- Training on a SRET-wide basis has reduced training costs and ensured that all schools have the same basis for their training. Our longer term objective is to be a teaching/training school.

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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 multi-academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Somerset Road Education Trust for the period 5 December 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the multi-academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the multi-academy trust's significant risks that has been in place for the period 5 December 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Wiltshire Council as internal auditor;

The internal auditors role includes giving advice on financial matters and performing a range of checks on the multi-academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- review of financial procedures

The internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

SOMERSET ROAD EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

The internal auditors looked at two topics in the year:

1. A high level review of controls in place in each school.
2. The payroll systems.

No major risks were identified by the internal auditors.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 15 December 2015 and signed on its behalf by:

R Bexon
Chairman

Mr R J Chapman
Chief Executive Officer and Accounting Officer

SOMERSET ROAD EDUCATION TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2015

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

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

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

Approved on 15 December 2015 and signed by:

Mr R J Chapman
Accounting Officer

SOMERSET ROAD EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who also act as governors for Somerset Road Education Trust and are also the directors of Somerset Road Education Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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 that grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 15 December 2015 and signed on its behalf by:

R Bexon
Chairman

SOMERSET ROAD EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOMERSET ROAD EDUCATION TRUST

We have audited the accounts of Somerset Road Education Trust for the period ended 31 August 2015 set out on pages 25 to 46. 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 2014 to 2015 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, the trustees, who are also the directors of Somerset Road Education Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial period for which the accounts are prepared is consistent with the accounts.

SOMERSET ROAD EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOMERSET ROAD EDUCATION TRUST

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Andrew Williams (Senior Statutory Auditor)

Moore Stephens (South) LLP

Chartered Accountants

Statutory Auditor

33 The Clarendon Centre

Salisbury Business Park

Dairy Meadow Lane

Salisbury

Wiltshire

SP1 2TJ

Dated:

SOMERSET ROAD EDUCATION TRUST

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

In accordance with the terms of our engagement letter dated 07 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Somerset Road Education Trust during the period 5 December 2014 to 31 August 2015 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 Somerset Road 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 the Somerset Road 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 the Somerset Road Education Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Somerset Road Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Somerset Road Education Trust's funding agreement with the Secretary of State for Education dated 19th December 2014 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 5 December 2014 to 31 August 2015 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 2014 to 2015 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 multi-academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

SOMERSET ROAD EDUCATION TRUST

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 5 December 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Andrew Williams

Reporting Accountant

Moore Stephens (South) LLP

Dated:

SOMERSET ROAD EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2015

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £
<u>Incoming resources</u>					
<i>Resources from generated funds</i>					
- Voluntary income	2	16,943	-	35,000	51,943
- Inherited on conversion	23	399,161	(1,032,000)	18,360,913	17,728,074
- Activities for generating funds	3	117,237	57,745	-	174,982
- Investment income	4	614	-	-	614
<i>Resources from charitable activities</i>					
- Funding for educational operations	5	-	3,397,264	9,200	3,406,464
Total incoming resources		533,955	2,423,009	18,405,113	21,362,077
<u>Resources expended</u>					
<i>Costs of generating funds</i>					
<i>Charitable activities</i>					
- Educational operations	7	99,527	3,460,569	232,573	3,792,669
Governance costs	8	-	64,715	-	64,715
Total resources expended	6	99,527	3,525,284	232,573	3,857,384
Net incoming/(outgoing) resources before transfers		434,428	(1,102,275)	18,172,540	17,504,693
Gross transfers between funds		(172,149)	77,317	94,832	-
Net income/(expenditure) for the period		262,279	(1,024,958)	18,267,372	17,504,693
<u>Other recognised gains and losses</u>					
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(21,000)	-	(21,000)
Net movement in funds		262,279	(1,045,958)	18,267,372	17,483,693
Fund balances at 5 December 2014		-	-	-	-
Fund balances at 31 August 2015		262,279	(1,045,958)	18,267,372	17,483,693

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

SOMERSET ROAD EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015	
		£	£
Fixed assets			
Tangible assets	11		18,219,033
Current assets			
Debtors	12	242,843	
Cash at bank and in hand		489,369	
		<hr/>	
		732,212	
Current liabilities			
Creditors: amounts falling due within one year	13	(293,552)	
		<hr/>	
Net current assets			438,660
Net assets excluding pension liability			<hr/> 18,657,693
Defined benefit pension liability	17		(1,174,000)
			<hr/>
Net assets			<hr/> <hr/> 17,483,693
Funds of the multi-academy trust:			
Restricted funds	15		
- Fixed asset funds			18,267,372
- General funds			128,042
- Pension reserve			(1,174,000)
			<hr/>
Total restricted funds			17,221,414
Unrestricted income funds	15		262,279
			<hr/>
Total funds			<hr/> <hr/> 17,483,693

The accounts were approved by order of the board of trustees and authorised for issue on 15 December 2015.

R Bexon
Chairman

Company Number 09343767

SOMERSET ROAD EDUCATION TRUST

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

	Notes	31 August 2015 £
Net cash inflow/(outflow) from operating activities	18	136,087
Cash funds transferred on conversion		399,161
Returns on investments and servicing of finance		
Investment income		614
Net cash inflow/(outflow) from returns on investments and servicing of finance		614
		<u>535,862</u>
Capital expenditure and financial investments		
Capital grants received		9,200
Payments to acquire tangible fixed assets		(55,693)
Net cash flow from capital activities		<u>(46,493)</u>
Increase/(decrease) in cash	19	<u><u>489,369</u></u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

These financial statements have been prepared for the period 5 December 2014 to 31 August 2015 which is a period of less than twelve months. Academy trusts are required by the EFA to report annually to 31 August and the multi-academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an multi-academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Somerset Road Education Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 Incoming resources

All incoming resources are recognised when the multi-academy 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 period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the period 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.

Sponsorship income

Sponsorship income provided to the multi-academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

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, 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 multi-academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the multi-academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi-academy trust's policies.

1.5 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 allocated 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 trading activities that raise funds.

Charitable activities

These are costs incurred on the multi-academy trust's educational operations.

Governance costs

These include the costs attributable to the multi-academy 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.

1.6 Tangible fixed assets and depreciation

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 the multi-academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

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

Land and buildings	50 years (Buildings only)
Computer equipment	3 years
Fixtures, fittings & equipment	5 years
Motor vehicles	4 years

1.7 Leasing and hire purchase commitments

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

1.8 Taxation

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

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi-academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the multi-academy 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 period.

The LGPS is a funded scheme and the assets are held separately from those of the multi-academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies (Continued)

1.10 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education Funding Agency.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Donated fixed assets	-	35,000	35,000
Other donations	16,943	-	16,943
	<u>16,943</u>	<u>35,000</u>	<u>51,943</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £
Hire of facilities	9,921	-	9,921
Catering income	40,962	-	40,962
Music tuition	10,726	-	10,726
Parental contributions	55,628	-	55,628
Supply insurance income	-	44,117	44,117
Other income	-	13,628	13,628
	<u>117,237</u>	<u>57,745</u>	<u>174,982</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Other investment income	614	-	614
	<u>614</u>	<u>-</u>	<u>614</u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

5 Funding for the multi-academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £
DfE / EFA grants			
General annual grant (GAG)	-	2,151,852	2,151,852
Capital grants	-	9,200	9,200
Other DfE / EFA grants	-	315,927	315,927
	<u>-</u>	<u>2,476,979</u>	<u>2,476,979</u>
Other government grants			
Local authority grants	-	916,692	916,692
Other grants	-	12,793	12,793
	<u>-</u>	<u>929,485</u>	<u>929,485</u>
Total funding	<u>-</u>	<u>3,406,464</u>	<u>3,406,464</u>

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £
Academy's educational operations				
- Direct costs	2,483,248	232,573	195,721	2,911,542
- Allocated support costs	491,161	63,481	326,485	881,127
	<u>2,974,409</u>	<u>296,054</u>	<u>522,206</u>	<u>3,792,669</u>
Other expenditure				
Governance costs	-	-	64,715	64,715
	<u>-</u>	<u>-</u>	<u>64,715</u>	<u>64,715</u>
Total expenditure	<u>2,974,409</u>	<u>296,054</u>	<u>586,921</u>	<u>3,857,384</u>

Net income/(expenditure) for the PERIOD includes:

	2015 £
Operating leases	
- Plant and machinery	2,611
Fees payable to auditor	
- Audit	5,950
- Other services	2,150
	<u>10,711</u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

6 Resources expended (Continued)

Central services

No central services were provided by the multi-academy trust to its academies during the period and no central charges arose.

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £
Direct costs			
Teaching and educational support staff costs	10,726	2,446,850	2,457,576
Depreciation	-	232,573	232,573
Technology costs	-	33,171	33,171
Educational supplies and services	-	77,976	77,976
Staff development	-	25,672	25,672
Educational consultancy	-	36,735	36,735
Other direct costs	47,839	-	47,839
	<u>58,565</u>	<u>2,852,977</u>	<u>2,911,542</u>
Allocated support costs			
Support staff costs	-	491,161	491,161
Technology costs	-	26,800	26,800
Maintenance of premises and equipment	-	63,481	63,481
Cleaning	-	8,381	8,381
Energy costs	-	54,708	54,708
Rent and rates	-	23,914	23,914
Insurance	-	13,496	13,496
Security and transport	-	13,296	13,296
Catering	40,962	27,880	68,842
Interest and finance costs	-	99,000	99,000
Other support costs	-	18,048	18,048
	<u>40,962</u>	<u>840,165</u>	<u>881,127</u>
Total costs	<u>99,527</u>	<u>3,693,142</u>	<u>3,792,669</u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £
Legal and professional fees	-	56,615	56,615
Auditor's remuneration			
- Audit of financial statements	-	8,100	8,100
	<u>-</u>	<u>64,715</u>	<u>64,715</u>
	<u>-</u>	<u>64,715</u>	<u>64,715</u>

9 Staff costs

	2015 £
Wages and salaries	2,273,353
Social security costs	136,485
Other pension costs	436,283
	<u>2,846,121</u>
Supply teacher costs	54,778
Staff development and other staff costs	73,510
	<u>73,510</u>
Total staff costs	<u>2,974,409</u>

The average number of persons (including senior management team) employed by the multi-academy trust during the period expressed as full time equivalents was as follows:

	2015 Number
Teachers	30
Administration and support	59
Management	2
	<u>91</u>
	<u>91</u>

The number of employees whose annual remuneration was £60,000 or more was:

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

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the multi-academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the multi-academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits for the eight months was as follows:

R Chapman (Head teacher and governor)
Remuneration £50,000 - £55,000
Employers Pension £5,000 - £10,000

G Flemington (Head teacher and Governor)
Remuneration £40,000 - £45,000
Employers Pension £5,000 - £10,000

Z Bailey (Acting head teacher and Governor)
Remuneration £30,000 - £35,000
Employers Pension £0 - £5,000

During the period ended 31 August 2015, travel, and subsistence expenses totalling £600 were reimbursed to 2 trustees).

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

Trustees' and officers' insurance

In accordance with normal commercial practice, the multi-academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi-academy trust business. The insurance provides unlimited cover under the EFA risk pooling scheme.

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 5 December 2014	-	-	-	-	-
Additions	-	35,190	20,503	35,000	90,693
Transfers	18,274,000	8,137	30,776	48,000	18,360,913
At 31 August 2015	18,274,000	43,327	51,279	83,000	18,451,606
Depreciation					
At 5 December 2014	-	-	-	-	-
Charge for the period	207,840	5,776	5,124	13,833	232,573
At 31 August 2015	207,840	5,776	5,124	13,833	232,573
Net book value					
At 31 August 2015	18,066,160	37,551	46,155	69,167	18,219,033

The land and buildings were valued on the depreciated replacement cost method in an exercise undertaken by the Education Funding agency as at the 31 March 2015.

Each schools land and builds has been valued as follows:

	Land	Buildings
Exeter House Special School	£1,180,000	£11,139,000
St Mark's CE Junior School	£884,000	£2,107,000
Wyndham Park Infants School	£662,000	£2,342,000

The land and buildings for Exeter House Special School and Wyndham Park School are leased to the Academy Trust by Wiltshire Council under a 125 year lease.

The land and buildings for St Mark's CE Junior School are leased to the Academy Trust by the Diocese under a 125 year lease.

12 Debtors

	2015 £
VAT recoverable	77,917
Other debtors	138,505
Prepayments and accrued income	26,421
	<u>242,843</u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

13 Creditors: amounts falling due within one year	2015
	£
Trade creditors	4,212
Other creditors	206,479
Deferred income	82,861
	<hr/>
	293,552
	<hr/> <hr/>
14 Deferred income	2015
	£
Deferred income is included within:	
Creditors due within one year	82,861
	<hr/> <hr/>
Total deferred income at 5 December 2014	-
Amounts credited to the statement of financial activities	-
Amounts deferred in the period	(82,861)
	<hr/>
Total deferred income at 31 August 2015	(82,861)
	<hr/> <hr/>

At the balance sheet date the academy trust was holding funds received in advance for the following EFA grants:

Universal infant free school meals (UIFSM)
Devolved formula capital (DFC)

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

15 Funds

	Balance at 5 December 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	-	2,151,852	(2,170,215)	77,317	58,954
Other DfE / EFA grants	-	315,927	(246,839)	-	69,088
Other government grants	-	929,485	(929,485)	-	-
Other restricted funds	-	57,745	(57,745)	-	-
Funds excluding pensions	-	3,455,009	(3,404,284)	77,317	128,042
Pension reserve	-	(1,032,000)	(121,000)	(21,000)	(1,174,000)
	-	2,423,009	(3,525,284)	56,317	(1,045,958)
Restricted fixed asset funds					
DfE / EFA capital grants	-	9,200	(1,112)	-	8,088
Inherited fixed asset fund	-	18,360,913	(220,002)	-	18,140,911
Capital expenditure from GAG or other funds	-	-	(5,626)	94,832	89,206
Private sector capital sponsorship	-	35,000	(5,833)	-	29,167
	-	18,405,113	(232,573)	94,832	18,267,372
Total restricted funds	-	20,828,122	(3,757,857)	151,149	17,221,414
Unrestricted funds					
General funds	-	533,955	(99,527)	(172,149)	262,279
Total funds	-	21,362,077	(3,857,384)	(21,000)	17,483,693

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

The fixed asset fund was created based on the EFA valuation of the school's land and buildings which were transferred on conversion from the governing body. The cost is reflected in order to ensure there is adequate substance over form for accounting purposes. Additional assets are added to the fund, as they are required, and they will be written down by depreciation each year.

The restricted general funds are made up of the General Annual Grant received, to be spent on education within the Academy, and other related DfE or other authority grants.

Unrestricted funds are general donations and fund raising activities of the Academy and are used to support the provision of education with the Academy.

Under the funding agreement with the Secretary of State, the multi-academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

15 Funds

(Continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Exeter House Special School	107,224
St Marks CE Junior School	134,427
Wyndham Park Infants School	101,346
Somerset Road Academy Trust	47,324
	<hr/>
Funds excluding fixed asset fund and pensions reserve	390,321
Restricted fixed asset fund	18,267,372
Pension reserve	(1,174,000)
	<hr/>
Total funds	<u>17,483,693</u>

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Exeter House Special School	1,308,189	242,123	83,231	172,828	1,806,371
St Marks CE Junior School	593,310	93,325	77,932	107,492	872,059
Wyndham Park Infants School	558,931	71,020	33,028	110,616	773,595
Somerset Road Academy Trust	-	12,000	1,530	38,292	51,822
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,460,430</u>	<u>418,468</u>	<u>195,721</u>	<u>429,228</u>	<u>3,503,847</u>

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	18,219,033	18,219,033
Current assets	262,279	421,594	48,339	732,212
Creditors falling due within one year	-	(293,552)	-	(293,552)
Defined benefit pension liability	-	(1,174,000)	-	(1,174,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>262,279</u>	<u>(1,045,958)</u>	<u>18,267,372</u>	<u>17,483,693</u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations

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

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

Contributions amounting to £51,133 were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £166,282.

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 contributions are as noted below. The agreed contribution rates for future years are 20.6% for employers and 4.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £372,000.

Wiltshire Pension fund has requested that the following contribution rates and annual monetary amounts are paid, this is yet to be agreed and is under discussion with Wiltshire Pension fund and the EFA:

Period (1 April - 31 March)	Employer Contribution Rate	Annual Monetary Amount
2015/2016	20.6%	£76,700
2016/2017	20.6%	£76,700

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

Contributions made	2015 £
Employer's contributions	197,000
Employees' contributions	54,000
Total contributions	<u>251,000</u>

Principal actuarial assumptions	2015 %
Rate of increase in salaries	4.6
Rate of increase for pensions in payment	2.7
Discount rate for scheme liabilities	3.8
Inflation assumption (CPI)	<u>2.3</u>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Sensitivity Analysis

Change in assumptions at 31 August 2015:

	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	11%	340
1 year increase in member life expectancy	3%	93
0.5% increase in the Salary Increase Rate	4%	136
0.5% increase in the Pension Increase Rate	6%	195

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

	2015 Years
Retiring today	
- Males	22.3
- Females	24.5
Retiring in 20 years	
- Males	24.1
- Females	26.9

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

	2015 Expected return %	2015 Fair value £
Equities	3.7	1,359,650
Bonds	3.7	287,250
Cash	3.7	38,300
Property	3.7	229,800
	<hr/>	<hr/>
Total market value of assets		1,915,000
Present value of scheme liabilities - funded		(3,089,000)
		<hr/>
Net pension asset / (liability)		(1,174,000)
		<hr/>

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 (i.e. As at 1 September 2014 for the year to 31 August 2015). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on the scheme assets was £30,000.

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations	(Continued)
Amounts recognised in the statement of financial activities	
	2015
	£
Operating costs/(income)	
Current service cost (net of employee contributions)	22,000
Past service cost	-
	<hr/>
Total operating charge	22,000
	<hr/> <hr/>
Finance costs/(income)	
Expected return on pension scheme assets	30,000
Interest on pension liabilities	69,000
	<hr/>
Net finance costs/(income)	99,000
	<hr/> <hr/>
Total charge/(income)	121,000
	<hr/> <hr/>
Actuarial gains and losses recognised in the statement of financial activities	
	2015
	£
Actuarial (gains)/losses on assets: actual return less expected	21,000
Experience (gains)/losses on liabilities	-
(Gains)/losses arising from changes in assumptions	-
	<hr/>
Total (gains)/losses	21,000
	<hr/> <hr/>
Cumulative (gains)/losses to date	21,000
	<hr/> <hr/>
Movements in the present value of defined benefit obligations	
	2015
	£
Obligations acquired on conversion	(2,683,000)
Current service cost	(219,000)
Interest cost	(69,000)
Contributions by employees	(54,000)
Actuarial gains/(losses)	(64,000)
	<hr/>
At 31 August 2015	(3,089,000)
	<hr/> <hr/>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

17 Pensions and similar obligations	(Continued)
Movements in the fair value of scheme assets	
	2015
	£
Assets acquired on conversion	1,651,000
Expected return on assets	(30,000)
Actuarial gains/(losses)	43,000
Contributions by employers	197,000
Contributions by employees	54,000
	<hr/>
At 31 August 2015	1,915,000
	<hr/> <hr/>
History of experience gains and losses	
	2015
	£
Present value of defined benefit obligations	(3,089,000)
Fair value of share of scheme assets	1,915,000
	<hr/>
Surplus / (deficit)	(1,174,000)
	<hr/> <hr/>
Experience adjustment on scheme assets	43,000
Experience adjustment on scheme liabilities	(64,000)
	<hr/> <hr/>
18 Reconciliation of net income to net cash inflow/(outflow) from operating activities	
	2015
	£
Net income	17,504,693
Capital grants and similar income	(44,200)
Net deficit/(surplus) transferred on conversion	(17,728,074)
Investment income	(614)
Defined benefit pension costs less contributions payable	22,000
Defined benefit pension finance costs/(income)	99,000
Depreciation of tangible fixed assets	232,573
(Increase)/decrease in debtors	(242,843)
Increase/(decrease) in creditors	293,552
	<hr/>
Net cash inflow/(outflow) from operating activities	136,087
	<hr/> <hr/>

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

19	Reconciliation of net cash flow to movement in net funds	2015
		£
	Increase/(decrease) in cash	489,369
	Net funds at 5 December 2014	-
	Net funds at 31 August 2015	<u>489,369</u>

20	Analysis of net funds	At 5 December 2014	Transferred on conversion	Cash flows	Non-cash changes	At 31 August 2015
		£	£	£	£	£
	Cash at bank and in hand	-	399,161	90,208	-	489,369
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Commitments under operating leases

At 31 August 2015 the multi-academy trust had annual commitments under non-cancellable operating leases as follows:

	2015
	£
Expiry date:	
- Between two and five years	1,299
	<u> </u>

22 Related parties

No related party transactions took place in the period of account.

SOMERSET ROAD EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

23 Conversion to an academy

On 1st January Exeter House Special School, St Mark's CE Junior School and Wyndham Park Infants School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Somerset Road Education Trust from the Wiltshire Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
Exeter House Special School	Salisbury	1 January 2015		
St Marks CE Junior School	Salisbury	1 January 2015		
Wyndham Park Infants School	Salisbury	1 January 2015		
Somerset Road Academy Trust	Salisbury	1 January 2015		

Funds surplus/(deficit) transferred:	Unrestricted funds	Restricted funds	Fixed asset funds	Total 2015
	£	£	£	£
Fixed assets funds	-	-	18,360,913	18,360,913
LA budget funds	399,161	-	-	399,161
LGPS pension funds	-	(1,032,000)	-	(1,032,000)
	<u>399,161</u>	<u>(1,032,000)</u>	<u>18,360,913</u>	<u>17,728,074</u>

Net assets transferred:	£
Leasehold land and buildings	18,274,000
Tangible fixed assets apart from land and buildings	86,913
Cash	399,161
Pension surplus/(deficit)	(1,032,000)
	<u>17,728,074</u>

24 Members' liability

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