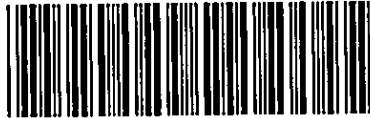


**Future Generation Trust
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Period ended 31 August 2015

TU THURSDAY



A52Y0EFU

A09	17/03/2016	#276
COMPANIES HOUSE		

TU

A50D91XD

A12	09/02/2016	#97
COMPANIES HOUSE		

**Company Registration Number:
9440033 (England and Wales)**

Future Generation Trust

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Future Generation Trust

Reference and Administrative Details

Directors and Members	F Dale (appointed 13 February 2015) J Macey (appointed 13 February 2015) R Grinsted (appointed 13 February 2015) C Hopkins (appointed 13 February 2015 and resigned 1 December 2015) S Davenport (appointed 1 December 2015)
Registered Office	St John's Primary Academy Hobnock Road Essington Wolverhampton United Kingdom WV11 2RF
Company Registration Number	09440033 (England and Wales)
Senior Leadership Team	
<ul style="list-style-type: none">• Head teacher• Deputy Head teacher• Deputy Head teacher	S Ayres C Marston S Arrowsmith
Independent Auditor	Mazars LLP Park View House 58 The Ropewalk Nottingham NG1 5DW
Bank	Lloyds Bank PLC Queen Street Wolverhampton BX1 1LT
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU

Future Generation Trust

Trustees' Report

The directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 27 February 2015 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Essington. It had a pupil capacity of 485 and had a roll of 483 pupils in the summer 2015 school census.

Structure, Governance and Management

Constitution

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

The directors act as the trustees for the charitable activities of Future Generation Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Future Generation Trust.

Details of the directors who served throughout the year are included in the reference and administrative details on page 3.

Members' Liability

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

Trustees' Indemnities

In accordance with the normal commercial practice the Trust has purchased insurance to protect its members, directors, academy representatives and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provider provides up to £2 million in aggregate claims.

Principal Activities

The principal activities of the Trust are as set out in its Articles of Association namely

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 Academies which shall offer a broad and balanced curriculum and which shall include

- *Academies other than those designated Church of England, whether with or without a designated religious character, and*
- *Church of England academies designated as such which shall be 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 any advice and following any directives issued by the Diocesan Board of Education,*

but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England

Future Generation Trust

Trustees' Report (continued)

Method of Recruitment and Appointment or Election of Directors and Governors

The Directors of the Company comprise (Article 12)

- (a) The signatories to the Memorandum,
- (b) CECET acting corporately by hand of its Director,
- (c) The Chair of the Directors,
- (d) The Vice Chair of the Directors, and
- (e) Any person appointed under any of Articles 16, 16A or 16B

The Members with the written consent of the Diocesan Board of Education may agree by passing a special resolution in writing to appoint such additional Members as they think fit (Article 16)

The appointment of an Academy's Local Governing Body is detailed in the Terms of Reference of which the Trust Board elects the Chair. With regards to the appointment of parent governors, procedures are in place for their nomination, election and appointment

Policies and Procedures Adopted for the Induction and Training of Trustees

Directors and Governors are inducted by the current members and attend training sessions offered by the Local Authority and other professional bodies

Organisational Structure

Future Generation Trust currently has one Academy within its Trust, St John's Primary Academy, giving a one-to-one relationship. The Directors of the Trust Board meet at least once a term to discuss the strategic management and development of the Trust. The Directors approve all strategic decisions within the Academy and Trust.

The Academy Governors of the Local Governing Body and the respective committees meet at least once a term to discuss the specific relevant and strategic matters of the Academy.

Each committee has Terms of Reference detailing their roles and responsibilities.

Directors and Governors are informed regularly of various areas via email and discussions when required.

The day-to-day running of the Academy is the work of the Senior Leadership Team and the Head teacher is the Accounting Officer.

The objectives of the Scheme of Delegation are to ensure that

- the exercise of delegated powers and functions occur at the correct level of the corporate governance structure,
- the process of delegating powers or functions is clear, open and transparent,
- the lines of accountability for the exercise of powers or functions are clearly understood by those who are delegated to

Future Generation Trust

Trustees' Report (continued)

Arrangements for setting pay and remuneration of Key Management Personnel

The Directors of the Trust Board do not currently receive any remuneration for their services to the Trust

The pay and remuneration of key management personnel of the Academy is the responsibility of the Personnel Committee and requires approval of the Local Governing Body and the Trust Directors. The parameters and criteria used in setting the pay are the scales provided by the Local Authority for Teaching and Support Staff.

Related Parties and other Connected Charities and Organisations

Future Generation Trust was incorporated on 13 February 2015 as a multi academy trust with one academy, St John's Primary Academy, converting to academy status on 1 March 2015 from St John's CE (C) Primary School.

Objectives and Activities

Objects and Aims

The principal objective of Future Generation Trust as set out in its Articles of Association 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 schools offering a broad and balanced curriculum

The profile of St John's Primary Academy is as follows:

St John's provides education for 3 to 11 year old pupils. The curriculum is broad and balanced with an emphasis on developing the basic core skills of Literacy and Numeracy. The Academy predominantly draws pupils from the village of Essington and the surrounding areas including Willenhall and Short Heath.

Objectives, Strategies and Activities

St John's Primary Academy continually strives for excellence.

The strong positive culture creates a climate conducive to learning throughout the school. This climate promotes the acquisition of valuable life skills while supportive teaching built on a foundation of caring relationships established between staff and pupils leads to high levels of attainment and achievement.

Working with our pupils we aim to:

- Develop confidence, high self-esteem and a love of learning,
- Promote respect of others and help them understand diversity and value everyone,
- Foster tolerance, resilience, perseverance and independence.

The Leadership Team at St John's work tirelessly in pursuit of these goals.

Future Generation Trust

Trustees' Report (continued)

Public Benefit

St John's Primary Academy will provide high quality, motivated staff who plan and deliver learning opportunities to meet the needs of all its pupils

The academy will provide a bright attractive stimulating environment which is safe, warm and dry
It will strive to develop strong Christian values in pupils and prepare them for adult lives where they will operate as happy individuals making positive contributions to society
The sustained high performance of pupils over time in terms of attainment is of significant public benefit

Strategic Report

Achievement and Performance

In 2014/2015 Academic Year the main achievement headlines were as follows

Early Years Summary

The percentage of children achieving "Expected or "Exceeding" by the end of the year was in line with or significantly higher than predicted in every area
The percentage of GLD (Good Level of Development) in the "Specific Areas" was in line with Local Authority figures
Only 45% of children entered Reception at the Expected Level for Reading however 81% achieved Expected or Exceeding by end of year

Phonics

Pupils in Year 1 at St John's achieved significantly better than national in both the 2013, 2014 and 2015 Phonics screening test
90% of pupils achieved the expected standard compared to 77% nationally 2015, a differential of 13%
100% of the FSM children compared to 66% nationally achieved the expected standard

Key Stage 1

Attainment in Key Stage 1 SATs is of a consistently high standard, always above national levels, frequently sig+ above
2015 Writing levels 2A and 3 sig+ above national, Mathematics level 3 above national and Reading 2A and 3 above national
APS in all subjects sig+ above national 2015 (7th consecutive year this has been achieved)
Writing, Reading and Mathematics APS above national

Key Stage 2

Attainment in Key Stage 2 SATs is of a consistently high standard, always above national levels, most frequently sig+ above
Writing APS sig+ above National All Subjects, Mathematics, Reading and SPAG all above National

Key Performance Indicators

The Finance Committee monitor actual performance against budget and cash flow forecast during the period being reported Further financial and non-financial indicators will be developed as the Trust develops

Future Generation Trust

Trustees' Report (continued)

Going Concern

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

Financial Review

Most of the Academy Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants. The use of which is restricted. The grants received from the EFA during the period ended 31st August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Key financial policies adopted or reviewed during the period cover Financial Regulations, Fixed Asset, Gifts and Hospitality, Risk Management, Tendering, Whistle Blowing, Anti-Fraudulent and Corruption and Director Expenses Policy. The guidance and regulations laid out in the annual Financial Handbook is considered and implemented, as is the Company's Financial Scheme of Delegation.

Summary revenue income and expenditure

	2015 £'000
Revenue income	
<i>Revenue grants</i>	
General Annual Grant (GAG)	738
Pupil premium	29
Other DfE and EFA grants	38
Local Authority and Other Government grants	51
<i>Inherited current assets and liabilities</i>	
Transfer of cash from Local Authority on conversion	208
<i>Self-generated income</i>	
Voluntary income	3
Investment income	0
<i>Trading activities</i>	
Eagles (childcare)	53
Catering	18
Other trading income	39
Total revenue income	1,177
Revenue expenditure	
Staff costs	724
<i>Non-pay expenditure</i>	
- Estate costs	32
- Educational supplies & services	18
- Other supplies & services	81
- Governance costs	10
Total revenue expenditure	865
Net revenue income/(expenditure) for the year	312
Revenue funding used to pay for capital expenditure	(91)
Revenue surplus/(deficit) for the year	221

Future Generation Trust

Trustees' Report (continued)

Financial Review (continued)

The above summary only represents accrual accounting of revenue income and expenditure, shown in the Statement of Financial Activities under 'Unrestricted Funds' - net income/(expenditure) for the year £229k and 'Restricted General Funds' net income/(expenditure) for the year £51k ((£671k) plus adjustment for inherited pension scheme deficit £722k) and therefore does not include depreciation and pension movement. Depreciation is accounted for under capital resources expended as shown in the Statement of Financial Activities under 'Restricted Fixed Asset Funds'.

Reserves Policy

The Trust's policy on reserves is to maintain sufficient reserves to enable the Trust to operate effectively in what is becoming a less certain economic and funding environment, to address any current year shortfall in funding, or to use them in the on-going investment in the Academy estate, subject to satisfying terms and conditions of the grant funding.

Required Level of Reserves

The Company will always ensure to stay within the EFA guidelines on levels and appropriate use of reserves.

A minimum target level for reserves is not considered appropriate at this point in time, as the company is new and therefore its main consideration is to up its reserves.

Investment Policy

The Board is committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risks and will develop an investment and Treasury Management Policy.

Principal Risks and Uncertainties

The Board of Directors has assessed the major risks to which the trust is exposed and these are summarised in the trust's Risk Register. The Board of Directors have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety and safeguarding) and in relation to the control of finance. They have introduced mitigating controls, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The key risks identified in the Trust's Risk Register and mitigating controls are as follows:

Risk	Mitigating controls
Recruitment of unsuitable staff, i.e. not appropriate to work with children,	Recruitment will only be undertaken by senior leadership and directors, who will have attended a recruitment safeguarding course.
Members of staff being absent for long periods of time	Effective implementation of the absence management policy.
Failure to comply with health and safety legislation	Risk assessments in and health and safety policy in place. Periodic health and safety reporting to Trust Board of Directors.

Future Generation Trust

Trustees' Report (continued)

Fail to recruit sufficient and capable staff	Robust short listing and interview process to ensure candidates are vetted correctly Observations of teaching staff at their current post/employer prior to appointment Support, coaching and mentoring for new staff
Finance staff not acting in accordance with their responsibilities	Closer monitoring and coaching of finance staff to assure that financial regulations are being adhered to

Plans for Future Periods

The future plans for the Trust include

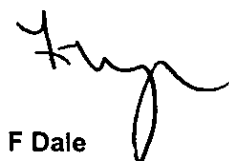
- to ensure the Trust has the required infrastructure in place to allow the inclusion of additional Academies within the Trust,
- continued development of governance and management processes and structures in light of experience over time and the growing size of the Trust

Auditor

Insofar as the Directors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Directors 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

Trustees' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 15 December 2015 and signed on the board's behalf by



F Dale
Chair

Future Generation Trust

Governance Statement

Scope of Responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the head teacher, as accounting officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Trust and the Secretary of State for Education. He is also responsible for reporting to the Board of Directors any material weaknesses or breakdown in internal control.

Governance

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

Director	Meetings attended	Out of a possible
F Dale (Chair)	2	2
J Macey	2	2
R Grinstead	2	2
C Hopkins (resigned 1 December 2015)	0	2

All Trust Board members were appointed on incorporation of Future Generation Trust on 13 February 2015.

Governance Reviews

All levels of Governance complete the skills matrix showing any areas of development or lack of expertise for Both Board of Directors and at local Academy Committees. The summary outcomes of such reviews are discussed at Board and Academy Committee meetings and appropriate actions put in place to address any shortfalls. For example, areas highlighted for further development for procurement training are discussed and the most appropriate ways to address such gaps considered.

The Finance Committee is a sub-committee of the main board of directors and Academy Governors. Its purpose is to

- consider the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and Academy finances and resources, including proper planning, monitoring and probity,
- receive reports from members of Academy staff about matters relating to any of the issues listed in their terms of reference,
- scrutinise the Trust and Academy budgets and finance, health and safety, staffing and estates arrangements,
- oversee the financial risk, internal controls and management of the Trust and Academy

Future Generation Trust

Governance Statement (continued)

Attendance at meetings in the period was as follows

Director	Meetings attended	Out of a possible
J Macey (Chair)	1	1
F Dale	1	1
N Hayward	1	1
P Jeffs	1	1
J Smallman (resigned 17 June 2015)	1	1

Review of Value for Money

As accounting officer the head teacher has responsibility for ensuring that the academy 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 trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the 6 month period by

- reducing back office and running costs – changing the heating system from high cost electricity to gas boiler,
- deploy the workforce effectively – standardise the working hours per week to reduce unnecessary overtime,
- improving procurement – using the EFA recommended procurement frameworks

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Future Generation Trust for the period 1 March 2015 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board 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 March 2015 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

Future Generation Trust

Governance Statement (continued)

The Risk and Control Framework

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

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

The Board of Directors considered the need for a specific internal audit function and Clement Keys LLP have carried out this role throughout the reporting period

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

- testing on the payroll systems,
- purchase systems,
- testing of control accounts/bank reconciliation

On a termly basis, the internal auditor reports to the board of directors, through the finance committee on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities

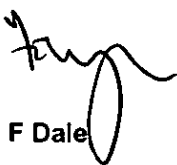
Review of Effectiveness

As Accounting Officer, the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the work of the internal auditor,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the board of Directors on 15 December 2015 and signed on its behalf by



F Dale
Chair



S Ayres
Accounting Officer

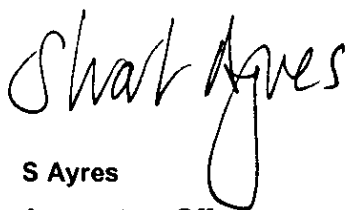
Future Generation Trust

Statement of Regularity, Propriety and Compliance

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

I confirm that I and the academy trust board 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

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 directors and EFA

A handwritten signature in black ink, appearing to read 'S Ayres', with a large, stylized loop at the end of the surname.

S Ayres

Accounting Officer

15 December 2015

Future Generation Trust

Statement of Trustees' Responsibilities

The Directors (who act as trustees of Future Generation Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

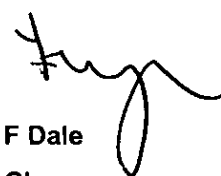
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP 2015,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Directors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA / DfE have been applied for the purposes intended.

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

Approved by order of the members of the Trust on 15 December 2015 and signed on its behalf by



F Dale
Chair

Future Generation Trust

Independent Auditor's Report on the Financial Statements to the Directors of Future Generation Trust

We have audited the financial statements of Future Generation Trust for the period ended 31 August 2015 which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective Responsibilities of Directors and Auditor

As explained more fully in the Statement of Trustees' Responsibilities on page 15, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the trustees as a body. Our audit work has been undertaken so that we might state to the 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 Academy Trust and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the Financial Statements

In our opinion the financial statements

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

Opinion on Other Matters Prescribed by the Companies Act 2006

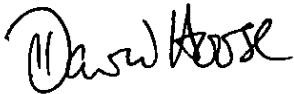
In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Future Generation Trust

Matters on Which We are required to Report by Exception

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

- the academy has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for audit



David Hoose (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House

58 The Ropewalk

Nottingham

NG1 5DW

Date 16 DECEMBER 2015

Future Generation Trust

Independent Reporting Accountant's Assurance Report on Regularity to Future Generation Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 30 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Future Generation Trust during the period 1 March 2015 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Future Generation Trust and the EFA in accordance with the terms of our engagement letter dated 30 October 2015. Our work has been undertaken so that we might state to Future Generation Trust and the EFA those matters we are required to state to them 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 Future Generation Trust and the EFA, for our review work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Future Generation Trust's funding agreement with the Secretary of State for Education dated 26 February 2015 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 March 2015 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Future Generation Trust

The work undertaken to draw our conclusion includes

- Planned our assurance procedures including identifying key risks,
- Carried out sample testing on controls,
- Carried out substantive testing including analytical review, and
- Concluded on procedures carried out

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 March 2015 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them



Mazars LLP
Chartered Accountants and Statutory Auditor
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Nottingham
NG1 5DW

Date 16 DECEMBER 2015

Future Generation Trust

Statement of Financial Activities for the period ended 31 August 2015
(including Income and Expenditure Account)

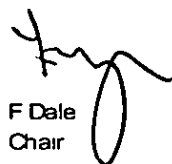
	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Funds £'000	Total 2015 £'000
Income from					
<i>Income from donations</i>					
Donations and capital grants	2	3	0	9	12
Transfer from local authority on conversion	28	208	(722)	2,879	2,365
<i>Charitable activities</i>					
Funding for the academy trust's educational operations	5	0	856	0	856
Trading activities	3	87	23	0	110
Investments	4	0	0	0	0
Total		298	157	2,888	3,343
Expenditure on					
Raising funds		0	0	0	0
<i>Charitable activities</i>					
Academy trust educational operations	7	0	822	21	843
Costs of trading activities	8	69	6	0	75
Total resources expended		69	828	21	918
Net income / (expenditure)		229	(671)	2,867	2,425
Transfers between funds	18	(91)	0	91	0
Other recognised gains / (losses)					
Actuarial gains / (losses) on defined benefit pension schemes	18,26	0	16	0	16
Net movement in funds		138	(655)	2,958	2,441
Total funds carried forward		138	(655)	2,958	2,441

Future Generation Trust

Balance Sheet as at 31st August 2015

	Notes	2015 £'000	2015 £'000
Fixed Assets			
Tangible assets	13		2,958
Current Assets			
Stock	14	5	
Debtors	15	133	
Cash at bank and in hand	16	346	
Total current assets		484	
Liabilities			
Creditors Amounts falling due within one year	17	(263)	
Net current assets			221
Total assets less current liabilities			3,179
Creditors Amounts falling due after more than one year			0
Net assets excluding pension liability			3,179
Defined benefit pension scheme liability	26	(738)	
Total net assets			2,441
Funds of the academy trust			
Restricted funds			
- Fixed asset fund	18		2,958
- General fund	18		83
- Pension reserve	18		(738)
Total restricted funds			2,303
Unrestricted funds			
- General fund	18		138
Total unrestricted funds			138
Total Funds			2,441

The financial statements on pages 20 to 44 were approved by the Directors, and authorised for issue on 15 December 2015 and signed on their behalf by


F Dale
Chair

Future Generation Trust

Statement of Cash Flows for the period ended 31 August 2015

	Notes	2015 £'000
Cash flows from operating activities		
Net cash provided by (used in) operating activities	21	437
Cash flows from financing activities	22	0
Cash flows from investing activities	23	(91)
Change in cash and cash equivalents in the reporting period		<u>346</u>
Cash and cash equivalents at the end of the period (see note 16)		346

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015

1 Statement of Accounting Policies

Basis of Preparation

The financial statements of the multi-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 (FRS102)), the Academies Accounts Direction 2014 to 2015 issued by EFA, the Charities Act 2011 and the Companies Act 2006

These financial statements have been prepared for the period 27 February 2015 to 31 August 2015 which is a period of less than twelve months. This is because academy trusts are required by EFA to report annually to 31 August and because of the date of incorporation the Academy Trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it

Going concern

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

Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below

The assets and liabilities transferred on conversion from Staffordshire County Council to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in 'Donations - transfer from local authority on conversion' in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds

Where relevant and appropriate, the valuations have been undertaken in accordance with the RICS Valuation - Professional Standards (The Red Book) published by the Royal Institution of Chartered Surveyors, and supplementary advice issued from time to time by the RICS and CIPFA

Fair Value has been calculated using the method of Depreciated Replacement Cost. This means that the cost of constructing the property is calculated, and then depreciated for the factors of age and obsolescence. An addition is then made for the value of the land on which the property is situated

The valuer has solely relied on information available from a desktop analysis and has arrived at the following opinion

- Land Element £750,000 - Seven hundred and fifty thousand pounds
- Non-Land (Building) Element (including external areas) £2,129,000 - two million, one hundred and twenty nine thousand pounds

Further details of the transactions are set out in note 27

Income

All incoming resources are recognised when the Future Generation Trust has entitlement to the funds, the receipt is probable and the amount can be measured with reliability

o Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

1 Statement of Accounting Policies (continued)

o Grants (continued)

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

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

o Sponsorship Income

Sponsorship income is 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

o 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

o Other income

Other income, including trading activities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services

o Donated goods, facilities and services

Donated facilities and services provided to the academy trust are recognised at their value to the academy trust in the period when it is probable that the economic benefits associated with the donated items will flow to the academy trust, provided they can be measured reliably. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities

Donated goods are recognised at fair value unless it is impractical to measure this reliably in which case a derived value, being the cost of the item to the donor (for example sponsor services), is used. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities except where the donated good is a fixed asset in which case 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

St John's Primary Academy (converted to academy status on 13 February 2015) has agreed a 125-year lease - ending on and including 26 February 2140 - with Staffordshire County Council for a peppercorn rent

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 such activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use

o 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

o 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

o Cost of trading activities

This includes all expenditure incurred by the academy trust to generate income from trading activities

All resources expended are inclusive of irrecoverable VAT

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

1 Statement of Accounting Policies (continued)

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

o Freehold buildings	2%
o Leasehold buildings	2%
o Furniture and equipment	10%
o Computer equipment	33%
o Motor vehicles	25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

No depreciation is charged in the year of acquisition on tangible assets.

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 moment 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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

Leased Assets

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

Stock

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

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

1 Statement of Accounting Policies (continued)

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes

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

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

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

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 funders where the asset acquired or created is held for a specific purpose

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

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are 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

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

1 Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2015. 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.

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

2 Donations and capital grants

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Funds £'000	Total 2015 £'000
Capital grants	0	0	9	9
Donated fixed assets	0	0	0	0
	0	0	9	9
Donations	3	0	0	3
Sponsorship	0	0	0	0
	3	0	0	3
	3	0	9	12

3 Trading activities

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Funds £'000	Total 2015 £'000
Catering income	18	0	0	18
Educational visits	0	16	0	16
Nursery (Eagles)	53	0	0	53
Supplies and services contribution	16	0	0	16
Trip income	0	7	0	7
Other trading income	0	0	0	0
	87	23	0	110

4 Investment Income

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Funds £'000	Total 2015 £'000
Short term deposits	0	0	0	0
	0	0	0	0

5 Funding for the Academy Trust's educational operations

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Funds £'000	Total 2015 £'000
DfE / EFA revenue grants				
General Annual Grant (GAG)	0	738	0	738
Pupil premium	0	29	0	29
Other DfE / EFA grants	0	38	0	38
	0	805	0	805
Other LA/Government revenue grants				
Special educational projects	0	12	0	12
Local authority grants	0	39	0	39
	0	51	0	51
Other income from the academy trust's educational operations	0	0	0	0
	0	856	0	856

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

6 Expenditure

	Staff Costs £'000	Non Pay Premises £'000	Expenditure Other Costs £'000	Total 2015 £'000
Expenditure on raising funds	0	0	0	0
Academy's educational operations				
- Direct costs	583	0	18	601
- Allocated support costs	121	32	89	242
Costs of trading activities	52	0	23	75
	<u>756</u>	<u>32</u>	<u>130</u>	<u>918</u>

Net income/(expenditure) for the period
include

	2015 £'000
Operating leases	2
Depreciation	21
Fees payable to auditor for	
- audit	8
- other services	2
	<u>10</u>

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

7 Charitable Activities

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Funds £'000	Total 2015 £'000
Direct costs - educational operations				
Teaching and educational support staff costs	0	583	0	583
Technology costs	0	0	0	0
Educational supplies	0	5	0	5
Staff development	0	0	0	0
Educational consultancy	0	13	0	13
Other direct costs	0	0	0	0
	<u>0</u>	<u>601</u>	<u>0</u>	<u>601</u>
Support costs - educational operations				
Support staff costs	0	121	0	121
Depreciation	0	0	21	21
Technology costs	0	22	0	22
Recruitment and support	0	1	0	1
Maintenance of premises and equipment	0	13	0	13
Cleaning	0	4	0	4
Rent and rates	0	3	0	3
Energy costs	0	13	0	13
Insurance	0	10	0	10
Security and transport	0	4	0	4
Catering	0	5	0	5
Bank interest and charges	0	1	0	1
Other support costs	0	14	0	14
Governance costs	0	10	0	10
	<u>0</u>	<u>221</u>	<u>21</u>	<u>242</u>
Total direct and support costs	<u>0</u>	<u>822</u>	<u>21</u>	<u>843</u>

8 Cost of trading activities

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Funds £'000	Total 2015 £'000
Catering expenditure	14	0	0	14
Educational visits costs	0	1	0	1
Nursery (Eagles) staff costs	52	0	0	52
Supplies and services contribution costs	0	0	0	0
Trip expenditure		5		5
Other trading expenditure	3	0	0	3
	<u>69</u>	<u>6</u>	<u>0</u>	<u>75</u>

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

9 Staff

a Staff costs

Staff costs during the period were	2015 £'000
Wages and salaries	596
Social security costs	33
Operating costs of defined benefit pension schemes	127
	<u>756</u>
Agency costs - teaching staff	0
Agency costs - support staff	0
Supply staff costs	<u>0</u>
Staff restructuring costs	0
	<u>756</u>
Teaching and educational support staff costs (see note 7)	583
Support staff costs (see note 7)	121
Nursery (Eagles) staff costs (see note 8)	52
	<u>756</u>

b Staff numbers

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

	2015 No
Teachers	21
Administration and support	24
Management	3
	<u>48</u>

c Higher paid staff

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

	2015 No
£60,001 - £70,000	0
£70,001 - £80,000	1

d Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £94,165.

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

10 Central Services

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

11 Related Party Transactions - Trustees' remuneration and expenses

None of the trustees have been paid remuneration or have received other benefits from an employment with the academy trust

During the period ended 31 August 2015, no travel and subsistence were reimbursed or paid to trustees

Other related party transactions involving the trustees are set out in note 27

12 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the costs for the period ended 31 August 2015 was £1,855. The cost of this insurance is included in the total insurance cost.

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

13 Tangible Fixed Assets

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Assets under Construction £'000	Total 2015 £'000
Cost							
At 13 February 2015	0	0	0	0	0	0	0
Transfer on conversion	0	2,879	0	0	0	0	2,879
Additions	0	100	0	0	0	0	100
Transfer of AuC	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
At 31 August 2015	0	2,979	0	0	0	0	2,979
Depreciation							
At 13 February 2015	0	0	0	0	0	0	0
Charged in year	0	21	0	0	0	0	21
Disposals	0	0	0	0	0	0	0
At 31 August 2015	0	21	0	0	0	0	21
Net book values							
At 31 August 2015	0	2,958	0	0	0	0	2,958

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

14 Stock

	2015 £'000
Stationery	5
	<u>5</u>

15 Debtors

	2015 £
Trade debtors	18
VAT recoverable	20
Prepayments	27
Accrued income	66
Other debtors	2
	<u>133</u>

The accrued income held at 31 August 2015 is broken down as follows

	2015 £'000
EFA/DfE - Pupil Premium	12
EFA/DfE - Rates relief	3
Local Authority - designated nursery funding	39
Local Authority - special educational projects	12
	<u>66</u>

16 Cash at bank and in hand

	2015 £'000
Amounts held by commercial banks	346
Petty cash	0
	<u>346</u>

17 Creditors amounts falling due with one year

	2015 £'000
Trade creditors	47
Taxation and social security	22
Accruals	113
Deferred income	52
Other creditors	29
	<u>263</u>

Deferred income analysis

	2015 £'000
Resources deferred in the year	52
Deferred income at 31 August 2015	<u>52</u>

At the balance sheet date the academy trust was holding funds received in advance for

Eagles childcare	12
Universal infant free school meals	40
	<u>52</u>

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

18 Funds of the academy

	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
Restricted fixed asset funds				
Transfer on conversion	2,879	(21)	0	2,858
DfE / EFA capital grants	9	0	0	9
Capital expenditure from unrestricted funds	0	0	91	91
	2,888	(21)	91	2,958
Restricted general funds				
General Annual Grant (GAG)	738	(672)	0	66
Pupil Premium	29	(29)	0	0
Other DfE / EFA grants	38	(38)	0	0
Local Authority / Government grants	51	(51)	0	0
Trading activities	23	(6)	0	17
	879	(796)	0	83
Restricted pension reserve				
Pension reserve	(722)	(32)	16	(738)
	(722)	(32)	16	(738)
Total Restricted Funds	3,045	(849)	107	2,303
Unrestricted funds				
General funds	298	(69)	(91)	138
	298	(69)	(91)	138
Total Funds	3,343	(918)	16	2,441

Restricted fixed asset funds

Incoming resources have been spent on capital expenditure, resources expended is depreciation on fixed assets purchased in previous academic year's (as per the Trust's fixed assets policy), and transfer between funds are represented by capital expenditure funded by revenue income. Therefore balances carried forward on these funds have been committed in future years for depreciation.

Restricted general funds

Balances carried forward is funding (cash) to be spend on charitable activities of the Trust in accordance with the grant agreements.

Unrestricted funds

Any unspent funds (cash) can be used at the discretion of the Board of Directors to meet the charitable objectives of the academy trust.

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

18 Funds of the academy (continued)

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

Transfer on conversion

This fund reflects the fixed assets acquired from Local Authorities on conversion. Depreciation on these assets is charged against this fund over the useful life of the associated assets

DfE / EFA capital grants

This funding has been received for utilisation on building improvements and other facilities, including ICT, or capital repairs/refurbishment. Depreciation on these assets is charged against this fund over the useful life of the associated assets

Capital expenditure from unrestricted funds

This fund reflects the fixed assets acquired from unrestricted general funds. Depreciation on these assets is charged against this fund over the useful life of the associated assets

General Annual Grant (GAG)

Funds received from the EFA are applied to the charitable activities of the Trust as defined in the funding agreement. Under the funding agreement with the Secretary of State, the academy trust was subject to limits on the amount of General Annual Grant (GAG) that it could carry forward at 31 August 2014. Note 2 discloses whether the limits were exceeded

Pupil Premium

This grant is received to support deprived children, the money can be spent in accordance with the Trust's practices

Other DfE/EFA grants

Included in other DfE/EFA grants are the following

- PE and sports grant - to provide specialist PE and sport support to local schools and within their own school, to embed good practice, and to provide more competitive sport for all pupils, including the School Games
- Universal infant free school meals - is received to provide all pupils in reception, year 1 and year 2 in state-funded schools in England a free school meal (FSM)

Local Authority / Government grants

Included in Local Authority / Government grants are the following

- Special educational projects - this funding is to be used for one to one tuition of children on the special education register
- Nursery funding grants - this is funding for various different amenities to provide early learners with the support they need on the first step of their education

Pension reserve

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme overseen by the Local Authority. Transfers between funds of £738,000 relates to the movement in the pension liability, brought forward and defined benefit pension scheme liability from St John's Primary Academy of £722,000 and actuarial gains on defined benefit pension schemes of £16,000

Unrestricted general funds

Represents funds generated via activities such as from lettings, catering, sale of uniforms, payments from other schools for the provision of teaching staff, income from universities with respect to student teachers, investment income and bank interest receivable. It also includes the brought forward surplus on conversion to academy status. These funds can be used at the discretion of the Board of Directors to meet the charitable objectives of the academy trust

Transfer between unrestricted general funds and restricted fixed asset funds

The transfer from unrestricted funds to the fixed asset funds is in respect of capital expenditure in the year. Whilst the Trustees note that the Academies Accounts Direction 2014 to 2015 does not recommend this transfer, they are of the opinion that this transfer more accurately reflects the original nature of those funds, being educational surplus funds brought forward on conversion of the predecessor school to academy status

During the year the Trust incurred capital expenditure of £2,979,174. Of this amount, £2,879,000 was represented by inherited assets on conversion and £9,154 by other restricted fixed asset funding. The residual £91,020 has been treated as a transfer between funds in accordance with the Department for Education guidelines

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

18 Funds of the academy (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows

	Unrestricted Funds £'000	Restricted General Funds £'000	Total 2015 £'000
St John's Primary Academy	138	83	221
Central services	0	0	0
Total before fixed asset fund and pension reserve	138	83	221
Restricted fixed asset fund			2,958
Pension reserve			(738)
Total			2,441

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding depreciation) £'000	Total 2015 £'000
St John's Primary Academy	583	121	5	188	897
Central services	0	0	0	0	0
Academy Trust	583	121	5	188	897

19 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by

	Unrestricted general funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000
Tangible fixed assets	0	0	2,958	2,958
Current assets	138	346	0	484
Current liabilities	0	(263)	0	(263)
Pension scheme liability	0	(738)	0	(738)
Total net assets	138	(655)	2,958	2,441

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

20 Commitments under operating leases

Operating leases

At 31 August 2015 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was

	2015 £'000
Amounts due within one year	8
Amounts due between two and five years	28
Amounts due after five years	0
	<hr/>
	36

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

21 Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2015 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,425
Adjusted for	
Depreciation (note 13)	21
Donated tangible assets	(2,879)
Capital grants from DfE/EFA	(9)
Interest receivable (note 4)	0
Defined benefit pension scheme obligation inherited	722
Defined benefit pension scheme cost less contributions payable (note 27)	20
Defined pension scheme finance cost (note 27)	12
(Increase)/decrease in stocks	(5)
(Increase)/decrease in debtors	(133)
Increase/(decrease) in creditors	263
Net cash provided by / (used in) operating activities	437

22 Cash flows from financing activities

	2015 £'000
Repayments of borrowing	0
Cash inflows from new borrowing	0
Net cash provided by / (used in) financing activities	0

23 Cash flows from investing activities

	2015 £'000
Dividends, interest and rents from investments	0
Proceeds from sale of tangible fixed assets	0
Purchase of tangible fixed assets	(100)
Capital grants from DfE/EFA	9
Capital funding received from sponsors and others	0
Net cash provided by / (used in) investing activities	(91)

24 Analysis of cash and cash equivalents

	At 13 February 2015 £'000	Cash flows £'000	At 31 August 2015 £'000
Cash at bank and in hand	0	346	346
Notice deposits (less than 3 months)	0	0	0
Total cash and cash equivalents	0	346	346

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

25 Members' Liability

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

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

26 Pension 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 Staffordshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £23,345 were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pensions 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 '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 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

The pension costs paid to TPS in the period amounted to £83,732.

A copy of the valuation report and supporting documentation is on the [Teachers' Pension 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 pension scheme. The trust has set out above the information available on the scheme.

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

26 Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £58,000, of which employer's contributions totalled £45,000 and employees' contributions totalled £13,000. The agreed contribution rates for the future years are 20.2 per cent for employers and 5.5 per cent - 12.5 per cent for employees.

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

Principal Actuarial Assumptions

At 31
August 2015

Rate of increase in salaries	4.60%
Rate of increase for pensions in payment / inflation	2.70%
Discount rate for scheme liabilities	3.80%

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

Change in assumptions at 31 August 2015	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	15%	173
1 year increase in member life expectancy	3%	34
0.5% increase in the Salary Increase Rate	9%	101
0.5% increase in the Pension Increase Rate	6%	65

Notes

In order to quantify the impact of a change in the financial assumptions used, we have calculated and compared the value of the scheme liabilities as at 31 August 2015 on varying bases. The approach taken is consistent with that adopted to derive the FRS102 figures provided in this report.

To quantify the uncertainty around life expectancy, we have calculated the difference in cost to the Employer of a one year increase in life expectancy has been calculated. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of broadly 3%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominately apply at younger or older).

Please note the above figures have been derived on the membership profile of the Trust as at the date of the most recent actuarial valuation.

Mortality assumptions

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

At 31
August 2015

Retiring today

Males	22.1 years
Females	24.3 years

Retiring in 20 years

Males	24.3 years
Females	26.6 years

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

26 Pension commitments (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets were

	Fair value at 31 August 2015 £'000
Equities	296
Bonds	44
Property	36
Cash	24
Total market value of assets	<u>400</u>
Present value of scheme liabilities	
- Funded	(1,138)
Surplus / (deficit) in the scheme	<u>(738)</u>

The actual return on scheme assets was a loss of £17,000

Amounts recognised in the statement of financial activities

	2015 £'000
Current service cost (net of employee contributions)	(65)
Net interest cost	0
Total operating charge	<u>(65)</u>

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	7
Interest on pension liabilities	(19)
Pension finance income / (costs)	<u>(12)</u>

Changes in the present value of defined benefit obligations were as follows

	2015 £'000
Upon conversion	1,074
Current service cost	65
Interest cost	19
Employee contributions	13
Actuarial (gain) / loss	(33)
Benefits paid	0
Plan introductions, benefit changes, curtailments and settlements	0
At 31 August	<u>1,138</u>

Changes in the fair value of academy's share of scheme assets.

	2015 £'000
Upon conversion	352
Interest income	7
Actuarial gain / (loss)	(17)
Employer contributions	45
Employee contributions	13
Benefits paid	0
At 31 August	<u>400</u>

Future Generation Trust

Notes to the Financial Statements for the period ended 31 August 2015 (continued)

27 Related Party Transactions

Owing to the nature of the academy trust's and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account:

Dr R Grinsted, a trustee of the trust, is a freelancer

- The trust bought in music lessons from Dr Grinsted totalling £1,100 (2014: £nil) during the period. There were no amounts outstanding at 31 August 2015 (2014: £nil).
- The trust bought the service at arm's length in accordance with its financial regulations, which Dr Grinsted neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of EFA's Academies Financial Handbook.

28 Conversion to an Academy Trust

On 26 February 2015 the St John's Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Future Generation Trust from Staffordshire County Council for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SoFA:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Funds £'000	Total £'000
Tangible fixed assets				
- Leasehold land and buildings	0	0	2,879	2,879
- Other tangible fixed assets	0	0	0	0
Budget surplus / (deficit) on Local Authority funds	208	0	0	208
Budget surplus / (deficit) on other school funds	0	0	0	0
LGPS pension surplus / (deficit)	0	(722)	0	(722)
Net assets	208	(722)	2,879	2,365

St John's Primary Academy has agreed a 125-year lease - ending on and including 29 February 2140 - with Staffordshire County Council for a peppercorn rent.