

The Futures Trust
(formerly President Kennedy School)
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year
ended 31 August 2015

Company Registration No. 8678162

The Futures Trust (formerly President Kennedy School)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr P Crisp Mr C Graham Mrs K Ireland Rev A Randle-Bissell Mr D Wood
Trustees	Mr P Crisp (Chair of the Board of Trustees) Mr W Copeland Mr C Graham Mrs H Hutchings Mrs C Issaad Mr M Moseley Mrs M Walker Mr PJ Thomas (Chief Executive Officer) Mr I Richardson resigned 19/05/15) Mr G Rippon (resigned 01/09/15) Mr J Rose (resigned 01/09/15) Miss H Johnson (appointed 10/12/14 and resigned 01/09/15) Mr C Townsend (resigned 01/09/15) Father K Dunkley (resigned 30/06/15) Mr A Chauhan (resigned 01/09/15) Mr M Fennell (resigned 01/09/15) Mr T Ledgard (resigned 01/09/15) Mrs Y Matthews (Clerk to the Committees)
Chief Executive Officer	Mr PJ Thomas
Executive Team	Mr M Baker (Director of Finance) Mr C Jupp (Deputy Headteacher, TFT) Mr I Neal (Director of ICT) Mrs E Rowlands (Trust Development Director)
Academies (as at 31 st August 2015) President Kennedy School (Academy)	Mr N Clayton (Associate Headteacher) Mr S Toor (Deputy Headteacher)
Principal and Registered Office	President Kennedy School Rookery Lane Coventry CV6 4GL
Company Registration Number	8678162 (England and Wales)
Independent Auditor	RSM UK Audit LLP St Philips Point Temple Row Birmingham West Midlands B2 5AF
Bankers	Lloyds Bank plc 30 High Street Coventry CV1 5RA
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements and auditors' report of The Futures Trust (the trust) for the period ended 31 August 2015. The trustees confirm that the annual report and financial statements of the trust comply with the current statutory requirements, the requirements of the trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Futures Trust: Background

The Futures Trust has emerged from an Academy Trust, known as President Kennedy School (Academy) established on 5th September 2013. The trust converted to a Multi Academy Trust and changed its name to The Futures Trust on 24th July 2015.

The trust was established by the Governing Body of President Kennedy School, an outstanding academy school, which caters for pupils aged 11 to 19 serving a catchment area in north west Coventry. The rationale for the conversion of President Kennedy School into a Multi Academy Trust was to work collaboratively with other local schools in order to improve the educational outcomes for young people.

For the purposes of these accounts, this report refers to the activities undertaken by President Kennedy School (Academy) which changed its name to The Futures Trust (a Multi Academy Trust with one school) between 1st September 2014 and 31st August 2015.

President Kennedy School, now a member of The Futures Trust, caters for pupils aged 11 to 19 serving a catchment area in north west Coventry. President Kennedy School has a capacity of 1,665 and a roll of 1,388 in the school census in October 2015.

Post Balance Sheet Events

Barr's Hill School, Radford Road, Coventry, a secondary school catering for students aged 11-19, converted to an academy within the trust on 1st October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Futures Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing document of the trust.

The trustees act as directors of the charitable company for the purposes of company law, as well as fulfilling their obligations as trustees for the charitable activities of The Futures Trust. The charitable company is known as The Futures Trust.

Details of the Trustees are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

In accordance with normal commercial practice, the trust has purchased insurance to protect Directors and Officers from claims arising from negligent actions, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 for any single claim.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

Method of recruitment and appointment or election of Governors

The members and trustees are responsible for:

- The strategic management of the The Futures Trust
- Agreeing the strategic plans for The Futures Trust including the Development Plans of academy schools within the trust and monitoring educational standards
- Setting and agreeing trust policy
- Reviewing the trust's major risks and ensuring that these are managed within agreed limits
- Agreeing and monitoring the trust's budget and financial health
- Appointing the CEO and holding him or her to account

The method of appointment and election of trustees and members of local governing bodies is set out in the Academy Trust's Articles of Association.

The Board of Trustees meet at least 4 times per year.

The Board of Trustees have established procedures that enable regular reviews of mix of skills and experience that should be available to the board. New trustees with the appropriate skills and experience are sought either as replacements for trustees who retire from the board, or as additional trustees. The majority of Local Governing Body members are drawn from the community served by the school and are often parents or carers of students who attend the school. Trustees and members of the Local Governing Bodies are recruited by advertising in school newsletters, by direct approaches or where specific skills are sought via the SGOSS website.

In accordance with The Futures Trust's Articles of Association Governors can be elected as follows:

Members can appoint up to 11 Trustees.

The Members may appoint Staff Trustees through such process as they may determine. The total number of Trustees (including the Chief Executive Officer) who are employees of The Futures Trust shall not exceed one third of the total number of Trustees.

The Trust has established a Local Governing Body for each of its schools. The Trustees delegate powers to each Local Governing Body according to a Scheme of Delegation.

At least 2 Parent Local Governors will serve on each established Local Governing Body.

Parent Trustees and Parent Local Governors shall be elected or, if the number of parents, or individuals exercising parental responsibility, standing for election is less than the number of vacancies, appointed (in accordance with the terms of reference determined by the Trustees from time to time).

The elected or appointed Parent Trustees must be a parent, or an individual exercising parental responsibility, of a registered pupil at one or more of the Academies at the time when he is elected or appointed.

Policies and procedures adopted for the induction and training of Trustees and Governors

Induction and training provided for new trustees is adapted according to their skills and experience. All trustees have been issued with the most recent Governance Handbook (published by the Department of Education) and the most recent Academies Financial Handbook (issued by the Education Funding Agency). Training opportunities are provided throughout the year and where appropriate will include education, charity, legal and financial training. From time to time, Trustees receive briefings from RSM (formerly Baker Tilly) and legal firm Stone King. Training needs and provision is assessed, addressed and co-ordinated by the clerk to Committees.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

Organisational Structure

The Futures Trust Governance Framework (established during the accounting year and therefore relates to only part of that year)

The Futures Trust is governed by a Board of Trustees who are responsible for, and oversee, the management and administration of the trust and the academies run by the trust.

The Futures Trust is the only legal entity accountable for all the academies within the Trust. The Futures Trust has entered into one set of Articles of Association with the Secretary of State which govern all academies in the trust.

The Trustees are accountable to external government agencies including the Charity Commission and the Department for Education for the quality of the education they provide and they are required to have systems in place through which they can assure themselves of quality, safety, probity and good practice.

In order to discharge these responsibilities, the Trustees appoint individuals to serve on sub-committees which focus on specific matters such as Finance and Audit.

A Local Governing Body oversees each Academy in the Trust. The Local Governing Body is focused on the day to day running of each academy specifically the educational outcomes for the pupils it serves.

A Scheme of Delegation outlines the ways in which the Trustees fulfil their responsibilities for the leadership and management of The Futures Trust, the respective roles and responsibilities of the Board of Trustees, their sub-committees, the Chief Executive Officer and the Local Governing Body of each Academy and the commitments to each other to ensure the success of The Futures Trust.

The members of the Local Governing Body are responsible for:

- The day to day oversight of the Academy School
- Formulating the Academy School's Development Plan and monitoring educational standards
- Ensuring the Academy School complies with statutory requirements and trust policy
- Reviewing the Academy school's major risks and ensuring that these are managed within agreed limits
- Monitoring the Academy school's budget and financial health
- Working with the Academy School's headteacher and holding him or her to account

The CEO is the appointed accounting officer of the The Futures Trust and has the overall responsibility for the day to day financial management of the school. The CEO has delegated responsibility to specific budget holders for expenditure within strictly controlled limits. These limits are monitored by the trust's Finance Director and items of expenditure with a total BACS payment above £5,000 must be authorised by the CEO.

The head teacher manages the day to day running of the Academy School supported by a leadership team.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

Risk Management

The trustees are responsible for the management of risks to which The Futures Trust is exposed. The trust has formulated its own Risk Policy and put in place sound systems of internal governance and control.

The controls used by the trust include:

- Formal agendas for trust meetings
- A detailed Scheme of Delegation
- Detailed terms of reference for all committees
- School Development Plans for each school within the trust identifying key strategic planning objectives and the resources required to achieve them
- Budget planning, monitoring and review
- Clear financial delegation levels
- Formal written policies reviewed on a regular basis
- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards
- Comprehensive planning and review of admissions processes.

The trustees, together with the MAT Central team and the leaders of the trust's schools have identified and assessed material financial, operational and strategic risks which, if unmanaged, could impact educational standards, the trust's reputation and/or financial well-being. These are regularly monitored and updated.

A comprehensive list of these risks has been compiled within the trust's 'Risk Register'. Mitigating actions have been identified and policies have been put in place and are reviewed regularly. Risk factors which are beyond the Academy Trust's control such as a rising staff costs, are monitored and planned for.

A disclosure of the trust's material risks are made within the Strategic Report later in this document.

The Futures Trust recognises potential threats which could lead to business interruption and has created a Business Continuity Plan to ensure that its critical activities can be maintained within agreed recovery time objectives.

The Futures Trust has procured comprehensive insurance cover to ensure that if risks materialise the impact is limited within quantifiable limits.

The Board of Trustees is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

OBJECTIVES AND ACTIVITIES

Objects and aims

The charitable objectives for which the trust was formed are set out in its Articles of Association:

The Academy Trust's object ("the Object") 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 the trust offering a broad and balanced curriculum.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

Objectives, strategies and activities

Strategic Intent: Building Outstanding Schools - Building Brighter Futures

The Futures Trust is committed to building brighter futures for everybody within its community. The trust is passionate about seeking to raise the horizons and ambitions of our students in order that they move beyond their existing environment. The trust endeavours to make a difference to their lives, and in the most profound sense, through their own ability to make a difference to themselves and others. The trust's decision-making and actions focus upon 3 clear values:

1. **Students First – teachers and leaders totally focused upon the educational benefit of our students**
2. **It's about learning – students, teachers and leaders focused upon developing and improving their learning**
3. **No Barriers - no excuses, only support to ensure students, teachers and leaders to maximise their performance**

The Futures Trust is committed to the principle of excellence through collaboration and partnership. Our community is committed to a common desire to learn from each other, share experiences and be mutually supportive in order that outstanding learning outcomes and exceptional educational experiences are provided for all our students. From this shared commitment and belief in mutual support we gain our sense of belonging.

The trust's ambition is to achieve the following:

- Improve upon all school OFSTED ratings and ensure all students go to Outstanding academies
- Students make outstanding progress and achieve targets that place their schools in the top 10% in the country
- Students are confident, well rounded and have a clear and strong purpose in life
- Teaching and Leadership are outstanding and sustainable
- Staff are clear about their responsibilities and are motivated, recognised and rewarded appropriately
- Current and prospective parents engage effectively with schools via a well thought through marketing plan
- Develop an extensive and successful enrichment programme
- Invest in buildings and facilities to provide outstanding learning environments

Our approach to school improvement is based upon developing and sharing practical strategies that work in the classroom as well as support all students to achieve their potential. We are constantly seeking ways to improve the following:

1. Student Outcomes
2. Teaching and Learning – Quality in the Classroom
3. Communication Skills
4. Support – Systematic Monitoring and Intervention
5. Experience – Curriculum Design
6. Leadership of learning
7. Professional Development

Public benefit

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

In accordance with its charitable objectives, the primary purpose of The Futures Trust is to ensure that students who attend the trust's schools achieve the best possible educational outcomes and life chances beyond school. The students are therefore the beneficiaries of the trust and benefits to students are provided by ensuring the highest standard of teaching and learning in all the trust's schools.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

STRATEGIC REPORT

Ensuring The Trust Achieves Value For Money: Achievements and Performance

This section of the report sets out how the accounting officer of The Futures Trust and the Board of Trustees have ensured that the trust's use of its resources has provided good value for money during the period.

For the accounting year ending August 2015, The Futures Trust controlled a single academy school, President Kennedy School. The school was judged outstanding in all categories by Ofsted in July 2013.

The trust has set core targets for President Kennedy School over the next 3 years, as set out in an Improvement Plan. These are:

- Improving upon our OFSTED rating of Outstanding by becoming Exceptional
- Students are making outstanding progress at Key Stage 4 that places the school consistently in the top 2% in the country
- Students make progress in Post 16 that is outstanding
- Students are confident, well rounded, of strong character and have a clear and strong purpose in life
- Teaching and Leadership are outstanding and sustainable
- Ensuring that staff are clear about their responsibilities and are motivated, recognised and rewarded appropriately
- Engaging current and prospective parents effectively via a well thought through marketing plan
- Developing an extensive and competitively successful enrichment programme
- Implementation of the new school build project
- Working with partner schools

In order to secure its mission and aims, the Trust undergoes a very thorough budget setting process before the start of the academic year. This process is driven by the known funding available notified by the Education Funding Agency (EFA), other projected income, the curriculum needs defined to meet our aims and objectives plus strategic initiatives identified by the Leadership Team or Trustees and the needs of the individual curriculum and non-curriculum departments. The Trust is able to measure the effectiveness of the allocation of resources as follows:

Educational Results: Continued Success in GCSE and A Level Results in 2015

President Kennedy School achieved another set of strong examination results in 2015

At GCSE, 60% of students achieved 5 A* - C including English & Maths compared to 52% across Coventry and the 53% national average. 70% of students secured at least a grade C in Maths (compared to 63% nationally) and 83% secured at least a grade C in English (compared to 65% nationally). This result was significantly above the target figure for schools wishing to demonstrate they are in the top 25% for the progress made by their students. It reflects our "can do" philosophy which comes from continued success that leads both students and colleagues to push themselves that bit harder.

Fischer Family Trust data released in July, and the Raise online figures used by Ofsted, suggest that President Kennedy School will be in the top 3% of schools nationally on value added data. Across Coventry, the school was one of only two schools to achieve significantly above the Fischer Family Trust benchmarks for the progress made by students and within the top five performing in terms of attainment.

A large proportion of students join President Kennedy School with attainment that is below national average. Despite this, students' performance in GCSE examinations at the end of Year 11 in 2015 achieved results that were well above the national average. Student progress between year 7 and year 11 has been consistently in the top 3% of all state funded, non-selective schools in the past three years.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

In 2015 President Kennedy School achieved a strong set of A level examination results. The pass rate reached 99% and an outstanding 67% of all grades awarded were A*, A or B (compared with 45% for the city and 52% nationally). Given the strength of these results, yet again, the vast majority of our students secured their first choice place at university and our highest ever number of students secured places at top 'Russell Group' universities. The trust will continue its focus on driving up standards in Post 16 and changes introduced in September 2013 encapsulating a new leadership structure in Post 16 and a targeted whole school Action Plan are beginning to have an impact.

Narrowing the Attainment Gap Using Pupil Premium

The Pupil Premium is allocated to schools based upon the number of low-income families who are currently known to be eligible for Free School Meals at any point in the last 6 years as well as students who have been looked after continuously for more than six months.

For the forthcoming academic year Governors allocated almost 90% of the budget to focus upon high quality learning in English and Maths at Key Stage 4 as well as in improving the basic literacy and numeracy of the students in The Bridge (Year 7) and The Gateway (Year 8). By focusing on the basic skills the aim is to improve the life chances of President Kennedy School students and ensure their success at each stage of their education.

In 2014- 2015 Governors targeted the Pupil Premium in such a way that students entitled to free school meals made more academic progress (from their starting points) in English and Mathematics than all students nationally. In the measure of 5A*-C (including English and Maths) 43% of students who attracted pupil premium funding achieved 5 GCSEs graded A*-C including English and Maths. The overall school performance at 5 GCSEs graded A*-C (including English and Maths) was 60%. This means that students now make much better progress than would be expected given their attainment when they started at the school and when compared to other schools.

To ensure that standards are continually raised the Trust also:

- Operated a rigorous programme of lesson observations throughout the academic year;
- Continuously assessed the value added at KS2 to KS4 which is 1030 (1029 for those students in receipt of Free School Meals). An average value added score nationally is 1000. Schools value with added scores above 1025 are likely to be judged 'outstanding';
- Worked within a local network of educational professionals to support the on-going school improvement.

Careers Guidance & Destinations

The trust delivers highly effective support and guidance to all students across all three Key Stages. The trust employs its own careers professional along with a Work Related Learning specialist who ensures that students from year 12 upwards are engaged in work placements and are prepared thoroughly for employment.

As a result, every student who left school received an offer of a place in further education, an apprenticeship or in employment.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

Staffing To Add Value

The trust ensured that the staffing structure was enhanced and deployed to ensure further improvements in teaching and learning.

- The Chief Executive Officer is a designated National Leader of Learning (NLE) by the National College for Teaching and Leadership
- The Leaders of Maths and English are designated Specialist Leaders of Education (SLE) by the National College for Teaching and Leadership
- A teacher dedicated to raising standards of literacy and numeracy is appointed to work with year 7 students
- The capacity of the school's English Department was enhanced by the appointment of 3 additional teachers
- The capacity of the school's Maths Department was enhanced by the appointment of 4 additional teachers
- The capacity of the school's Science Department was enhanced by the appointment of 3 additional teachers
- Further investment was made in staffing an enhanced Sports and Performing Arts offer.

Additional Initiatives Which Add Value for Students

During 2014/15 the trust has implemented new initiatives and programmes to directly benefit learning outcomes for students:

- Free Easter and Summer Schools for year 6 students in advance of joining President Kennedy School
- University taster days for all Year 7 students
- Highly successful Vocational Curriculum at Post 16
- Enhanced Behaviour for Learning programme incorporating 'character education'
- High Attainers programme
- STEM club
- Intensive Language for Literacy Programme
- Oracy based curriculum for Year 8 students
- KS4 data monitoring and targeted intervention at GCSE
- Developing Outstanding Practice working groups at Post 16
- Educational visits to destinations both home and abroad

Sharing Best Practice With Other Schools

The Trust has deployed resources to enable other local schools to improve teaching and learning outcomes for their students.

- 7 teachers from President Kennedy School have regularly worked with staff in 5 local primary schools and 2 local secondary schools in order to raise standards of teaching and learning in their classrooms.
- In addition, the trust had hosted conferences sharing outstanding teaching and learning practice for senior leaders from over 50 schools.
- The trust has launched its own School to School offer and has supported several schools who are seeking to improve standards.
- The Trust is a member of the NW Coventry Schools Network dedicated to school improvement in the area.
- President Kennedy School was designated a 'National Support School' in 2014.

Investment in Infrastructure: New School Build Project

The trust has been able to secure a new school building for President Kennedy School within the Priority Schools Building Programme. The new school is scheduled to open in the summer of 2017 and will directly and materially improve the quality and reliability of facilities available to students.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

The trustees entered into a 'Governing Body Agreement' with the Education Funding Agency on 12th August 2015, a legally binding arrangement which has secured the rebuild. The GBA is a 25 year agreement supported by a Private Finance Initiative. The trust has agreed to pay a contribution of £11.63 per square metre (£135,000 per annum) for the duration of the contract, in exchange of its use of the new building and the provision of hard facilities management by the EFA's contractor, Carillion Equitix. The contribution will be payable once the school opens in 2017.

The Trust has budgeted prudently in order to allocate the following resources to the project:

- Allocation of key staff to work with representatives from the Education Funding Agency during the planning phase.
- Appointment of Legal Representatives to act for the trust in relation to the programme.
- £500,000 has been set aside to furnish the new building when it opens in 2017

First Choice In Our Community

In 2015, the trust's single academy school, President Kennedy School again exceeded its target of 240 students into year 7 and instead secured 273 its maximum Pupil Admission Number (PAN). In addition, the school admitted 90 students into years 8, 9, 10 and 11. It is expected that the school will again be oversubscribed in 2016.

Reviewing Controls and Mitigating Risk

The Finance & Resources Committee acts as the Audit Committee. The committee reviews the Trust's risk register and identifies areas that require further review or mitigating action.

The Finance & Resources Committee received regular budget reports which are scrutinised to ensure the most effective use of resources to meet the objectives of the Trust.

The trustees have appointed specialists from ASCL, to undertake specified internal audit work. Specialist health and safety audits have also been commissioned.

Insurance cover is procured via tender and is reviewed annually with the provider to ensure that risk is mitigated within defined limits.

The trust ensures that all surplus cash balances are invested in interest bearing accounts with well-established UK banks to maximise interest earning potential whilst minimising counterparty risk.

The Board of Trustees review the reserve levels of the trust regularly. The review includes a 5 year income and expenditure forecast which encompasses stress testing of funding levels and staff costs.

The Board of Trustees have determined that an appropriate level of reserves should be maintained to provide sufficient working capital to cover lagged funding and to address any unexpected emergencies such as urgent maintenance.

Our Continued Commitment to Best Value

The trust continuously seeks to identify and maximise value for its resources and this will remain an on-going objective of the trust going forward.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

FINANCIAL REVIEW

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

Unrestricted income comprises sports centre, other lettings and departmental sales.

During the year ended 31 August 2015, the trust's total expenditure was £8,029,000 compared to £7,770,000 total incoming resources including grant funding from the Department for Education together with other incoming resources. The deficit was largely due to the need to recruit teaching staff required to cater for a rise in pupil numbers whilst enduring lagged funding associated with additional pupils.

Employee costs as a percentage of income remain less than the 80% benchmark target.

In accordance with correct disclosure requirements, the financial information which is presented in the consolidated statement of financial activities includes assets and liabilities transferred from local authorities upon conversion and transactions in the restricted fixed asset fund. Such presentation can obscure an overview of the operating performance of the trust. Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme ("LPGS"), provided to support staff, to the restricted fund. This resulted in enhancing the reserves in the restricted fund. It should be noted that this does not present the Trust with any current liquidity problems.

The trustees consider that the financial position is appropriate in light of the need to balance the immediate expenditure of the trust with their longer term commitments and current cash reserves.

Key Financial Performance Indicators

The key financial performance indicators monitored by the Leadership Team and Board on a regular basis are as follows:

- Employee costs as a percentage of income
- Quarterly management accounts versus budget
- Forecast management accounts up to period end versus budget
- GAG income versus expenditure

Financial and risk management objectives and policies

For the period ending 31st August 2015, the following significant financial risks have been identified and are being managed by the Governors:

Lagged Funding & rise in student numbers

Following the school's Ofsted inspection in July 2013, President Kennedy School was judged 'outstanding' and has seen an unprecedented rise in demand for places. Year 7 was again oversubscribed with a waiting list and over the period other year groups have experienced rapid increase in numbers necessitating the provision of additional classes and associated cost of employing additional teaching staff. Schools receive funding per pupil one year in arrears, consequently additional staffing costs are not fully offset by an increase in funding leading to an in year cash deficit. However, the impact of this issue on the trust's cash position is less in this financial year than last, as funding for increased numbers of students has begun to materialise.

Ongoing maintenance costs associated with school buildings

The trust's buildings were built during the 1960s and are no longer fit for purpose. President Kennedy School is scheduled to be rebuilt under the Government's Priority Schools Building Programme (PSBP) in 2017.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

Local Government Pensions Scheme Deficit and Employer Contributions

Currently, the LGPS is in deficit (there are not sufficient assets to meet liabilities) therefore employers (and employees) are having to make increased contributions to support the deficit. LGPS actuaries revalue the fund and set required contributions every three years. The future assets and liabilities and employer contributions within the LGPS are uncertain and are not within the control of the Trustees but assumptions relating to the impact of increased contributions are made and modelled within the trust's financial plans. A full appraisal of the LGPS on the Academy Trust's financial position can be found in the notes to the Financial Statements at the end of this report.

Uncertainty Over Future Cuts in the Real Value of Government Funding

The trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of static pupil led funding at a time of rising employee costs. Reserves are in place to ensure that the trust is able to preserve cash flow despite this uncertainty.

Reserves policy

The trusts' policy is to generate reserves in order to fund future projects which will improve the educational experiences and outcomes for students. The level and use of reserves are reviewed at least annually by the Board of Trustees.

At 31st August 2015, the trust's reserves totalled £5,177,000 of which £690,000 are held as free reserves not as fixed assets or restricted funds. The Trustees consider that these reserves are adequate given the requirement to refurbish the newly built President Kennedy School in 2017.

Investment policy

The Trustees' powers to invest cash reserves are set out in the trust's Memorandum and Articles of Association, which permit the investment of funds that are not immediately required for educational purposes subject to any restrictions which may from time to time be imposed by law.

Trustees are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Trustees consider the investment of surplus funds a requirement for the effective management of the various funds entrusted to the Board.

Trustees' management of cashflow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FSA Approved List included in the Financial Services Compensation Scheme (FSCS).

The trust's current policy is to invest in low risk, short term cash deposits. Cash Reserves are currently deposited within Lloyds Bank plc.

Key performance indicators

The trust utilises a number of performance metrics to set strategic targets and monitor its performance. Performance is measured against agreed targets or limits and comparable 'benchmarking' data is used to compare performance with other, similar schools. The main headline KPIs include:

Ofsted Judgement across all 4 categories.

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

GCSE Results: % of students attaining

- 5 A*-C, including English and Maths
- A*-C English
- A*-C Maths
- 5 A*-C
- 5 A*-G
- 1 A*-G

A level results. % students attaining:

- AS A*-B
- AS A*-E
- A2 A*-B
- A2 A*-E

Progress Measures: % of students making more than the expected level of progress in English and Maths between year 7 and Year 11 (GCSE results)

Best 8 Value Added

Pupil attendance data relative to city and national average.

Plans for Future Periods

The trust will remain committed to building brighter futures for everybody within our community and improving the educational outcomes, destinations and life chances for those students that attend its academy schools.

The Trustees are committed to a policy of measured strategic expansion of the number of primary and secondary academies which are welcomed into the trust. Particular priority will be given to new academies in the geographic areas in which the trust already operates.

The Futures Trust believes in ensuring that each academy maintains and develops its individual character and uniqueness whilst also sharing a commitment to collaboration and the mutual support for all academies in the trust especially those that are in need of assistance at any particular time.

At a time of heightened regulation and increasingly constrained resources, it is essential that schools work together to share business best practice and benefit from economies of scale in areas such as H.R., ICT, facilities, finance and procurement. The Futures Trust will develop effective and efficient professional business services that are fit for purpose, compliant with standards required from academy schools and add real value to the educational outcomes for the young people served by each and every school.

Principal risks and uncertainties

- Safeguarding students
- The rate of growth of the trust
- Securing 'Outstanding' Ofsted Judgement for all academies
- Rising Employee costs
- LGPS Deficit and the Volatility of Employer Contributions
- Maintaining ageing buildings
- Uncertainty regarding future Government Funding
- President Kennedy School new build
- Managing the Impact of Industrial Action
- Failure to comply with statutory requirements

The Futures Trust (formerly President Kennedy School)

TRUSTEES' REPORT

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

AUDITORS

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the board of Trustees in their capacity as the directors at a meeting on 15 December 2015 and signed on its behalf by:

A handwritten signature in black ink, consisting of a large capital 'P' followed by a horizontal line with a loop and a small flourish at the end.

Mr P Crisp
Chair

The Futures Trust (formerly President Kennedy School)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

Prior to the formation of The Futures Trust in July 2015, the full Board of Governors of President Kennedy School met 4 times (between 30 September 2014 and 30 June 2015). Attendance during the year at meetings of the Board of Governors was as follows:

Trustee	Meetings attended	Out of Possible
Mr P Crisp (Chair)	3	4
Mr H Bilkhu (until 30 September 2014)	1	1
Ms C Issaad	3	4
Mr A Chauhan	3	4
Mr W Copeland	4	4
Father K Dunkley (until 30 June 2015)	3	4
Mr M Moseley	4	4
Mrs H Shaw (until 28 April 2015)	2	3
Mr C Graham (from 30 September 2014)	3	4
Mr M Fennell	2	4
Mr T Ledgard	2	4
Mr I Richardson (until 19 May 2015)	1	3
Mr G Rippon	2	4
Mr J Rose	3	4
Mr PJ Thomas (CEO)	4	4
Miss H Johnson (from 10 December 2014)	2	2
Mr C Townsend	4	4

The Finance and Resources Committee acted as a sub-committee of the main board of Governors. Its purpose was to set and monitor the school's budget, agree financial policy and material items of expenditure, oversee the Trust's risk management and ensure the efficient and effective deployment of resources.

Attendance at FRC meetings in the year was as follows:

Trustee	Meetings attended	Out of Possible
Mr I Richardson (Chair of Finance and Resources Committee)	2	4
Mr P Crisp (Chair of Governors)	3	4
Mr C Graham	4	4
Mr W Copeland (Vice Chair)	4	4
Mr M Moseley	4	4
Mr G Rippon	2	4
Mr J Rose	2	4
Mr C Townsend	4	4
Mr PJ Thomas (Headteacher)	4	4

The Futures Trust (formerly President Kennedy School)

GOVERNANCE STATEMENT

Value for Money Review

The Trustees and officers apply the principles of best value when making any spending decisions. Decisions are taken on a 'students first' basis; deployment of resources must be evaluated in terms of achieving the very best educational outcomes for students.

The trust follows policies and procedures which ensure that best value is secured in exchange for public resources. A highly skilled Finance Team oversees all ordering and procurement activities. Orders and contracts must be supported by written quotations before the decision is taken to proceed. A register of established and reliable suppliers is used and any deviation from the list must be justified to the Finance Director.

Procurement	Approval	Best Value Process
Orders up to £2,000	Budget Holder	Purchases from approved suppliers only unless quotations obtained to prove better value
£2,001-£15,000	Head of Finance	At least three written quotations
£15,001- £100,000	Headteacher	At least three written quotations and formal tendering process where appropriate
£100,001-£300,000	Finance & Resources Committee	At least three written quotations and formal tendering process where appropriate supported by explanatory paper
£300,000 +	Board of Trustees	Formal EU Procurement Tender

The academy is a member of the Crescent Purchasing Consortium and uses the CPC to secure significant contracts.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

The Futures Trust (formerly President Kennedy School)

GOVERNANCE STATEMENT

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed ASCL's internal audit specialist, to perform additional checks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the internal auditor reports to the trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The internal auditor conducted an appraisal of the trust's system of internal controls focusing on financial management. No material weaknesses were found.

Review of effectiveness

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

- The work of the 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 their review of the system of internal control by the finance and resources 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 Trustees on 15 December 2015 and signed on its behalf by:



Mr P Crisp
Chair of Governors



Mr P J Thomas
Accounting Officer

The Futures Trust (formerly President Kennedy School)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Futures Trust I have considered my responsibility to notify the Academy Trust Board of Governors 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. 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 of Governors 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 irregular, 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 Governors and EFA.



Mr P J Thomas
Accounting Officer

Date: 15 December 2015

The Futures Trust (formerly President Kennedy School)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of the Charitable Company for the purposes of company law, are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 15 December 2015 and signed on its behalf by:



Mr P Crisp
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FUTURES TRUST (FORMERLY PRESIDENT KENNEDY SCHOOL)

We have audited the financial statements of The Futures Trust (formerly President Kennedy School) for the year ended 31 August 2015 on pages 22 to 40. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the Trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FUTURES TRUST (FORMERLY PRESIDENT KENNEDY SCHOOL) (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:

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



PAUL OXTOBY (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date 17 Dec 2015

The Futures Trust (formerly President Kennedy School)
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND
EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS
AND LOSSES)
for the year ended 31 August 2015

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	1	-	-	-	-	5,969
Activities for generating funds		237	-	-	237	152
Investment income		4	-	-	4	1
Incoming resources from charitable activities:						
Academy Trust's educational operations	2	-	7,529	-	7,529	7,007
Total incoming resources		241	7,529	-	7,770	13,129
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating funds		190	-	-	190	135
Charitable activities:						
Academy Trust's educational operations	4	82	7,575	162	7,819	7,111
Governance costs	5	-	20	-	20	14
Total resources expended	3	272	7,595	162	8,029	7,260
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS		(31)	(66)	(162)	(259)	5,869
TRANSFERS						
Gross transfers between funds	12	-	(17)	17	-	-
NET (EXPENDITURE)/INCOME FOR THE PERIOD		(31)	(83)	(145)	(259)	5,869
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial losses on defined benefit pension scheme	21	-	(175)	-	(175)	(258)
NET MOVEMENT IN FUNDS		(31)	(258)	(145)	(434)	5,611
RECONCILIATION OF FUNDS						
Total funds brought forward		721	(2,665)	7,555	5,611	-
TOTAL FUNDS CARRIED FORWARD	13	690	(2,923)	7,410	5,177	5,611

All of the Academy Trust's activities derive from continuing operations in the current financial period.

The Futures Trust (formerly President Kennedy School)

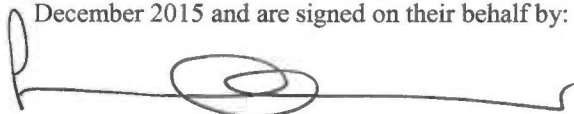
BALANCE SHEET

31 August 2015

Company Registration No. 8678162

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
FIXED ASSETS					
Tangible assets	9		7,410		7,555
CURRENT ASSETS					
Debtors	10	262		363	
Cash at bank and in hand		963		931	
		<u>1,225</u>		<u>1,294</u>	
CREDITORS: Amounts falling due within one year	11	<u>(535)</u>		<u>(550)</u>	
NET CURRENT ASSETS			690		744
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS EXCLUDING PENSION LIABILITY			<u>8,100</u>		<u>8,299</u>
Pension scheme liability	21		(2,923)		(2,688)
NET ASSETS INCLUDING PENSION LIABILITY			<u>5,177</u>		<u>5,611</u>
FUNDS OF THE ACADEMY TRUST: RESTRICTED FUNDS					
Fixed asset fund	12		7,410		7,555
General fund	12		-		23
Restricted funds excluding pension reserve			<u>7,410</u>		<u>7,578</u>
Pension reserve	12		(2,923)		(2,688)
TOTAL RESTRICTED FUNDS			<u>4,487</u>		<u>4,890</u>
TOTAL UNRESTRICTED INCOME FUNDS	12		<u>690</u>		<u>721</u>
TOTAL FUNDS			<u>5,177</u>		<u>5,611</u>

The financial statements on pages 22 to 40 were approved by the Governors and authorised for issue on 15 December 2015 and are signed on their behalf by:



Mr P Crisp
Chair

The Futures Trust (formerly President Kennedy School)

CASH FLOW STATEMENT

for the year ended 31 August 2015

	Notes	2015 £'000	2014 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	16	45	368
Returns on investments	17	4	1
Capital expenditure	18	(17)	(141)
Cash transferred on conversion to an academy trust		-	703
INCREASE IN CASH IN THE PERIOD	19	32	931
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER		931	-
NET FUNDS AT 31 AUGUST		963	931

The Futures Trust (formerly President Kennedy School)

ACCOUNTING POLICIES

Basis of Preparation

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

Going Concern

The Governors have reviewed the forecasts of incoming resources and resources expended of the Academy and believe there are adequate resources which will enable the Academy to meet its liabilities for at least one year from the date the financial statements are signed. For this reason, the Governors have adopted the going concern basis in preparing the financial statements.

Incoming resources

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

Grants receivable

Grant income is 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. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities, incoming resources from charitable activities, to the extent of the entitlement of funds, any abatement in respect of the period is deducted from the income and is recognised as a liability. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued. Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Donations

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

Other income

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

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

The Futures Trust (formerly President Kennedy School)

ACCOUNTING POLICIES (continued)

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 Governors.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency/Department for Education.

Restricted Fixed Assets 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.

Tangible fixed assets

Tangible fixed assets costing £2,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset directly against the restricted fixed asset fund.

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

Improvements to leasehold property	50 years
Fixtures, fittings and equipment	10 years

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.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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.

Leased assets and obligations

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

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), 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 benefit method. As stated in Note 21, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The Futures Trust (formerly President Kennedy School)

ACCOUNTING POLICIES (continued)

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA in creditors.

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

1 VOLUNTARY INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed asset Funds £'000	2015 Total £'000	2014 Total £'000
Donations	-	-	-	-	1
Assets identified from the local authority upon conversion	-	-	-	-	5,968
	-	-	-	-	5,969

2 FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
DfE/EFA REVENUE GRANTS				
General annual grant (GAG)	-	6,952	6,952	6,492
Other DfE/EFA grants	-	488	488	467
	-	7,440	7,440	6,959
OTHER GOVERNMENT GRANTS				
Local Authority grants	-	89	89	48
TOTAL	-	7,529	7,529	7,007

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

3 RESOURCES EXPENDED

		Non pay expenditure		Total	
	Staff costs £'000	Depreciation £'000	Other costs £'000	2015 £'000	2014 £'000
Costs of generating voluntary income	135	-	55	190	135
Academy Trust's educational operations					
Direct costs	5,454	-	425	5,879	5,017
Allocated support costs	782	162	996	1,940	2,094
	<u>6,371</u>	<u>162</u>	<u>1,476</u>	<u>8,009</u>	<u>7,246</u>
Governance costs including allocated support costs	-	-	20	20	14
	<u>6,371</u>	<u>162</u>	<u>1,496</u>	<u>8,029</u>	<u>7,260</u>

Net incoming/(outgoing) resources for the year	2015 £'000	2014 £'000
Operating leases - plant and machinery	30	27
Fees payable to RSM UK Audit LLP (formerly Baker Tilly Uk Audit LLP) and its associates for:		
- audit	11	10
- other services	4	2
Depreciation of tangible fixed assets	162	161

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

4 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS

	2015 £'000	2014 £'000
DIRECT COSTS		
Teaching and educational support staff costs	5,454	4,656
Educational supplies	129	121
Examination fees	102	105
Educational consultancy	194	135
	<u>5,879</u>	<u>5,017</u>
ALLOCATED SUPPORT COSTS		
Support staff costs	917	831
Depreciation	162	161
Printing, posting and stationery	81	118
Marketing	43	27
Maintenance of premises and equipment	129	187
Cleaning	21	16
Rent and rates	(58)	120
Energy costs	196	173
Legal and professional costs	11	44
Insurance	54	45
Security and transport	10	11
Catering	108	102
Trips and prizes	84	64
Telephone	19	12
Equipment costs	95	98
IT costs	126	77
Other support costs	37	31
Interest charge (FRS 17)	95	101
Allocated to costs of generating funds	(190)	(124)
	<u>1,940</u>	<u>2,094</u>
	<u>7,819</u>	<u>7,111</u>

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

5 GOVERNANCE COSTS

	2015 £'000	2014 £'000
Legal and professional fees	9	1
Auditors' remuneration		
Audit of financial statements	11	11
Other services	-	2
	<u>20</u>	<u>14</u>

6 STAFF NUMBERS AND COSTS

Staff costs

	2015 £'000	2014 £'000
Staff costs during the period were:		
Wages and salaries	5,180	4,581
Social security costs	394	341
Pension costs	774	554
	<u>6,348</u>	<u>5,476</u>
Supply staff costs	58	22
	<u>6,406</u>	<u>5,498</u>

Included on staff costs are non statutory/non contractual severance payments totalling £26,285. This includes individual amounts of £10,285 and £16,000.

Staff numbers

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

	2015 No	2014 No
Educational operations		
Teachers	82	75
Administration and support	79	63
Management	12	12
	<u>173</u>	<u>150</u>

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

6 STAFF NUMBERS AND COSTS (*continued*)

Higher paid staff

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

	2015 No	2014 No
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-

These employees participated in the Teachers' Pension Scheme. This is a defined benefit scheme.

7 GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy Trust in respect of their role as Governors.

The Principal received remuneration of £111,455 in 2015 (2014 eleven months: £98,134) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £16,845 (2014: £13,836).

No Governors were reimbursed expenses during the period (2014: none).

The value of the two staff Governors remuneration was £52,097 (2014: three £110,954).

8 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £294 (£270).

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

The Futures Trust (formerly President Kennedy School)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

9 TANGIBLE FIXED ASSETS

	<i>Long Leasehold property £'000</i>	<i>Fixtures fittings and equipment £'000</i>	<i>Total £'000</i>
Cost:			
1 September 2014	7,628	88	7,716
Additions	11	6	17
31 August 2015	7,639	94	7,733
Depreciation			
1 September 2014	152	9	161
Charged in the period	153	9	162
31 August 2015	305	18	323
Net book value			
31 August 2015	7,334	76	7,410
31 August 2014	7,476	79	7,555

10 DEBTORS	2015 £'000	2014 £'000
Trade debtors	1	1
Prepayments and accrued income	208	148
Other debtors	53	214
	262	363
11 CREDITORS: Amounts falling due within one year	2015 £'000	2014 £'000
Trade creditors	105	189
Other taxation and social security	114	113
Other creditors	91	91
Accruals	225	157
	535	550

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

12 FUNDS

	<i>At 31 August 2014 £'000</i>	<i>Incoming resources £'000</i>	<i>Resources expended £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>At 31 August 2015 £'000</i>
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG) (excluding pension reserve)	23	6,952	(6,958)	(17)	-
Pension reserve	(2,688)	-	(60)	(175)	(2,923)
	<u>(2,665)</u>	<u>6,952</u>	<u>(7,018)</u>	<u>(192)</u>	<u>(2,923)</u>
Other DfE/EFA grants	-	488	(488)	-	-
Local authority grants	-	89	(89)	-	-
	<u>(2,665)</u>	<u>7,529</u>	<u>(7,595)</u>	<u>(192)</u>	<u>(2,923)</u>
RESTRICTED FIXED ASSET FUNDS					
Capital expenditure	7,555	-	(162)	17	7,410
	<u>7,555</u>	<u>-</u>	<u>(162)</u>	<u>17</u>	<u>7,410</u>
TOTAL RESTRICTED FUNDS	<u>4,890</u>	<u>7,529</u>	<u>(7,857)</u>	<u>(175)</u>	<u>4,487</u>
UNRESTRICTED FUNDS					
Unrestricted funds	721	241	(272)	-	690
	<u>721</u>	<u>241</u>	<u>(272)</u>	<u>-</u>	<u>690</u>
TOTAL UNRESTRICTED FUNDS	<u>721</u>	<u>241</u>	<u>(272)</u>	<u>-</u>	<u>690</u>
TOTAL FUNDS	<u>5,611</u>	<u>7,770</u>	<u>(8,029)</u>	<u>(175)</u>	<u>5,177</u>

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

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

Other restricted general funds were funded by government grants or donations from sponsors.

Restricted fixed asset funds were funded by government grants or sponsor donations.

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

13	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
	Tangible fixed assets	-	-	7,410	7,410
	Current assets	690	535	-	1,225
	Current liabilities	-	(535)	-	(535)
	Pension scheme liability	-	(2,923)	-	(2,923)
		<u>690</u>	<u>(2,923)</u>	<u>7,410</u>	<u>5,177</u>
	TOTAL NET ASSETS AT 31 AUGUST 2015	<u>690</u>	<u>(2,923)</u>	<u>7,410</u>	<u>5,177</u>
14	CAPITAL COMMITMENTS			2015 £'000	2014 £'000
	Contracted for, but not provided in the financial statements			-	-
15	FINANCIAL COMMITMENTS OPERATING LEASES				
	At 31 August the Academy Trust had annual commitments under non-cancellable operating leases as follows:				
				2015 £'000	2014 £'000
	Other:				
	Expiring within two and five years			25	30
16	RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES			2015 £'000	2014 £'000
	Net (expenditure)/income			(259)	5,869
	Impact of transfer on conversion			-	(5,969)
	Depreciation (note 9)			162	161
	Interest receivable			(4)	(1)
	FRS 17 pension cost less contributions payable (note 21)			(35)	20
	FRS 17 pension finance income (note 21)			95	101
	Decrease/(increase) in debtors			101	(363)
	(Decrease)/increase in creditors			(15)	550
				<u>45</u>	<u>368</u>
	NET CASH INFLOW FROM OPERATING ACTIVITIES			<u>45</u>	<u>368</u>

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

		2015 £000	2014 £'000
17	RETURNS ON INVESTMENTS		
	Interest received	4	1
		<u>4</u>	<u>1</u>
	NET CASH INFLOW FROM RETURNS ON INVESTMENT	4	1
		<u>4</u>	<u>1</u>
		2015 £000	2014 £'000
18	CAPITAL EXPENDITURE		
	Purchase of tangible fixed assets	(17)	(141)
		<u>(17)</u>	<u>(141)</u>
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(17)	(141)
		<u>(17)</u>	<u>(141)</u>
19	ANALYSIS OF CHANGES IN NET FUNDS		
	At 31 August 2014 £'000	Cash flows £'000	At 31 August 2015 £'000
	Cash in hand and at bank	931	963
		<u>931</u>	<u>963</u>
		931	963
		<u>931</u>	<u>963</u>

20 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 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.

21 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 as the West Midlands Pension Fund (WMPF). Both are defined-benefit schemes.

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

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

Teachers' Pension Scheme

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' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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 was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- 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 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £512,000 (2014: £529,000).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

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 period ended 31 August 2015 was £368,000 (2014: £206,000), of which employer's contributions totalled £297,000 (2014: £144,000) and employees' contribution totalled £71,000 (2014: £62,000). The agreed rates for future years are 14.8% (2014: 14.8%) for employers and 5.5% to 11.4% (2014: 5.5% to 8.5%) for employees.

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

21 PENSION AND SIMILAR OBLIGATIONS *(continued)*

Local Government Pension Scheme *(continued)*

Principal actuarial assumptions

	2015 £'000	2014 £'000
Rate of increase in salaries	4.15%	3.95%
Rate of increase for pensions in payment	2.4%	2.2%
Discount rate	4.0%	4.0%
Inflation (CPI)	2.4%	2.2%

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

	2015 Years	2014 Years
Retiring today:		
Males	23.0	22.9
Females	25.6	25.5
Retiring in 20 years:		
Males	25.2	25.1
Females	28.0	27.8

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

	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities	488	7%	191
Government Bonds	61	2.9%	34
Other bonds	83	3.8%	44
Property	70	6.2%	37
Cash	41	0.5%	19
Other	75	7%	101
TOTAL MARKET VALUE OF ASSETS	818		426
Present value of scheme liabilities	(3,741)		(3,114)
DEFICIT IN THE SCHEME	(2,923)		(2,688)

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

Local Government Pension Scheme (*continued*)

Amounts recognised in the statement of financial activities	2015 £'000	2014 £'000
Current service cost (net of employee contributions)	262	176
Total operating charge	262	176

Analysis of pension finance (costs)

Expected return on pension scheme assets	36	13
Interest on pension liabilities	(131)	(114)
Pension finance costs	(95)	(101)

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £433,000 (2014: £258,000).

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 £'000
At 1 September	3,114	-
Business combination	-	2,494
Current service cost	262	176
Interest cost	131	114
Benefits paid	(4)	-
Employee contributions	71	56
Actuarial loss	167	274
At 31 August	3,741	3,114

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

At 1 September	426	-
Business combination	-	185
Expected return on assets	36	13
Actuarial (loss)/gain	(8)	16
Benefits paid	(4)	-
Employer contributions	297	156
Employee contributions	71	56
At 31 August	818	426

The estimated value of employer contributions for the year ended 31 August 2016 is £ 288,000 (2015: £155,700).

The Futures Trust (formerly President Kennedy School)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

21 PENSION AND SIMILAR OBLIGATIONS *(continued)*

Local Government Pension Scheme *(continued)*

The two year history of experience adjustments is as follows:

	2015 £'000	2014 £'000
Present value of defined benefit obligations	(3,741)	(3,114)
Fair value of share of scheme assets	818	426
Deficit in the scheme	(2,923)	(2,688)
Experience adjustment on share of scheme assets	(8)	16
Experience adjustments on scheme liabilities	-	-

22 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has 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.

23 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £32,000 (2014: £13,913) and disbursed £32,000 (2014: £13,913).

24 POST BALANCE SHEET EVENTS

Barr's Hill School, Radford Road, Coventry, a secondary school catering for students aged 11-19, converted to an academy within the trust on 1st October 2015.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FUTURES TRUST (FORMERLY PRESIDENT KENNEDY SCHOOL) AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 August 2015 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Futures Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Futures Trust and the EFA in accordance with the terms of our engagement letter dated 21 August 2015. Our work has been undertaken so that we might state to The Futures Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Futures Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Future Trust's funding agreement with the Secretary of State for Education dated 30 September 2013 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 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE FUTURES TRUST (FORMERLY PRESIDENT KENNEDY
SCHOOL) AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP

RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP)

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

14 Feb 2015