

Company Registration No. 08310825 (England and Wales)

DAYSPRING TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

DAYSPRING TRUST

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DAYSPRING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

The Venerable S Bain (Chair)
Mr N Williams (Vice Chair)
Mr P Russell
Mrs G Booth (Executive Headteacher)
Mr J Farnsworth
Mr R Thorndyke
Rev D Brooke
Mr D Robinson

Members

The Rev Canon S Bamber (on behalf of the Bishop of Durham)
The Venerable S Bain (on behalf of Durham Diocesan Education Trust)
Mr R Thorndyke (on behalf of Durham Diocesan Board of Finance)

Senior management team

- Executive Headteacher	Mrs G Booth
- Head of School	Mr D Airey
- Executive Business Manager	Mrs L O'Leary
- Assistant Headteacher	Mr A Charlton
- Assistant Headteacher	Mr C Roberts
- Assistant Headteacher	Miss J Fox
- Assistant Headteacher	Mr R Goodman
- Assistant Headteacher	Mr P William-Powlett
- Head of School	Mr B Janes
- Deputy Headteacher	Mr P Snowden
- Assistant Headteacher	Mrs T Burgess
- Assistant Headteacher	Mrs J Cook
- Assistant Headteacher	Mrs M McCarthy
- Assistant Headteacher	Mr J Walters

Company secretary

Mrs L O'Leary

Company registration number

08310825 (England and Wales)

Registered office

Tunstall Bank
Sunderland
SR2 0SX

Academies operated

The Venerable Bede Church of England Academy

Ian Ramsey Church of England Academy

Location

Sunderland

Stockton on Tees

Headteacher

Mrs G Booth

Mr B Janes

Independent auditor

Baldwins Audit Services Limited
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

DAYSPRING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Natwest
Sunderland City Branch
52 Fawcett Street
Sunderland
SR1 1SB

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

DAYSPRING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2015 to 31 August 2016.

Dayspring Trust operates two secondary academies for pupils aged 11 to 16 serving the local communities of Sunderland South and Stockton-On-Tees area. Venerable Bede CE Academy has a pupil capacity of 900 and had a roll of 803 at the time of the school census collection in Autumn 2016. Ian Ramsey CE Academy has a pupil capacity of 1185 and had a roll of 1169 at the time of the school census collection in Autumn 2016. The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

Structure, governance and management

Constitution

Dayspring Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Dayspring Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Dayspring Trust.

Details of the Trustees who served throughout the period except as noted 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 accounts as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every Trustee or other officer or auditor of the Dayspring Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he/her is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Dayspring Trust.

Appointment of the Board of Directors

The Members of the Dayspring Trust appointed its Board of Directors under article 50 of the articles of association to include:

1 Member

Executive Headteacher

3 representatives from Venerable Bede CE Academy, one of whom serves as Chair to Venerable Bede Academy Council.

3 representatives from Ian Ramsey Academy, one of whom serves as Chair to Ian Ramsey Academy Council.

Directors serve a 4 year term of office, with the exception of the Executive Headteacher.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Method of recruitment and appointment or election of trustees

Members of the Academy Council are appointed by the Directors and reference is made to the Governor Selection Policy to ensure fair selection and appointment.

Each Academy Council has up to 12 members comprising:

- Up to 3 Directors
- 2 elected staff members of the respective Academy
- 2 elected parents/guardians of registered pupils in the academy
- Head of School
- Up to 4 Academy Council members who have the appropriate skills, expertise and experience to contribute to the work of the Academy Council in achieving and sustaining the Academy's objectives.

The term of office for members of the Academy Council is 4 years. The Chairperson of the Academy Council is appointed by the Directors and the Vice-Chairperson by the Academy Council.

The Chairperson of the Academy Council informs the Directors of all appointments and resignations relating to the membership of the Academy Council. Resignation, disqualification and removal of members of the Academy Council is dealt with within article 80 of the articles of association of the Trust.

The Dayspring Trust looks to recruit individuals with a mix of skills and selects Directors and Academy Council members on the basis of background, experience, specialist skills and support for the school ethos.

Policies and procedures adopted for the induction and training of trustees

Induction for new Directors or members of the Academy Council is provided by the Trust Board both in-house and via the relevant Local Authority and depends upon their existing experience. Training is also provided in a similar way. New Trustees are given a tour of the relevant Academy and introduced to staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other relevant documents that they will need to undertake their role as trustees. The Trust subscribed to the Sunderland and Stockton Local Authority Governor Training and Development Programme for the period 1 September 2015 to 31 August 2016 which provided unlimited access to both face to face training sessions and on-line training.

Organisational structure

Both academies have a Head of School who reports to the Executive Headteacher. The Head of School is accountable overall to the MAT Board and the Executive Head Teacher for ensuring the educational success of the academy for which they are responsible within the overall framework of the MAT strategic plan, as well as the individual academy's development plan. They are responsible for providing strategic and professional leadership alongside good management within the academy. Their role is to create a culture of constant improvement and to be inspirational leaders, committed to the highest achievement for all in all areas of the academy's work.

The Heads of School are responsible for the authorisation of spending within agreed budgets and the appointment of staff up to senior level. Interview panels for the majority of staff include a Trustee or member of the Academy Council who is familiar with recruitment processes. All interview panels include a staff member or appointed member of the relevant Academy Council who has completed 'safer recruitment' training.

Deputy Headteachers and Assistant Headteachers operate at an executive level, implementing the policies laid down by the Trustees and reporting back to them.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Academy Councils support the work of both academies by providing challenge and by being a critical friend in operational matters. Working groups (made up of Academy Council members) meet on a regular basis to consider different areas: safeguarding; pupil behaviour, attendance and discipline, Christian ethos and British Values; teaching and learning.

The specific duties of the Academy Council include:

- To receive and challenge the Head of School's termly report
- To receive, monitor and challenge the following Academy Council's working party reports from the appointed members at least once a term:
 - Quality of Teaching, Learning and Assessment working party
 - Personal Development, Behaviour and Welfare working parties
 - SIAMS and British Values
 - Behaviour and Attendance
 - Safeguarding
 - Premises
 - Health and Safety
 - Outcomes
 - Finance

The scheme of delegation which outlines the financial authorisation levels for such matters as the requisition of goods and services, payment of invoices, is in place and reviewed on a regular basis.

Terms of Reference outlining the financial authorisation levels for such matters as the requisition of goods and services, payment of invoices, is in place reviewed on a regular basis.

Arrangements for setting pay and remuneration of key management personnel

A robust system of staff appraisal is embedded within each academy and all staff including senior leaders meet with their Line Manager to agree and set objectives for the year ahead. This is undertaken and the appraisal process is fully completed by 31 October 2016 with the exception of the Executive Headteacher's that has a completion date of December. During the course of the year, each member of staff is offered an interim appraisal meeting followed by a final appraisal meeting. Individuals' performance is measured and recorded each year to inform annual pay progression.

The Finance & General Purposes Committee meets each year to consider the pay and remuneration of all staff including the Senior Leadership Team, assisted by the Executive Headteacher. All decisions made by these committees are submitted to the Trust Board for ratification. An external review of the Executive Headteacher performance is undertaken and reported to the Trust Board for ratification.

Related parties and other connected charities and organisations

Trustees have declared no business interests to date and, where any Trustee should declare an interest, procedures are in place to address this. The Trust has adopted a policy in that where any interests are declared, the Trustee would not be involved in any decision-making process.

One of the academies within the Trust – Venerable Bede CE Academy - continues to be a strategic partner of a Teaching School Alliance, 'The Prince Bishops Teaching School Alliance'. This is a partnership of five schools: The Venerable Bede CE Academy, three Church of England Primary Schools and a CE Secondary Academy.

Related parties at the academy are the joint Dioceses of Durham and Newcastle and the Deaneries of Stockton and Wearmouth.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and activities

Objects and aims

The Dayspring Trust's objective is specifically restricted to the following:- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship and in having regard to the advice of the Diocesan Board of Education.

The Dayspring Trust exists to:

- Forge a supportive and challenging family of schools
- Provide excellent education within a strong Christian community
- Resource our students for wise and generous living

Our mission together is to bring a first class education and a breadth of opportunity to all of our pupils in light of the Christian Gospel. We also hope that these opportunities benefit the wider community, whether locally, nationally or internationally, such as in the links from both academies to Lesotho.

We live by our values every day, and follow a calendar based on the Christian Gospel.

At the heart of everything is inclusivity. We are committed to being inclusive and serve equally those who are of the Christian faith, those of other faiths and those with no faith. We seek to give opportunities that educate, encourage participation and increase the aspirations of our young people, but also seek the same opportunities for all of our staff, regardless of their role within the trust. Everyone is valued for the role they play and we see opportunities for professional development as pivotal to this vision. Working with young people is a vocation and we are here to serve our community. Being true to our Christian values and keeping the well-being of our students at the heart of all decision-making are the keys to success.

We do pride ourselves on being inclusive, neighbourhood schools and hope to inspire in our pupils a love of learning that will stay with them long after they reach the school leaving age. We believe in encouraging each pupil to have high self-esteem and to realise that, by believing in themselves and through hard work, they can reach their true potential as children of God. We also believe firmly in Pupil Voice; by listening to our young people, we can improve their education and the opportunities that we can offer.

We take a strong stance against bullying and passionately believe that every child has the right to feel safe and nurtured whilst in our care. It is important that we model tolerance at every opportunity so that our young people leave us at 16 with the skills and moral purpose to make a difference to their communities.

In addition to this, our fundamental British values underpin all of our daily actions:

- Democracy
- The Rule of Law
- Individual Liberty
- Mutual respect and tolerance of those with different faiths and beliefs and for those without faith

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Each Academy within the Trust retains its own distinctiveness, ethos and aims:

Venerable Bode CE Academy

'To create a stimulating, secure and caring environment within which all members of our school community will realise their potential in the light of the Christian Gospel.

This is embodied in the school motto, "Soar to the Heights Together".

Ian Ramsey CE Academy

Together to learn, to grow, to serve.

This is embodied in the words: "Each of you should use whatever gifts you have received to serve others, as faithful stewards of God's grace in its various forms." (1 Peter 4:10)

Objectives, Strategies and Activities

The main objectives for the academic year 2015-16 were:

- Consolidate and build capacity within the newly established Multi Academy Trust.
- Harmonisation of policies and procedures across the two academies within the Trust.
- Review of governance to ensure an enhanced level of skill and expertise in line with the additional responsibility and accountability of a Multi Academy Trust.
- Ensure a broad and balanced KS4 curriculum – Best 8 progress measure.
- Drive forward progress in English and Maths and close the gap for Disadvantaged pupils.
- Review year 9 option choices and curriculum map to ensure pupils achieve their Best 8 and EBacc measure.
- Support all staff to move the quality of teaching to outstanding.
- Development of leadership at all levels.
- Establish a Pupil Premium/Disadvantaged Pupil Champion to work across the Trust.
- Establish economies of scale in line with greater purchasing power as a Multi Academy Trust.
- Transfer the current provision for catering services from the Local Authority to an in-house provision at Ian Ramsey CE Academy.
- Ensure that attendance and persistent absence are at least in line with national averages.

The formation of a Trust Senior Leadership Team who met on a fortnightly basis has ensured focus on strategic priorities. Trust wide opportunities for continuous professional development provided continuity of staff training, along with shared inset days. A Trust development day in the summer of 2016 provided the opportunity to reflect and measure the effectiveness of governance and strategic leadership. Effective joint strategies to measure pupil outcomes has been implemented across the Trust to ensure consistency, including the successful appointment of the Pupil Premium Champion.

Public benefit

The activities undertaken by the Dayspring Trust are summarised in this report for the benefit of the public.

The Trustees confirm that they have referred to the guidance contained within the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities for the year.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

The achievements for 2015/2016 are summarised below: -

Venerable Bede CE Academy

- Successful Ofsted inspection (May 2016) resulting in a judgement of GOOD in every category.
- Pupils currently in the school are making strong and sustained progress across a wide range of subjects. (Ofsted 2016)
- Most pupils have positive attitudes and apply themselves diligently. At social times, their conduct is of a high order. The school's Christian values ensure pupils develop a tangible sense of mutual respect, tolerance and consideration for one another. (Ofsted 2016)
- The quality of teaching is good. Most teachers plan engaging activities that build on what pupils already know, understand and can do. Most teachers provide good feedback that contributes significantly to pupils' progress. (Ofsted 2016)
- Continued rising trend for Venerable Bede as first choice for parents/carers – an additional 50 pupils entered the academy in 2015 compared to the previous year and in-year transfers continue to increase: Yr 10 by 27% and Yr 11 by 36%.
- Strengthened staffing in key EBacc areas using qualified subject specialists particularly English, Maths and Science.
- Prudent and wise spending choices leading to effective value for money – see audit reports
- Additional funding for disadvantaged pupils is used well (Ofsted 2016)
- Strengthened links with our partner schools within the Prince Bishops Teaching School Alliance.
- Successful collaboration with local Primary Schools – cluster inset.
- Achievement of RE Gold Charter Mark: "Venerable Bede is a beacon of light in the RE world and would make a very good, regional, outstanding centre of excellence" (REQM 2016)
- Successful Royal visit of King and Queen of Lesotho to the academy in June 2016.
- Successful joint Senior Leadership training events across the two academies based on the More Able and developing a challenging KS3 curriculum.
- First MAT Board Training Day held – June 2016.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key performance indicators

The table below indicates GCSE results A* - C over a three year trend 2014-2016.

	2014	2015	2016
	154	158	132
5A*-CEM	55%	46%	44%
5A*-C	58%	63%	54%
5A*-G	97%	98%	96%
English	93%	53%	54%
Maths	63%	65%	56%
2 Sciences	38%	42%	46%
3A*/A	16%	15%	15%
1A*/A	34%	36%	36%
APS Capped 8	304	310	303
3LoP English	93%	55%	66%
3LoP Maths	54%	63%	44%
EBacc	20%	15%	18%
Art	42%	54%	41%
Biology	-	90%	100%
Chemistry	-	75%	100%
Child Development	16%	64%	43%
English	93%	53%	54%
English Lit	66%	56%	50%
Fashion	-	46%	67%
Food	16%	18%	31%
French	-	100%	42%
Geography	52%	64%	49%
Health & Social Care	100%	68%	91%
History	50%	79%	71%
ICT	43%	72%	73%
Maths	63%	65%	56%
Music	50%	80%	86%
Physical Education	50%	41%	37%
Physics	-	65%	100%
Religious Education	60%	76%	60%
Science Add	70%	56%	44%
Science Core	86%	75%	47%
Sociology	-	48%	67%
Spanish	88%	76%	78%
Textiles	71%	56%	78%

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key Performance Indicators: Attendance and Exclusions

2014-2015

Behaviour & Attendance			
Whole school			
Group	Attendance	Persistent Absence	Fixed Term Exclusion
Overall	91.24	185 (25%)	13
7	95.73	20 (11.29%)	0
8	94.29	22 (17.46%)	1
9	93.63	30 (20.97%)	5
10	92.36	32 (24.42%)	2
11	87.85	81 (50%)	5

Behaviour & Attendance						
Disadvantaged & Non-disadvantaged						
Year Group	Attendance		Persistent Absence		Fixed Term Exclusion	
Disadv/Non	D	N	D	N	D	N
Overall	87.98	92.78	97	88	9	4
7	93.58	96.22	6	14	0	0
8	92.93	95.03	11	11	0	1
9	91.45	94.66	15	15	4	1
10	88.31	95.32	23	9	2	0
11	86.09	89.01	42	39	3	2

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2015/2016

Behaviour & Attendance			
Whole school			
Group	Attendance	Persistent Absence	Fixed Term Exclusion
Overall	92.16	136 (17.94%)	18
7	95.41	17 (9.55%)	1
8	95.12	20 (11.17%)	2
9	94.81	16 (12.59%)	3
10	93.22	35 (25%)	9
11	88.57	48 (16.6%)	3

Behaviour & Attendance						
Disadvantaged & Non-disadvantaged						
Year Group	Attendance		Persistent Absence		Fixed Term Exclusion	
Disadv/Non	D	N	D	N	D	N
Overall	88.77	93.75	83	53	12	6
7	93.22	96.39	8	9	0	1
8	94.32	95.4	8	12	2	0
9	92.35	96	12	4	3	0
10	88.87	95.47	21	14	4	5
11	83.6	91.59	34	14	3	0

- Although overall attendance has significantly improved and is now in line with national averages, the attendance of disadvantaged pupils remains a key focus area. However, Ofsted commented that this is already in hand: "Leaders track and analyse attendance data well. As a result, they have begun to target particular groups whose attendance is low, such as disadvantaged girls in key state 4, more sharply. However, this work is not fully embedded. Academy council members meet with parent son a monthly basis to provide support, where attendance is a concern." (Ofsted 2016)

A Pupil Premium Champion has been appointed across the Trust and will focus on this area.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key Performance Indicators: Exclusions

The short-term inclusion room, which has been in operation for 4 academic years, has seen a significant reduction in its use (46%) as a result of improving behaviour.

The Learning Zone (and employment of Behaviour support teacher for PP) has had a significant impact on reducing the number of exclusions, especially for pupils with FSM. The number of exclusions has dropped considerably. "Attendance is improving. For this academic year, overall levels of attendance are in line with the national average. Effective rewards and a high-profile attendance challenge are ensuring the importance of good attendance is well understood." (Ofsted 2016).

Key Performance Indicators: Financial

Total income per academy compares less favourably against other mainstream schools whilst GAG income per pupil is lower in Ian Ramsey Academy compared to that of Venerable Bede Academy.

Staffing costs are slightly higher at Ian Ramsey Academy compared to those of Venerable Bede Academy and other mainstream schools. The academy has significantly more pupils than Venerable Bede Academy and therefore more employees. This explains the higher proportion of spend on staffing costs including additional staffing required to strengthen teaching and learning following the Ofsted judgement.

Efficiency savings on maintenance costs are constantly being sought across both academies within the Trust. Ian Ramsey Academy has benefited from the modern technologies that go hand in hand with a new build. Other services costs across both academies compare favourably with other schools.

The achievements for 2015/2016 are summarised below: -

Ian Ramsey CE Academy

- Judged at least GOOD in all categories with OUTSTANDING for Religious Education in SIAMS (Statutory Inspection of Anglican and Methodist Schools).
- Successful recruitment drive to EBacc areas of qualified subject specialists.
- Implementation of a new curriculum model, ensuring it continues to fit the needs of all learners. Hence giving pupils the opportunities to gain the necessary life skill, knowledge and examinations to be successful in their next step in life.
- Development of a new timetable structure to support the needs of the new curriculum.
- Attendance above national averages and declining persistent absence rates.
- Successful Art Exhibition featuring pupils work at The Arc, Stockton.
- Pupil Worship Leaders at Durham Cathedral Services for year 6 leavers.
- Community Choir singing at several local Care Homes for the Elderly.
- Several community events including raising money for Syria, Spring Concert which raised £656 for Marie Curie Cancer Care and a food collection for the Salvation Army.
- Celebrated sporting success having several pupils taking part in County Championships in Rugby, Football and Cross-country. One year 9 pupil representing England in U15's Ladies' Football.
- Hosted a number of successful overseas visits including trips to Austria for skiing, Creative Arts visit to London, Rhine Valley, Cologne, Switzerland and Rome.
- Exam Results
- Progress 8 – 0.16 (all pupils), 0.21 (Non disadvantaged), -0.01 (Disadvantaged pupils) Attainment 8 -5.5
- A*-C Including English and Maths – 69.2% (13% increase on 2015)
- A*-C Best English – 79%
- A*-C Maths – 77%
- Excellent outcomes in MFL, RE, History, Geography, Science, BTEC Engineering, Music, Art, BTEC Business Studies.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

- Catch up Funding success
- Maths – 84% achieved level 4 in year 7
7 pupils arrived on level 3 – All 12 achieved level 4 during the academic year 15/16 7 pupils arrived on level 2 – 4 of the 7 achieved level 4 during the academic year 15/16. Of the remaining 3, 1 has made 1 whole level's progress and 2 have made 2 sublevels' progress.
- English – 65% achieved level 4 in year 7
16 pupils arrived level 3 on entry – 13 achieved level 4 during the academic year 15/16. 4 pupils arrived on level 2 on entry – 3 have made 2 sublevels' progress – the 4th pupil has since left the school.
- Reading age/Spelling age
Pupils working on literacy beyond the traditional curriculum improved their reading ages by an average of 24 months and spelling age by 20 months following one-to-one intervention. Of note were 3 pupils whose reading age increased by 50+ months.
- PP/gaps
- Community use has increased by 25% across the year and we are now operating a waiting list.
- Positive internal assurance policy reports in our first year as an academy.
- The new Academy Council has supported and challenged the Head of School and the Senior Leadership Team, particularly around pupil outcomes but also Health & Safety around the new buildings. Further sub-groups have also been introduced to provide great scrutiny and support for; attendance & behaviour, teaching, learning and assessment, Christian ethos and British values.
- Amanah room, previously called the inclusion room, has been relocated, with the focus now based on supporting the learning of our vulnerable pupils.
- An internal exclusion room has replaced the isolation room, so we can reduce the number of fixed term exclusions.
- Admin office spaces have been relocated to improve efficiency around the building.

Key Performance Indicators: Results

The table below indicates GCSE results A*-C for 2015 and 2016

	2015	2016
	233	234
5A*-CEM	56.2%	69%
5A*-C	75.1%	79.9%
5A*-G	95.7%	100%
English	61.4%	68%
Maths	70%	75%
2 Sciences	51.1%	78.6%
3A*/A	31.8%	30.8%
1A*/A	59.7%	59.8%
APS Capped 8	337.12%	347.37%
3LoP English	57.3%	63%
3LoP Maths	59.6%	73%
EBacc	33.5%	39%
Art	71%	80%
Biology	97.1%	98%
Chemistry	95.7%	96%
Child Development		
Chinese		
Computing		58%

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Drama	79.2%	46%
Dutch		
English	64.1%	68%
English Lit	69.6%	76%
Fashion	58.3%	80%
Food	60%	52%
French	77.6%	82%
Geography	73.8%	80%
German	87.3%	81%
Graphics	71.4%	75%
History	64.1%	74%
ICT	73.9%	47%
Italian	0%	100%
Latin	100%	100%
Maths	70.3%	75%
Music	76.5%	100%
PE	57.8%	62%
Physics	100%	98%
Product Design		
RE	75.8%	79%
Resistant Materials	52.6%	58%
Russian		100%
Science Add	98.2%	77%
Science Applied		
Science Core	68.4%	69%
Spanish	87.5%	100%
Statistics	89.3%	80%
Systems		
Textiles		
Urdu	87.5%	88%
BTEC Business	96.8%	99%
BTEC Creative Arts		
BTEC Dance		
BTEC Engineering	65.3%	88%
BTEC Science		
BTEC Sport	75%	
BTEC Travel & Tourism		
AiDA		
CiDA		
CiDA+		
DiDA		
NCFE Enterprise		
Wider Key Skills		
BCS ECDL	97.2%	100%

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key Performance Indicators: Attendance

Behaviour & Attendance						
Disadvantaged & Non-disadvantaged						
Year Group	Attendance		Persistent Absence		Fixed Term Exclusion	
Disadv/Non	D	N	D	N	D	N
Overall	93.2%	95.6%	21.3%	9.4%	16	17
7	95.2%	96.5%	11.5%	7.1%	2	0
8	93.9%	96.1%	20.4%	7.5%	4	7
9	92.6%	95.2%	25.0%	10.3%	2	1
10	91.4%	95.1%	40%	12.2%	5	8
11	92.7%	95.9%	21.4%	6.1%	3	1

Behaviour & Attendance			
Whole school			
01/09/2015 – 30/07/2016			
Year Group	Attendance	Persistent Absence	Fixed Term Exclusion
Overall	95.0%	12.4%	33
7	96.1%	8.9%	2
8	95.6%	11.5%	11
9	94.4%	13.0%	3
10	93.9%	16.5%	13
11	95.0%	8.9%	4

Key Performance Indicators: Exclusions

Fixed term exclusions are the same for this year, as they were this time last year. Year 11 pupil FTE are higher this year as a few pupils have now reached the sanction of a FTE, but we hope that this will have a positive impact on their outcomes this summer.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Fixed Term Exclusions 01/09/16- 18/11/16

Year Group	7	8	9	10	11	Total
This week	0	0	0	1	0	1
Total 16-17	0	0	1	2	7	10
Total 15-16	1	0	3	2	4	10

Going Concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it has adopted 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

Most of the Trust's income is obtained from the 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. In accordance with the Charities Statement of Recommended Practice, 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.

During the year ended 31 August 2016, total expenditure of £10,622,333 excluding depreciation, was more than covered by recurrent grant funding from the EFA together with other incoming resources of £10,736,111. The excess of income over expenditure for the period (excluding restricted asset funds) was £73,530. As at 31 August 2016 the net book value of fixed assets was £428,874. The assets were used exclusively for providing education and the associate support services to the pupils of the Academies within the Trust.

Reserves policy

The Board of Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Board of Directors have determined that the appropriate level of free reserves should be equivalent to one month's expenditure. The reason for this is 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. The actual amount of unrestricted reserves was £592,097 compared to a figure of £360,324 for last academic year. This is favourable when considering the historic falling rolls at Venerable Bede CE Academy, which are increasing year on year by 50 pupil places and are forecasted to continue to do for the foreseeable future.

Investment policy and powers

All investments, outside of the deposit account, will be made on a risk-averse basis, taking ethical considerations into account and the approval of the Board of Directors. If the Trust is able to generate better returns than provided in the deposit account, it may undertake other investments. Funds, which the Trust does not require immediately to cover anticipated expenditure, will be invested in such a way as to maximise the Trust's income but without risk. The Trust's aim is to spend the publicly funded monies with which we are entrusted for the direct benefit of the pupils as soon as it is prudent. The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of best practice as and when circumstances allow.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

The Dayspring Trust is subject to a number of risks and uncertainties in common with other Multi Academy Trusts. The Trust has in place procedures to identify and mitigate financial risks. The Board of Directors have assessed the major risks to which each of its academies is exposed especially in operational areas (e.g. in relation to health and safety) and in relation to the control of finance and have put into place financial policies and procedures in order to minimise these risks. The principal risks and uncertainties to which the Trust is exposed includes:

- Changes in the level of Government funding. The Trust is working to identify the potential implications of the government's proposals to change the funding methodology, particularly where numbers on roll are stable but fixed costs increase.
- Falling rolls. One academy within the Trust has faced a number of years of declining pupil numbers on roll, which in turn has resulted in reduced grant income from the EFA. The Autumn 2016 census, which will be the base for the 2017/18 grant settlement, shows a total of 1930 pupils on roll. This comprises - 761 (Venerable Bede CE Academy) and 1169 (Ian Ramsey CE Academy). This is an increase of 26 pupil places from the previous year and will therefore have a positive impact on the budget.
- Local Government Pension Scheme - resulting in a deficit on the Academy balance sheet. The deficit on the LGPS is currently £1,188,000 and there is continuing uncertainty in any final salary scheme of this type.
- Curriculum changes and the impact on non E-Bacc subjects.
- Wear and tear on ageing buildings and assets.

Financial and risk management objectives and policies

The Trustees are responsible for the identification and management of risks for the Academy Trust as a whole. A formal review of risks and risk management plans covering premises and staff was undertaken in September 2016 and are contained within the Trust's Risk Register.

The key controls operated by the Academy include:

- formal agendas and minutes for all Board of Directors' and Academy Council meetings
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budget reporting and management accounting
- clear line management and reporting structures
- internal assurance programme delivered by external auditor
- review of risk register
- robust recruitment and selection procedures
- robust appraisal systems
- pro-active approach to public perception.

Plans for future periods

Strategic priorities for the year ahead include to:

- Consolidate and build capacity within the establishing Multi Academy Trust.
- Consider impact of succession planning within the Trust.
- Harmonisation of policies and procedures across the two academies within the Trust.
- Transfer to a single provider for HR Services and Governors Clerking.
- Explore options for the provision of Payroll Services.
- Review governance to ensure an enhanced level of skill and expertise in line with the additional responsibility and accountability of a Multi Academy Trust.
- Establish economies of scale in line with greater purchasing power as a Multi Academy Trust.
- Transfer the current provision for catering services from the Local Authority to an in-house provision at Ian Ramsey CE Academy.

Funds held as custodian trustee on behalf of others

There are no funds or assets currently held by the Dayspring Trust.

DAYSPRING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016


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.

Baldwins Audit Services Limited (formerly Evolution), having expressed their willingness to continue in office, have been re-appointed for the next financial year.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12.12.16 and signed on its behalf by:



The Venerable S Bain
Chair

DAYSPRING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The Board of Directors has delegated the day to day responsibility to the Executive Headteacher as accounting officer, alongside the Executive Business Manager, 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 Dayspring Multi Academy Trust and the Secretary of State for Education. The Finance and General Purposes Committee have delegated powers from the Board for close scrutiny of financial systems and internal audit. The Executive Headteacher is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' Responsibilities. The Board of Directors has formally met 6 times during the year. Attendance during that period of time, at meetings of the Board of Trustees, was as follows:-

Trustees	Meetings attended	Out of possible
The Venerable S Bain (Chair)	6	6
Mr N Williams (Vice Chair)	6	6
Mr P Russell	6	6
Mrs G Booth (Executive Headteacher)	6	6
Mr J Farnsworth	5	6
Mr R Thorndyke	6	6
Rev D Brooke	3	6
Mr D Robinson	5	6

The Trust has been in existence since its incorporation on 28 October 2014 and at the current time still has two academies within the Trust: Ian Ramsey CE Academy, located in Stockton-on-Tees and Venerable Bede CE Academy, located in Sunderland.

This has been very much a year of consolidation for the Trust, building its expertise and knowledge in order to offer strategic vision and guidance to both its academies. As such, there have been no changes to the Members of the Trust, nor to the Directors who have remained in post throughout.

The Directors are aware of their responsibilities which particularly include high quality educational outcomes for our pupils, in addition to the following:

- To act in such a way as to promote the success of the Trust in terms of charitable objectives
- To take note of the likely consequences of any decisions in the longer term
- To take note of the likely consequences of any decisions on employees
- The need to foster relationships with suppliers and customers
- To consider the impact of Trust operations on the community and environment

The Directors are also aware of their duties under section 117 of the Charities Act 2011.

Key changes in governance include the re-naming of the former Local Governing Bodies at each academy, to Local Academy Councils. Roles and responsibilities of the Academy Councils were also reviewed and working groups formed to support and challenge each academy in its work in several key areas including: pupil attendance, behaviour and discipline, health and safety, safeguarding, ethos and teaching and learning.

DAYSPRING TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

Annual Governance Review

The Board of Directors held a Trust Training Day on 25 June 2016, attended by all Directors and key senior leadership staff. Key aspects of the day included a workshop on building capacity within a Multi Academy Trust, a SWOT analysis, here a review of governance over the past year was undertaken and the completion of a Trust development plan.

Several key strengths were identified: the significant skills and experience of the Board of Directors, strong relationships with key partner agencies including the Regional Schools Commissioner, a growing positive reputation, parental engagement and embedded school improvement.

Several opportunities were also explored which included future expansion, financial procurement leading to Trust-wide savings and the journey leading to the achievement of an outstanding Ofsted inspection at both academies.

An external review of governance is planned for autumn term 2016.

Local Academy Councils

Each academy within the Trust has a Local Academy Council comprising of the following members:

1 Head of School

2 staff members (elected)

2 parent members (elected)

7 other members appointed by the MAT

The skills and experience brought to each Local Academy Council include teaching experience, legal expertise, high level managerial experience, previous experience of local government and recruitment skills.

The scheme of delegation is a live document and has been reviewed and amended on an on-going basis.

The scheme of delegation is a live document and has been reviewed and amended on an on-going basis.

Venerable Bede Academy Council

Trustees	Meetings attended	Out of possible
Mr P Russell (Director and Chair)*	5	5
*Resigned as Chair 9 December 2015		
Mr R Thorndyke (Director and Chair)*	5	5
*Appointed as Chair 9 December 2015		
Mr J Farnsworth (Director)	5	5
Cllr P Tye (Appointed)	3	5
Rev D Tolhurst (Appointed)	5	5
Mrs P Davison (Appointed)	4	5
Mrs E Gray (Appointed)	4	5
Mrs L Mitchinson (Parent) (Resigned 29 June 2016)	1	5
Mr L Telfer (Parent) (Resigned April 2016)	1	5
Mr P Young (Staff)	5	5
Mrs D Outen (Staff)	4	5
Mr D Airey (Head of School)	5	5

DAYSPRING TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

Ian Ramsey Academy Council

Trustees	Meetings attended	Out of possible
Mr N Williams (Director and Chair)	2	3
Rev D Brooke (Director)	2	3
Mr D Robinson (Director)	2	3
Mr J Sheil (Appointed)	3	3
Mr M Anderson (Appointed)	2	3
Mrs V Hall (Appointed)	1	3
Mrs B Miller (Appointed)	3	3
Mr P Bowman-Reeves (Parent) (Resigned 25 January 2016)	1	1
Mrs M Neish (Parent)	3	3
Ms K Dack (Staff)	2	3
Mrs Z Barraclough (Staff) (Resigned 15 June 2016)	1	2
Mr B Janes (Head of School)	3	3

Key Challenges

Some of the key challenges for the Multi Academy Trust since incorporation has been:

- Establishing Trust wide terms and conditions for staff across two Local Authority areas
- To attract key personnel
- To build capacity at Senior Leadership Team level at both academies
- Funding restraints due to historical falling rolls whilst becoming over-subscribed in one academy
- To develop and build strong governance and to discern and establish an appropriate role for Local Academy Councils
- To drive up academic standards to improve outcomes for all pupils

The Finance and General Purposes Committee is a sub-committee of the Board of Directors. Its purpose is to consider and recommend to the MAT Board, the draft annual budget, and to regularly monitor the progress of the budget using financial information supplied by the Executive Headteacher and finance staff. The Finance and General Purposes Committee also meet to discuss and agree spending decisions and to review findings from the termly internal assurance programme.

Attendance at meetings during the period (1 September 2015 – 31 August 2016) was:

Trustees	Meetings attended	Out of possible
Mr N Williams (Director and Chair)	6	6
Venerable S Bain (Chair of MAT Board)	6	6
Mr J Farnsworth (Director)	6	6
Rev D Tolhurst	5	6
Mrs M Neish	6	6
Mrs G Booth (Executive Headteacher)	6	6

DAYSPRING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The key challenge for the Finance and General Purposes Committee during the period has been to approve a budget determined by historical falling rolls yet ensuring a high quality education provision for stakeholders.

The Finance and General Purposes Committee currently has a dual purpose and acts as the Audit Committee, however this will be reviewed during the course of the next academic year.

Review of Value For Money

As accounting officer the Executive Headteacher, alongside the Executive Business Manager, has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Managing a budget based on historical falling rolls to ensure pupil outcomes are not compromised
- Re-negotiation of existing financial contracts to ensure continued value for money
- Amalgamation of Trust services to deliver economies of scale
- The appointment of a Disadvantaged Champion from September 2016 will improve the opportunities and outcomes for disadvantaged pupils in the future
- Use of consortia arrangements when procuring goods and services

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 three on-going priorities: to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and, to manage them efficiently, effectively and economically. The system of internal control has been in place across Dayspring Multi Academy Trust or the period 1 September 2015 – 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 Directors.

The Academy Trust Financial Handbook is reviewed regularly by both the Executive Business Manager and members of the Finance and General Purposes Committee to ensure that it reflects current practice and procedure.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 – 31 August 2016 and up to the date of approval of the annual report and financial statements. This is via each academy's internal financial controls and procedures that are in place, together with the academy's risk register and risk management plan. These procedures are regularly reviewed by the Board of Directors.

DAYSPRING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The risk and control framework

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

- Comprehensive 5 year budget planning with an annual budget reviewed and agreed by the Board of Directors.
- Periodic financial reports reviewed and agreed by the Board of Directors.
- Regular (monthly) financial reports with narrative on the current position of the budget with projections to the Board of Directors.
- Regular reviews by the Finance and General Purposes Committee and Board of Directors of major purchase plans, capital works and expenditure programmes.
- Review of set targets to measure financial and other performance.
- New scheme of delegation with continuous review.
- Clear financial delegation levels and procurement policies and procedures.
- Segregation of duties and financial accountability.
- Identification and management of risks.
- Clear line management responsibility and accountability.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Baldwins Audit Services Limited (formerly Evolution) as their external auditor to perform additional checks.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the external auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Director's financial responsibilities.

Two internal assurance visits have been undertaken during the period 1 September 2015 – 31 August 2016 and there were no 'high risk' matters identified in either review.

In particular the checks carried out in the current period included:

- Monthly check of payroll journal received from provider
- Checks at each payment run to ensure legitimacy of supplier and payment
- Monthly checks on reconciliation of bank accounts
- Regular checks on changes to staffing details
- Monthly checks on the reconciliation of Trial Balance, Balance Sheet and P&L account
- Monthly checks on credit card spend.

Review of effectiveness

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year 1 September 2015 - 31 August 2016 the review has been informed by:

- The work of the external auditor
- The financial management and governance self-assessment process carried out by the Board of Directors
- The work of the academy staff who have responsibility for the development and maintenance of the internal financial controls.
- The financial controls, policies and procedures in place at the academy.

DAYSPRING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Directors and the Finance and General Purposes Committee: where relevant, a plan is in place to address any weaknesses, together with a plan to ensure continuous improvement.

Approved by order of the board of trustees on 12/12/16 and signed on its behalf by:



The Venerable S Bain
Chair



Mrs G Booth
Executive Headteacher

DAYSPRING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Dayspring Trust I have considered my responsibility to notify the 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 Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

Mrs G Booth
Accounting Officer

GABootL

12/12/16

DAYSPRING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for Dayspring Trust and are also the directors of Dayspring 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;
- 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 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 12/12/16 and signed on its behalf by:



The Venerable S Bain
Chair

DAYSPRING TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF DAYSPRING TRUST

We have audited the accounts of Dayspring Trust for the year ended 31 August 2016 set out on pages 31 to 53. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 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 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 26, the trustees, who are also the directors of Dayspring 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' Report including the incorporated strategic 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 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 Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

DAYSPRING TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF DAYSPRING TRUST (CONTINUED)

Matters on which we are required to report by exception

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

- 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.

Baldwins Audit Services Limited

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services Limited

Chartered Accountants

Statutory Auditor

Wynyard Park House

Wynyard Avenue

Wynyard

TS22 5TB

Dated: *15/12/16*

DAYSPRING TRUST

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

In accordance with the terms of our engagement letter dated 23 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dayspring Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Dayspring Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Dayspring 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 Dayspring Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Dayspring Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Dayspring Trust's funding agreement with the Secretary of State for Education dated 21 December 2012 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

DAYSPRING TRUST

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under EFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

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

Baldwins Audit Services Limited

Graham Fitzgerald BA FCA DChA
Reporting Accountant
Baldwins Audit Services Limited

Dated:15/12/16.....

DAYSPRING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2016 £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	-	-	40,028	42,017
Donations - transfer from local authority on conversion		-	-	-	172,796
Charitable activities:					
- Funding for educational operations	3	139,257	10,071,829	-	10,211,086
Other trading activities	4	333,446	-	-	333,446
Investments	5	7,526	-	-	7,526
Total income and endowments		480,229	10,071,829	40,028	10,592,086
Expenditure on:					
Raising funds	6	288,220	-	-	288,220
Charitable activities:					
- Educational operations	7	139,257	10,051,052	267,151	10,457,460
Total expenditure	6	427,477	10,051,052	267,151	10,745,680
Net income/(expenditure)		52,752	20,777	(227,123)	(153,594)
Transfers between funds		-	10,937	(10,937)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(1,815,000)	-	(1,815,000)
Net movement in funds		52,752	(1,783,286)	(238,060)	(1,968,594)
Reconciliation of funds					
Total funds brought forward		360,324	(745,504)	673,945	288,765
Total funds carried forward		413,076	(2,528,790)	435,885	(1,679,829)

DAYSPRING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	2,596	-	39,421	42,017
Donations - transfer from local authority on conversion		245,446	(762,000)	689,350	172,796
Charitable activities:					
- Funding for educational operations	3	132,738	8,634,221	-	8,766,959
Other trading activities	4	334,203	-	-	334,203
Investments	5	7,616	-	-	7,616
Total income and endowments		722,599	7,872,221	728,771	9,323,591
Expenditure on:					
Raising funds	6	401,886	-	-	401,886
Charitable activities:					
- Educational operations	7	39,625	8,464,233	187,179	8,691,037
Total expenditure	6	441,511	8,464,233	187,179	9,092,923
Net income/(expenditure)		281,088	(592,012)	541,592	230,668
Transfers between funds		-	(61,502)	61,502	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	140,000	-	140,000
Net movement in funds		281,088	(513,514)	603,094	370,668
Reconciliation of funds					
Total funds brought forward		79,236	(231,990)	70,851	(81,903)
Total funds carried forward		360,324	(745,504)	673,945	288,765

DAYSPRING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	11	428,874	618,615
Current assets			
Debtors	12	436,924	337,695
Cash at bank and in hand		1,837,906	1,591,363
		2,274,830	1,929,058
Current liabilities			
Creditors: amounts falling due within one year	13	(1,293,533)	(1,065,458)
Net current assets		981,297	863,600
Total assets less current liabilities		1,410,171	1,482,215
Creditors: amounts falling due after more than one year	14	-	(5,450)
Net assets excluding pension liability		1,410,171	1,476,765
Defined benefit pension liability	18	(3,090,000)	(1,188,000)
Net assets		(1,679,829)	288,765
Funds of the Academy Trust:			
Restricted funds	16		
- Fixed asset funds		435,885	673,945
- Restricted income funds		561,210	442,496
- Pension reserve		(3,090,000)	(1,188,000)
Total restricted funds		(2,092,905)	(71,559)
Unrestricted income funds	16	413,076	360,324
Total funds		(1,679,829)	288,765

The accounts set out on pages 31 to 53 were approved by the board of trustees and authorised for issue on 12.12.16 and are signed on its behalf by:



The Venerable S Bain
Chair

Company Number 08310825

DAYSPRING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		276,399		746,506
Cash funds transferred on conversion			-		245,446
			<u>276,399</u>		<u>991,952</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		7,526		7,616	
Capital grants from DfE and EFA		40,028		39,421	
Payments to acquire tangible fixed assets		(77,410)		(75,694)	
			<u>(29,856)</u>		<u>(28,657)</u>
Change in cash and cash equivalents in the reporting period			<u>246,543</u>		<u>963,295</u>
Cash and cash equivalents at 1 September 2015			<u>1,591,363</u>		<u>628,068</u>
Cash and cash equivalents at 31 August 2016			<u><u>1,837,906</u></u>		<u><u>1,591,363</u></u>
Relating to:					
Bank and cash balances			1,761,007		1,520,534
Short term deposits			76,899		70,829

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Dayspring Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Dayspring Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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. Our balance sheet is in deficit due to the inclusion of the LGPS liability, we draw your attention to the cash reserves held by the Academy as well as the balances held in restricted general and unrestricted reserves.

The increase in the reported share of the LGPS deficit in the year has had a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

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

Grants 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 Academy Trust's depreciation policy.

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:

Computer equipment	over 3 years
Fixtures, fittings and equipment	over 4 years

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

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.

Fixtures, fittings, equipment and ICT equipment transferred to the academy on conversion have been valued on the basis of the estimated net book value. Land and buildings have not been transferred to the academy.

Because the use of the land is made available to the academy trust under a Supplemental Agreement, the academy has been donated the right to use the buildings and under accounting standards a donation and expense representing the use of the facilities should be reflected in the financial statements. The trustees are of the opinion that obtaining a reliable estimate of this value would be onerous and the expense of obtaining such a valuation would outweigh any benefits derived. Therefore no such adjustment has been reflected in these financial statements.

1.6 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 Academy 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.

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.10 Fund accounting

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

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

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	40,028	40,028	39,421
Other donations	-	-	-	2,596
	<u>-</u>	<u>40,028</u>	<u>40,028</u>	<u>42,017</u>

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	9,469,042	9,469,042	8,022,090
Start up grants	-	-	-	80,000
Other DfE / EFA grants	-	493,477	493,477	461,922
	-	9,962,519	9,962,519	8,564,012
Other government grants				
Local authority grants	-	66,128	66,128	55,233
Special educational projects	-	24,033	24,033	-
	-	90,161	90,161	55,233
Other funds				
Catering income	139,257	-	139,257	119,222
Other incoming resources	-	19,149	19,149	28,492
	139,257	19,149	158,406	147,714
Total funding	139,257	10,071,829	10,211,086	8,766,959

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	24,171	-	24,171	8,549
Catering income	1,546	-	1,546	1,590
Educational trips	203,859	-	203,859	138,046
Other income	103,870	-	103,870	186,018
	333,446	-	333,446	334,203

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	7,526	-	7,526	7,616

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	7,035,990	-	809,517	7,845,507	6,570,182
- Allocated support costs	1,221,931	503,081	886,941	2,611,953	2,120,855
	<u>8,257,921</u>	<u>503,081</u>	<u>1,696,458</u>	<u>10,457,460</u>	<u>8,691,037</u>
Other expenditure					
Raising funds	<u>39,691</u>	<u>-</u>	<u>248,529</u>	<u>288,220</u>	<u>401,886</u>
Total expenditure	<u>8,297,612</u>	<u>503,081</u>	<u>1,944,987</u>	<u>10,745,680</u>	<u>9,092,923</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	10,000	10,000
- Other services	8,000	8,473
Operating lease rentals	28,802	7,128
Depreciation of tangible fixed assets	236,214	187,179
Loss on disposal of fixed assets	<u>30,937</u>	<u>-</u>

Central services

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

- leadership;
- finance support;

Venerable Bede Church of England Academy has raised internal charges for these services on a time apportioned basis.

The amounts charged by The Venerable Bede Church of England Academy to Ian Ramsey Church of England Academy during the year was £144,024 (2015 - £123,018).

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	-	7,845,507	7,845,507	6,570,182
Support costs - educational operations	139,257	2,472,696	2,611,953	2,120,855
	<u>139,257</u>	<u>10,318,203</u>	<u>10,457,460</u>	<u>8,691,037</u>

	2016 £	2015 £
Analysis of support costs		
Support staff costs	1,221,931	986,614
Depreciation and amortisation	267,151	187,179
Premises costs	527,709	430,294
Other support costs	564,866	462,969
Governance costs	30,296	53,799
	<u>2,611,953</u>	<u>2,120,855</u>

8 Staff costs

	2016 £	2015 £
Wages and salaries	6,167,657	5,045,247
Social security costs	516,007	382,569
Operating costs of defined benefit pension schemes	1,038,610	775,464
Staff costs	<u>7,722,274</u>	<u>6,203,280</u>
Supply staff costs	517,183	592,038
Staff restructuring costs	-	48,000
Staff development and other staff costs	58,155	25,626
Total staff expenditure	<u>8,297,612</u>	<u>6,868,944</u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	125	126
Administration and support	99	91
Management	14	13
	<u>238</u>	<u>230</u>

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

(Continued)

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	2	-
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£120,001 - £130,000	1	1

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,001,078 (2015 - £830,682).

9 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of the headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, no travel and subsistence payments were reimbursed to trustees (2014: £nil).

The value of trustees' remuneration was as follows:

G Booth (headteacher):

Remuneration	£120,001 - £125,000 (2015: £120,001 - £125,000)
Employer's pension contributions	£15,001 - £20,000 (2015: £15,001 - £20,000)

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

10 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £5,147 (2015: £5,358).

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 September 2015	521,900	324,350	846,250
Additions	65,196	12,214	77,410
Disposals	(41,250)	-	(41,250)
At 31 August 2016	545,846	336,564	882,410
Depreciation			
At 1 September 2015	146,506	81,129	227,635
On disposals	(10,313)	-	(10,313)
Charge for the year	159,734	76,480	236,214
At 31 August 2016	295,927	157,609	453,536
Net book value			
At 31 August 2016	249,919	178,955	428,874
At 31 August 2015	375,394	243,221	618,615

12 Debtors

	2016 £	2015 £
Trade debtors	10,997	6,836
VAT recoverable	90,156	30,605
Prepayments and accrued income	335,771	300,254
	436,924	337,695

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	431,385	210,425
Other taxation and social security	218,528	139,916
Other creditors	574,119	547,606
Accruals and deferred income	69,501	167,511
	1,293,533	1,065,458

14 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Accruals and deferred income	-	5,450

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

15	Deferred income	2016 £	2015 £
	Deferred income is included within:		
	Creditors due within one year	9,933	36,415
	Deferred income at 1 September 2015	36,415	46,796
	Released from previous years	(36,415)	(46,796)
	Amounts deferred in the year	9,933	36,415
	Deferred income at 31 August 2016	9,933	36,415

Deferred income includes EFA rates funding received in advance of the next financial year and receipts in advance for trips taking place after the year end.

16	Funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
	Restricted general funds					
	General Annual Grant	442,496	9,469,042	(9,361,265)	10,937	561,210
	Other DfE / EFA grants	-	493,477	(493,477)	-	-
	Other government grants	-	90,161	(90,161)	-	-
	Other restricted funds	-	19,149	(19,149)	-	-
	Funds excluding pensions	442,496	10,071,829	(9,964,052)	10,937	561,210
	Pension reserve	(1,188,000)	-	(87,000)	(1,815,000)	(3,090,000)
		(745,504)	10,071,829	(10,051,052)	(1,804,063)	(2,528,790)
	Restricted fixed asset funds					
	DfE / EFA capital grants	55,330	40,028	(10,263)	(10,937)	74,158
	Inherited funds	539,332	-	(225,548)	-	313,784
	Capital expenditure from GAG	79,283	-	(31,340)	-	47,943
		673,945	40,028	(267,151)	(10,937)	435,885
	Total restricted funds	(71,559)	10,111,857	(10,318,203)	(1,815,000)	(2,092,905)
	Unrestricted funds					
	General funds	360,324	480,229	(427,477)	-	413,076
	Total funds	288,765	10,592,086	(10,745,680)	(1,815,000)	(1,679,829)

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DfE/EFA grants include pupil premium, year 7 catch up and summer school funding targeted at disadvantaged pupils.

Other grants includes funding for pupils with special educational needs, teacher release funding, transitional tutor and associate principal funding.

DfE/EFA Capital Grants consist of Devolved Formula Capital received during the period.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The Inherited Fixed Asset Fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

The net transfers of £10,937 between the restricted fixed asset fund and the GAG fund is in respect of revenue expenditure funded by devolved capital grants.

The academy has general restricted and unrestricted funds of £974,286 at 31 August 2016.

Total funds analysis by academy

	Total £
Fund balances at 31 August 2016 were allocated as follows:	
The Venerable Bede Church of England Academy	(106,627)
Ian Ramsey Church of England Academy	1,080,913
Total before fixed assets fund and pension reserve	974,286
Restricted fixed asset fund	435,885
Pension reserve	(3,090,000)
Total funds	(1,679,829)

An in-year budget deficit was set for academic year 2015-16 at Venerable Bede CE Academy and this was due to historic falling rolls. Although 50 more pupils were admitted into the academy in September 2015, funding for those pupils was not due to be received until September 2016. Additional staffing was required to teach the increased cohort in year 7 and it was therefore not possible to make savings in year, and this resulted in a further deficit. The picture going forward is more optimistic. The academy is now over-subscribed with an expected full cohort of year 7 pupils over the next two to three years, thus reaching full capacity. Additional funding of approximately 50 pupil places per year will be received during that time, placing the academy in a surplus budget position.

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

(Continued)

Total cost analysis by academy

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 £
The Venerable Bede Church of England Academy	3,000,513	611,246	296,466	776,825	4,685,050
Ian Ramsey Church of England Academy	4,075,168	610,685	194,803	1,016,847	5,897,503
	<u>7,075,681</u>	<u>1,221,931</u>	<u>491,269</u>	<u>1,793,672</u>	<u>10,582,553</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	428,874	428,874
Current assets	414,961	1,852,858	7,011	2,274,830
Creditors falling due within one year	(1,885)	(1,291,648)	-	(1,293,533)
Defined benefit pension liability	-	(3,090,000)	-	(3,090,000)
	<u>413,076</u>	<u>(2,528,790)</u>	<u>435,885</u>	<u>(1,679,829)</u>

18 Pensions and similar obligations

The 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 South Tyneside Council and Middlesbrough Borough 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 £190,199 (2015: £118,317) were payable to the schemes at 31 August 2016 and are included within creditors.

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be 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 £336,878 (2015: £311,659).

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

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

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 25.6% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £277,000.

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

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.

Total contributions made	2016 £	2015 £
Employer's contributions	276,000	231,000
Employees' contributions	87,000	72,000
Total contributions	363,000	303,000

Principal actuarial assumptions	2016 % IR	2016 % VB	2015 % IR	2015 % VB
Rate of increases in salaries	3.4	3.4	3.5	3.6
Rate of increase for pensions in payment	1.9	1.9	2.0	2.1
Discount rate	2.0	2.0	3.8	3.8
Inflation assumption (CPI)	1.9	1.9	2.0	2.1

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

	2016 Years IR	2016 Years VB	2015 Years IR	2015 Years VB
Retiring today				
- Males	23.1	23.2	23.0	23.1
- Females	25.6	25.3	25.5	24.7
Retiring in 20 years				
- Males	25.3	25.3	25.2	25.1
- Females	28.0	27.1	27.8	27.0

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

The Academy Trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	2,520,612	1,893,808
Government bonds	84,852	71,290
Corporate bonds	233,154	185,428
Cash	142,344	119,200
Property	299,034	204,817
Other assets	104,004	108,457
Total market value of assets	3,384,000	2,583,000

Actual return on scheme assets - gain/(loss)	477,000	(30,000)
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Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	323,000	285,000
Net interest cost	40,000	33,000

Changes in the present value of defined benefit obligations

	2016 £	2015 £
Obligations at 1 September 2015	3,771,000	1,701,000
Obligations acquired on conversion	-	1,802,000
Current service cost	323,000	280,000
Interest cost	145,000	110,000
Employee contributions	87,000	72,000
Actuarial gain	2,187,000	(187,000)
Benefits paid	(39,000)	(7,000)
At 31 August 2016	6,474,000	3,771,000

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

Changes in the fair value of the Academy Trust's share of scheme assets	2016	2015
	£	£
Assets at 1 September 2015	2,583,000	1,217,000
Assets acquired on conversion	-	1,040,000
Interest income	105,000	77,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial loss	372,000	(47,000)
Employer contributions	276,000	231,000
Employee contributions	87,000	72,000
Benefits paid	(39,000)	(7,000)
At 31 August 2016	3,384,000	2,583,000

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

	2016	2015
	£	£
Net income/(expenditure) for the reporting period	(153,594)	230,668
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(172,796)
Capital grants from DfE/EFA and other capital income	(40,028)	(39,421)
Investment income	(7,526)	(7,616)
Defined benefit pension costs less contributions payable	47,000	54,000
Defined benefit pension net finance cost/(income)	40,000	33,000
Depreciation of tangible fixed assets	236,214	187,179
Losses/(profits) on disposals of fixed assets	30,937	-
(Increase)/decrease in debtors	(99,229)	(110,191)
Increase/(decrease) in creditors	222,625	571,683
Net cash provided by operating activities	276,399	746,506

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	17,381	19,091
Amounts due in two and five years	27,852	46,133
	<u>45,233</u>	<u>65,224</u>

21 Related party transactions

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

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

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

22 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 for the debts and liabilities contracted before he or she ceases to be a member.

DAYSPRING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

23 Reconciliations on adoption of FRS 102

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

Comparative figures have been restated to reflect the adjustments made, 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'.

Reconciliation of funds for the previous financial period

		1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP		(81,903)	288,765
Change in recognition of LGPS interest cost	1	-	-
Funds reported under FRS 102		<u>(81,903)</u>	<u>288,765</u>

Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income previously reported under UK GAAP		295,668
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	<u>(65,000)</u>
Net income reported under FRS 102		<u>230,668</u>

Notes to reconciliations on adoption of FRS 102

1 - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £65,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.