

**OCKER HILL ACADEMY TRUST**

**(Company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31<sup>ST</sup> AUGUST 2015**

**Company Registration No: 8593820**

**(England and Wales)**

**OCKER HILL ACADEMY TRUST**  
**(Company limited by guarantee)**

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**OCKER HILL ACADEMY TRUST**

**(Company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Governors/Trustees:**

**Category**

**Mr Harjinder Kumar**

**Community**

**Mr Nick De-Bear**

**Parent**

**Mr Aro Ononeme**

**Parent**

**Mrs Kate Hillman**

**Community**

**Mr Aubrey Hadley**

**Community**

**Governors:**

**Mr A Hollyhead**

**Principal**

**Mr J Farmer**

**Staff**

**Mrs A Foster**

**Staff**

**Mr C Goode**

**Local Authority**

**Mrs J Newton**

**Parent**

**Mrs J Wakelam-Webb**

**Parent**

**Company Secretary:**

**Mr A Hollyhead**

**Senior Leadership Team:**

- Vice Principal
- Assistant Principal
- Finance Director
- SENCo

**Mr J Farmer**

**Mr M Goodwin**

**Mrs A Foster**

**Mr J Farmer**

**Registered Office:**

**Gospel Oak Road  
Tipton  
DY4 0DS**

**Company Registration Number:**

**8593820**

**Independent Auditors:**

**Wright & Co  
Chartered Accountants  
Registered Auditors  
The Squires  
5 Walsall Street  
Wednesbury  
WS10 9BZ**

**OCKER HILL ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**

Bankers:

Lloyds Bank  
63 High Street  
Dudley  
West Midlands  
DY1 1PY

Insurance Brokers:

Sandwell Local Authority (Zurich Municipal)

Solicitors:

BrowneJacobson (Legal support)  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

**Ocker Hill Academy Trust**  
**(Company limited by guarantee)**  
**GOVERNOR'S REPORT**  
**31<sup>st</sup> August 2015**

The trustees present their final annual report together with the financial statements and auditor's report of the Charitable Company for the year 1 September 2014 to 31 August 2015.

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

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

Members of the Governing Body act as the directors for the charitable activities of Ocker Hill Academy Trust. Five of the governors (directors) are also trustees of the Charitable Company for the purposes of company law.

Details of the governors who served throughout the period are included in the Reference and Administrative Details.

The full Governing Body meets at least once a term. The work of the governing body is delegated to sub committees that are formerly constituted with terms of the reference namely:

- Curriculum Committee
- Finance Committee (including the work of an Audit Committee)
- Staffing Committee
- Health and Safety Committee

The sub committees meet at least termly and the Chairs of these committees report back to the full governing body meetings.

#### **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 of and liabilities contracted before they ceased to be a member.

#### **Governors' Indemnities**

The Academy Trust purchases indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or a breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or a breach of duty or not and provided also that any such insurance shall not extend to the costs of the unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

#### **Principal Activities**

Ocker Hill Academy Trust, a non-selective academy, provides education for pupils of different abilities between the ages of 7 and 11. Our pupils are drawn from the local area in accordance with our published admission criteria.

The Academy Trust's Principal's activity 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 an academy offering a broad and balanced curriculum.

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**GOVERNORS' REPORT**  
**31<sup>st</sup> August 2015**

**Method of Recruitment and Appointment of election of Governors**

The Governing Body comprises three categories of governor, as set out in the Articles of Association and the Funding Agreement. The method of recruitment is:

Community (up to 4) – Appointed by the Governing Body. The Governing Body will seek to appoint a person, who lives or works in the community served by the Academy, who is committed to the success of the Academy.

Parent (minimum of 4) – Nominated and elected by the parents and carers of the pupils on roll.

Staff (Up to 2) – Nominated and elected by the staff employed by the Academy. One representative from Teaching Staff; one representative from Support Staff.

The Principal is an ex-officio governor.

**Policies and Procedures Adopted for the Induction and Training of Governors**

Many of the current governors of Ocker Hill Academy Trust have considerable experience. A mentoring system is well established to support the induction and training of newly appointed and elected governors.

The Academy purchases an independent governor support service to complement the in house induction and training programme. All newly appointed and elected governors are invited to observe the working of all sub-committees before deciding which committee they could best serve.

Governors are kept up to date with their legislative obligations and good practice through the independent governor support service and by the Clerk to the Governing Body.

**Organisational Structure**

The Governing Body is responsible for all major decisions about the Academy.

The Governing Body is responsible for setting all policies covering Personnel, Health & Safety, Curriculum and Financial aspects of the work of the Academy. The Governing Body monitors the work of the Academy. It receives regular reports from the Senior Leadership Team, including budget and other data updates.

The Responsible Officer reports to the Governing Body. The Governing Body approves the Statutory Accounts. The levels of authorisation of budget spent are detailed in the Scheme of Delegation reviewed by the governing body.

The day to day management of the Academy is delegated by the Governing Body to the Principal who is supported by the Senior Leadership Team which comprises; Principal, Vice Principal, Assistant Principal, Finance Director and SENCO.

Following the Performance Management process of all staff the initial Academy Development Plan is drawn up by the Principal working with the Senior Leadership Team. The draft plan is reviewed by sub-committees before being approved by the full governing body. Sub-committees review the progress of the plan as part of their regular work.

As a junior academy, a high percentage of the Academy's expenditure relates to staffing. The Staffing Structure is determined by the governing body working with the Principal.

The Academy Development Plan and the staffing structure then influence the Academy budget. The Principal is the Accounting Officer and responsible for the day to day management of the Academy.

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**31<sup>st</sup> August 2015**

**Risk Management**

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the site and facilities and of teaching and the finances. The governors have implemented a system to assess risks that the academy faces, especially in the operational areas which includes teaching and health and safety and in relation to the control of finance. The governors have introduced systems, including operational procedures and internal financial records in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

**Connected Organisations, including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of Ocker Hill Academy Trust. There are no sponsors.

Ocker Hill Academy Trust has continued to maintain a good working relationship with Ocker Hill Infant School, to further the principal activities of the Academy. Some operational policies and procedures are agreed jointly with the Headteacher and Governing Body of Ocker Hill Infant School.

The Academy works with many school/academy networks within the Sandwell Local Authority (School to School clusters) to further the principle activities of the Academy.

**Objectives and Activities**

The principal object and activity of the Charitable Company is the operation of Ocker Hill Academy Trust to provide education and care for pupils of different abilities between the age of 7 and 11.

In accordance with the Articles of Association the Charitable Company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things –

- That the academy has a curriculum satisfying the requirements of Section 78 of EA 2002 (balanced and broadly based curriculum);
- That it provides education for pupils of different abilities;
- And that it provides education for pupils who are wholly or mainly drawn from the area in which the academy is situated.

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**GOVERNORS' REPORT**  
**31<sup>st</sup> August 2015**

**Objects and Aims (continued)**

The Aims of the Academy during the year ended 31<sup>st</sup> August 2015 are summarised below –

The Mission Statement of Ocker Hill Academy Trust is:

- We enjoy learning
- We always welcome new and exciting experiences
- We know that learning is life long
- We aim to equip ourselves with skills that help us to grow as citizens in our local and world community.

We are a team. We aim high! We celebrate our own successes and congratulate others on theirs.

'Aim High Aim Higher'

**Our Values**

**Ocker Hill Academy Trust is committed to provide for the area of Tipton, Sandwell a centre of quality education:**

- **A centre with active links across the whole community.**
- **A vibrant learning centre for the whole community.**
- **An environment which is valued, supported and encouraged by ALL, fostering mutual respect.**

**This will be achieved through a close working partnership between ourselves, pupils, parents, wider community and the Local Education Authority.**

All governors, teachers, ancillary staff, support staff and parents who work in the academy, are committed to the following values of:

- **Excellence** in education.
- Recognising the contribution of **everyone**.
- Promoting the extensive education of **each** child
- To ensure equal opportunities for **all**.

In order to deliver these values, Ocker Hill Academy Trust has focused on five goals:

- To make the children's education relevant, purposeful, broad and balanced.
- To maintain a safe, caring environment.
- To aim for high levels of parental satisfaction for the service provided.
- To use human resources efficiently.
- To use financial resources efficiently.

**Objectives, Strategies and Activities**

In addition to improving the levels of attainment and progress across the core subjects, for all children, the Academy's Self Evaluation identified specific Academy Development focuses for this year which included –

- The review of the Curriculum Subject Policies, Schemes of Work in light of the changes to the new curriculum;
- Development of Formative Assessment Grids for Reading, Writing and Numeracy which allow staff to plan accurately for the skills development of all children in the core subjects;
- Development of a new skills 'tracker' which allows all groups of children to be monitored regarding progress and achievement;
- The development of Spelling, Grammar and Punctuation and applied skills, in English and across other curriculum areas;
- Science was further developed through the re-organisation of units of work/programmes of study to provide for smaller units and revision programme; and
- To continue to develop our very good practices in personalised, formative assessment, through whole academy self-evaluation and target setting.

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**Public Benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

**Achievements and Performance**

Ocker Hill Junior School converted to Academy status as an Ofsted graded 'Outstanding' school in September 2013. Following an inspection in February 2013, Ofsted validated the confidence shown by the Department for Education in supporting the conversion.

Attainment and progress at the end of Key Stage 2 is above national levels.

This year the Key Stage 2 results were again very high and the Academy demonstrated good skills of target setting the prediction – we are proud that we know our children well and this contextual understanding helps us to plan for their very individual needs.

**End of Key Stage 2 Results for 2015**

Reading	L4+	<b>100%</b> (Nat 89%)	L5+ <b>93%</b> (Nat 48%)	
Writing	L4+	<b>88%</b> (Nat 87%)	L5+ <b>50%</b> (Nat 36%)	L6 <b>5%</b>
SPAG	L4+	<b>100%</b> (Nat 80%)	L5+ <b>80%</b> (Nat 55%)	L6 <b>7%</b>
Maths	L4+	<b>100%</b> (Nat 87%)	L5+ <b>50%</b> (Nat 41%)	L6 <b>20%</b>
Reading, Writing, SPAG and Maths	L4+	<b>88%</b> (Nat 80%)	L5+ <b>38%</b> (Nat 24%)	

Two whole levels Reading **98%** (Nat 91%)

Two whole levels Writing **100%** (Nat 93%)

Two whole levels Maths **100%** (Nat 90%)

Reading L4B+ **100%** (Nat 80%)

Writing L4B+ **73%**

SPAG L4B+ **97%**

Maths L4B+ **98%** (Nat 77%)

Reading, Writing and Maths L4B+ **73%** (Nat 69%)

GOVERNORS' REPORT  
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**ATTAINMENT & PROGRESS THRESHOLDS 2014-2015**

**Reading, Writing, Maths L4+ = 65%**

**Reading 2 levels = 94%**

**Writing 2 levels = 96%**

**Maths 2 levels = 93%**

**AVERAGE APS PROGRESS – KS1 – KS2**

Reading **16.2** (16.4 APS on entry – End of KS2 32.6 APS - **Nat 28.9%**)

Writing **15.7** (13.9 APS on entry – End of KS2 29.6 APS - **Nat 28.1%**)

Maths **15.8** (15.4 APS on entry – End of KS2 31.2 APS - **Nat 28.9%**)

Reading, Writing and Maths **31.2 (Averaging 4 APS per year)**

**KS1 – KS2 CONVERSIONS**

Two Levels of progress +      Reading **98%**      Writing **100%**      Maths **100%**

Three Levels of progress+      Reading **64%**      Writing **59%**      Maths **59%**

Four Levels of progress      Reading **13%**      Writing **0%**      Maths **5%**

To ensure that standards are continually raised, the Academy –

- Implements a whole academy approach to self-evaluation;
- Follows well established and clear assessment policy and procedures, whilst continuing to develop formative assessment processes;
- Develops staff accountability for the progress of all children;
- Senior and Middle Leadership Teams monitor progress of all children rigorously and regularly;
- Continually tracks individual progress of all children;
- Tracks progress of identified vulnerable groups;
- Consistently evaluates trends and is proactive in meeting needs;
- Plans thoroughly to meet all individual needs;
- Assessment informs planning at all times;
- Individual, group class and whole academy targets are set that are challenging and aspirational;
- Appropriate interventions, including Individual Education Plans, are set for children with Special Educational Needs, English as an Additional Language and Gifted and Talented
- Works closely with other appropriate agencies; and
- Is committed to Continued Professional Development of all staff through a well-established Performance Management Process.

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**Going Concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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.

**Key Financial Performance Indicators**

**Pupil numbers**

Pupil numbers have been consistent around the admissions number of 240 full time for a number of years. The academy has waiting lists for some year groups.

**Staffing Ratio**

The main costs incurred by the Academy are staffing costs. In line with other schools/academies in the Key Stage 2 sector staffing costs are

Total staffing costs per pupil	£3,821 (2014 £3,863)
Unrestricted, direct staffing costs per pupil	£2,201 (2014 £3,182)

Total staffing costs as a proportion of the total expenditure (excluding capital works) of the Academy is 77% (2014-72%).

The Academy greatly benefits from having a committed and talented teaching and support staff. On its journey towards recognition of an 'Outstanding' Ofsted grading, the Academy has advanced further through the growth and development of the Leadership Team. The Academy continues to place value on the investment in and mentoring of staff.

**Financial Review**

The main sources of income for the Academy are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31<sup>st</sup> August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the year ended 31<sup>st</sup> August 2015, total expenditure of £1,227,112 was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension liability adjustment) was £9,156.

At 31<sup>st</sup> August 2015 the net book value of fixed assets was £1,273,402 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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**31<sup>st</sup> August 2015**

**Financial and Risk Management Objectives and Policies**

The Governors have prepared a Risk Register and agreed a Risk Management strategy. These include the financial risks to the academy. The register and strategy are regularly reviewed in light of any new information and will be formally reviewed annually.

**Principal Risks and Uncertainties**

The principal financial risk facing the Academy is that funding is dependent upon pupil numbers. Historically the Academy is almost full but Governors are aware of that, in the long term, it may face falling rolls due to low birth rate. Pupil numbers may also be affected by the reputation of the academy. Governors do not consider this to be a high risk, as the academy's numbers were consistent despite its previous 'Satisfactory' Ofsted status.

The Academy's future funding is also dependent upon Government Policy for Education. The impact, on Ocker Hill Academy Trust, of the current review of School's Funding, will be assessed accordingly.

The Local Government Pension Scheme, a defined benefit system, is currently in deficit. The on-going contributions required, determined following a recent actuarial valuation, are considered to be manageable and within the Academy's budget.

**Reserves Policy**

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy is holding free reserves at 31<sup>st</sup> August 2015 of £154,220

Restricted Funds comprises:

£116,887 General funds to support the Academy's budget in 2014-15

£10,000 is an actuarial loss on the defined benefit pension scheme

**Investment Policy**

There are no material investments held by the Academy.

**Plans for Future Periods**

The Governors of Ocker Hill Academy Trust will continue to bid for CIF money to remove asbestos in the academy and the refurbishment of the whole academy.

Governors are committed to support and challenge the Academy in order to maintain the extremely high levels of achievement the pupils currently attain.

The Academy's Self Evaluation has identified specific Academy Development focuses for the academic year 2015/16 which include –

- Further development of Spelling, Grammar and Punctuation and applied skills, in English (reading and writing) and across other curriculum areas;
- To further develop the effective teaching of a range of maths problems in 'real life' applications.
- To continue to develop our outstanding practices in personalised assessment, through whole academy self-evaluation and target setting;

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- To introduce and implement a planning structure for thematic curriculum with formative assessment approach that supports progression and differentiation and reflects the academy's learning ethos;
- To increase access to extra-curricular sport through a sports coach, funded by the PE Grant for primary schools/academies.

**Funds held as Custodial Trustee on behalf of others**

There are no funds held as Custodian Trustee on behalf of others.

**Auditors**

In so far as the governors are aware:

- There is no relevant audit information of which the Charitable Company's auditors are unaware; and
- The governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the governors on 7<sup>th</sup> December 2015 and signed on their behalf by:

**Mr H Kumar Badhan  
Chair of Governors**

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**GOVERNANCE STATEMENT**  
**31<sup>ST</sup> August 2015**

**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Ocker Hill Academy 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 Governing Body has delegated the day-to-day responsibility to the Principal 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 Ocker Hill Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body and material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the statement of governors' responsibilities. The **governing body** has formally met six times during the period. Attendance during the period at meetings of the governing body as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Harjinder Kumar Badhan (Chair)	6	6
Mr A Hollyhead	4	6
Mr J Farmer	5	6
Mrs A Foster	6	6
Mr T Morton	3	3 - due to start of term of office
Mrs J Wakelam-Webb	2	6
Mr A Hadley	2	6
Mrs K Hillman	3	6
Mr A Ononeme	5	6
Mr C Goode	2	6
Miss K Palmer	1	2 - due to start of term of office

The Finance Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

The Finance Committee undertake the responsibilities of an Audit Committee.

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr H Kumar Badhan (Chair)	3	3
Mr A Hollyhead	2	3
Mr J Farmer	3	3
Mrs A Foster	3	3
Mrs K Hillman	1	3

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**GOVERNANCE STATEMENT (continued)**  
**31<sup>ST</sup> August 2015**

**Review of Value for Money**

I accept that as accounting officer of Ocker Hill Academy Trust I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide of the academy value for money statements published by the Education Funding Agency and understand that the value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. As accounting officer I consider how the trust's use of its resources has provided good value for money during each academic year, and report to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

I have ensured that the Academy Trust's use of resources has improved value for money during the year by raising student attainment as shown by the Academy's SATs results, their progress and APS.

The Academy continues to demonstrate good skills of target setting and prediction – we are confident in our assessment strategies and this contextual understanding helps us to plan for children's personal learning journey.

**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 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 Ocker Hill Academy Trust for the period 1 September 2014 to 31<sup>st</sup> August 2015 and up to the date of the approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2014 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 Governing Body.

**The Risk and Control Framework**

The Academy'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 Governing Body;
- Regular reviews by the Finance 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 of capital investment) guideline
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed a responsible officer to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The auditor has reported to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. No material control issues have been brought to the attention of the trustees arising as a result of the auditor's work.

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**GOVERNANCE STATEMENT (continued)**  
**31<sup>ST</sup> August 2015**

**Review of Effectiveness**

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

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

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

Approved by order of the members of the Board on 7<sup>th</sup> December 2015 and signed on its behalf by:

**Mr H Kumar Badhan**  
**Chair of Governors**

**Mr A Hollyhead**  
**Accounting Officer**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer at Ocker Hill Academy Trust I have considered my responsibility to notify the academy trust governing body and Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 governing body 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.

**Signed**

**Mr A Hollyhead**  
**Accounting Officer**

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**STATEMENT OF GOVERNORS RESPONSIBILITIES**

The governors (who act as trustees for charitable activities of Ocker Hill Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education Funding Agency.

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the academy and of its incoming resources and application of resources, including the income and expenditure of the academy for the year. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the academy 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 governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy'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 on 7<sup>th</sup> December 2015 and signed on its behalf by:

**Chair**

**Mr H Kumar Badhan**

**OCKER HILL ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OCKER HILL  
ACADEMY TRUST**

We have audited the financial statements of Ocker Hill Academy Trust for the period ended 31 August 2015 on pages 23 to 42. 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 2013 issued by the Education Funding Agency.

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

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities, 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/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

**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 period 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 2013 issued by the Education Funding Agency.

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

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

**OCKER HILL ACADEMY TRUST**  
**(Company limited by guarantee)**

**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.

M Atkinson  
Senior Statutory Auditor  
for and on behalf of Wright and Co Partnership Limited

The Squires  
5 Walsall Street  
Wednesbury  
West Midlands  
WS10 9BZ

**OCKER HILL ACADEMY TRUST**  
**(Company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Ocker Hill Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter 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 Ocker Hill Academy Trust during the period 1 July 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 Ocker Hill Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Ocker Hill Academy Trust and 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 Ocker Hill Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Ocker Hill Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Ocker Hill Academy Trusts funding agreement with the Secretary of State for Education dated 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 July 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 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.

**OCKER HILL ACADEMY TRUST**  
**(Company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Ocker Hill Academy Trust and the Education Funding Agency**

**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 from 1 July 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.

**M Atkinson**, Reporting Accountant  
**Wright and Co Partnership Limited**

Dated:

# Ocker Hill Academy Trust

## Statement of Financial Activities for the year ended 31 August 2015

(including Income and Expenditure Account and Statement of Total Recognized Gains and Losses)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
• Voluntary income	2	12,500	0	0	12,500	42,291
• Voluntary income - transfer from Local Authority on conversion	2	0	0	0	0	990,274
• Activities for generating funds	3	45,481	0	0	45,481	45,618
Investment Income	4	174	0	0	174	147
<i>Incoming resources from charitable activities:</i>						
• Funding for the Academy's educational operations	5	0	1,156,186	6,655	1,162,841	1,166,875
<b>Total incoming resources</b>		<b>58,155</b>	<b>1,156,186</b>	<b>6,655</b>	<b>1,220,996</b>	<b>2,245,204</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
• Costs of generating voluntary income		0	0	0	0	0
• Investment management costs		0	0	0	0	0
<i>Charitable activities:</i>						
• Academy's educational operations	7	0	1,205,300	14,245	1,219,545	1,238,481
<i>Governance costs</i>	8	0	7,568	0	7,568	12,607
<b>Total resources expended</b>	6	<b>0</b>	<b>1,212,868</b>	<b>14,245</b>	<b>1,227,112</b>	<b>1,251,089</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>58,155</b>	<b>(56,682)</b>	<b>(7,590)</b>	<b>(6,117)</b>	994,115
Gross transfers between funds		0	6,655	(6,655)	0	0
<b>Net income/(expenditure) for the year</b>		<b>58,155</b>	<b>(50,027)</b>	<b>(14,245)</b>	<b>(6,117)</b>	994,115
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pension schemes	23	0	(10,000)	0	(10,000)	(32,000)
<b>Net movement in funds</b>		<b>58,155</b>	<b>(60,027)</b>	<b>(14,245)</b>	<b>(16,117)</b>	962,115
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2014		122,329	(447,860)	1,287,646	962,115	0
<b>Funds carried forward at 31 August 2015</b>		<b>180,484</b>	<b>(507,887)</b>	<b>1,273,402</b>	<b>945,999</b>	962,115

All of the academy trust's activities derive from acquisitions during the above two financial periods.

# Ocker Hill Academy Trust

## BALANCE SHEET at 31 August 2015

Company Number 8593820

	Notes	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible assets	12		<b>1,273,402</b>		1,287,646
<b>Current assets</b>					
Stock					
Debtors	13	<b>27,057</b>		68,604	
Cash at bank and in hand		<b>154,220</b>		<b>71,305</b>	
		<b>181,277</b>		<b>139,908</b>	
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	14	<b>(63,932)</b>		<b>(31,719)</b>	
<b>Net current assets</b>			<b>117,345</b>		<b>108,189</b>
<b>Total assets less current liabilities</b>					
			<b>1,390,747</b>		1,395,835
Creditors: Amounts falling due after more than one year	15		<b>(53,748)</b>		<b>(59,720)</b>
<b>Net assets excluding pension liability</b>					
			<b>1,336,999</b>		1,336,115
Pension scheme liability	16		<b>(391,000)</b>		<b>(374,000)</b>
<b>Net assets including pension liability</b>			<b>945,999</b>		<b>962,115</b>
<b>Funds of the academy:</b>					
<b>Restricted income funds</b>					
. Fixed asset fund(s)	16		<b>1,273,402</b>		1,287,646
. General fund(s)	16		<b>(116,887)</b>		(73,860)
. Pension reserve	16		<b>(391,000)</b>		<b>(374,000)</b>
<b>Total restricted funds</b>			<b>765,514</b>		<b>839,786</b>
<b>Unrestricted income funds</b>					
. General fund(s)	16		<b>180,484</b>		122,329
<b>Total unrestricted funds</b>			<b>180,484</b>		<b>122,329</b>
<b>Total funds</b>			<b>945,999</b>		<b>962,115</b>

The financial statements on pages 18 to 36 were approved by the trustees, and authorised for issue on 7th December 2015 and are signed on their behalf by:

.....

NAME  
Trustee

## Ocker Hill Academy Trust

### Cash Flow Statement for the year ended 31 August 2015

	Notes	2015 £	2014 £
<b>Net cash inflow from operating activities</b>	19	<b>76,087</b>	45,916
Returns on investments and servicing of finance	20	<b>174</b>	147
Capital Expenditure	21	<b>6,655</b>	(9,032)
Cash transferred on conversion to an academy trust		<b>0</b>	34,274
<b>(Decrease)/Increase in cash in the year</b>		<b><u>82,916</u></b>	<b><u>71,305</u></b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
(Decrease)/Increase in cash in the year		82,916	71,305
Net funds at 1 September 2014		71,305	0
<b>Net funds at 31 August 2015</b>		<b><u>154,220</u></b>	<b><u>71,305</u></b>

All of the cash flows are derived from acquisitions in the current financial period.

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 1. Statement of 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 Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### 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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

##### • Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

##### • Donations

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

##### • Other income

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

##### • Donated goods, facilities and services

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

#### Resources Expended

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

##### • Costs of generating funds

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

##### • Charitable activities

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

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1. Statement of Accounting Policies (continued)

• **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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 land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	1%
Fixtures, fittings and equipment	20%
ICT equipment	25%
Motor Vehicles	10%

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.

**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 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 quinquennial valuations using a prospective benefit method. As stated in Note 25, 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.

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**1. Statement of 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.

**Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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/donor and include grants from the Education Funding Agency.

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

**2 Voluntary Income**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Transfer on Conversion	0	0	0	990,274
Other Donations	12,500	0	12,500	42,291
	<u>12,500</u>	<u>0</u>	<u>12,500</u>	<u>1,032,564</u>

**3 Activities for Generating Funds**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Hire of Facilities	1,845	0	1,845	1,845
Catering Income	26,821	0	26,821	28,441
Education Welfare provision to other schools	0	0	0	0
Behaviour Support provision to other schools	0	0	0	0
School Improvement Consultancy provision to other schools	0	0	0	0
Other Sales	16,815	0	16,815	15,332
	<u>45,481</u>	<u>0</u>	<u>45,481</u>	<u>45,618</u>

**4 Investment Income**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Current/Deposit Account Interest	174	0	174	147
	<u>174</u>	<u>0</u>	<u>174</u>	<u>147</u>

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 5 Funding for Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG)	0	1,045,639	<b>1,045,639</b>	1,073,121
PE Grant	0	9,180	<b>9,180</b>	9,165
Pupil Premium	0	95,568	<b>95,568</b>	72,764
Capital Grants	0	6,655	<b>6,655</b>	7,863
Other DfE / EFA grants	0	5,799	<b>5,799</b>	3,962
	<u>0</u>	<u>1,162,841</u>	<u><b>1,162,841</b></u>	<u>1,166,875</u>
<b>Other Government grants</b>				
Local Authority Grants	0	0	<b>0</b>	0
Special Educational Projects	0	0	<b>0</b>	0
	<u>0</u>	<u>0</u>	<u><b>0</b></u>	<u>0</u>
	<u>0</u>	<u>1,162,841</u>	<u><b>1,162,841</b></u>	<u>1,166,875</u>

## 6 Resources Expended

	Staff Costs £	Non Pay Expenditure Premises £	Other £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	0	0	0	<b>0</b>	0
Costs of activities for generating funds	0	0	0	<b>0</b>	0
Academy's educational operations					
• Direct Costs	785,846	0	59,929	<b>845,775</b>	836,173
• Allocated Support Costs	158,176	60,690	154,904	<b>373,769</b>	402,308
	<u>944,022</u>	<u>60,690</u>	<u>214,833</u>	<u><b>1,219,545</b></u>	<u>1,238,481</u>
Governance costs including allocated support costs	0	0	7,568	<b>7,568</b>	12,607
	<u>0</u>	<u>0</u>	<u>7,568</u>	<u><b>7,568</b></u>	<u>12,607</u>
	<u>944,022</u>	<u>60,690</u>	<u>222,400</u>	<u><b>1,227,112</b></u>	<u>1,251,089</u>

## Incoming/outgoing resources for the year include:

	2015 £	2014 £
Operating leases - plant and machinery	<b>0</b>	0
- other leases	<b>9,348</b>	9,348
Fees payable to auditor		
- audit	<b>3,000</b>	2,750
- other services	<b>0</b>	0
Profit/(loss) on disposal of fixed assets	<b>0</b>	0

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 7 Charitable Activities - Academies Educational Operations

	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
<b>Direct costs</b>				
Teaching and educational support costs	785,846	0	785,846	754,188
Depreciation	0	0	0	0
Technology costs	437	0	437	0
Educational supplies	52,384	0	52,384	71,853
Examination fees	0	0	0	0
Staff development	7,545	0	7,545	10,132
Educational consultancy	0	0	0	0
Other direct costs	0	0	0	0
	<u>846,213</u>	<u>0</u>	<u>846,213</u>	<u>836,173</u>
<b>Allocated support costs</b>				
Support staff costs	158,176	0	158,176	137,638
Depreciation	0	14,245	14,245	16,249
Technology costs	0	0	0	0
Recruitment and support	2,102	0	2,102	6,446
Maintenance of premises	18,776	0	18,776	27,483
Water rates	3,248	0	3,248	5,375
Energy costs	12,729	0	12,729	18,963
Maintenance of equipment	0	0	0	0
Fixtures and fittings	0	0	0	0
Cleaning	1,528	0	1,528	673
Operating lease (photocopier)	12,489	0	12,489	24,942
Rent and rates	2,317	0	2,317	3,962
Insurance	7,411	0	7,411	21,569
Supply teacher insurance	7,025	0	7,025	3,604
Security and transport	1,107	0	1,107	845
Catering	51,930	0	51,930	44,940
Bank interest and charges	0	0	0	0
Other support costs	80,250	0	80,250	89,620
	<u>359,088</u>	<u>14,245</u>	<u>373,332</u>	<u>402,308</u>
	<u>1,205,300</u>	<u>14,245</u>	<u>1,219,545</u>	<u>1,238,481</u>

## 8 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Legal and professional fees	0	4,568	4,568	9,857
Auditor's remuneration				
• Audit of financial statements	0	3,000	3,000	2,750
• Other Audit services	0	0	0	0
	<u>0</u>	<u>7,568</u>	<u>7,568</u>	<u>12,607</u>

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

9 Staff Costs

Staff costs during the period were:	2015 £	2014 £
Wages and salaries	784,269	739,645
Social security costs	57,191	53,812
Operating costs of defined benefit pension schemes	85,028	80,925
Additional Pension Contribution	16,142	6,458
Statutory Maternity Pay	(2,724)	(2,888)
	<u>939,906</u>	<u>877,952</u>
Supply staff costs	555	12,028
Staff restructuring costs	0	0
	<u>555</u>	<u>12,028</u>

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

	2015 No.	2014 No.
<b>Charitable Activities</b>		
Teachers	8	8
Administration and support	3	3
Management	3	3
	<u>14</u>	<u>14</u>

The number of employees whose emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme.

10 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment, and not in respect of their services as trustees. The value of trustees' remuneration was as follows:

Principal: Mr A Hollyhead £80,001 - £85,000 (2014 £75,001 - £80,000)  
 Staff Trustee: Mr J Farmer £60,001 - £65,000 (2014 £55,001 - £60,000)  
 Staff Trustee: Mrs A Foster £40,001 - £45,000 (2014 £40,001 - £45,000)

During the period ended 31 August 2015, no travel and subsistence expenses were reimbursed to trustees (2014 £0).

Other related party transactions involving the Trustees are set out in note 25

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 11 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 £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was £443 (2014 £443).

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

## 12 Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 September 2014	1,297,550	6,345	0	0	<b>1,303,895</b>
Additions	0	0	0	0	<b>0</b>
Transfer on conversion	0	0	0	0	<b>0</b>
Disposals	0	0	0	0	<b>0</b>
At 31 August 2015	<b>1,297,550</b>	<b>6,345</b>	<b>0</b>	<b>0</b>	<b>1,303,895</b>
<b>Depreciation</b>					
At 1 September 2014	14,980	1,269	0	0	<b>16,249</b>
Charged in year	12,976	1,269	0	0	<b>14,245</b>
Disposals	0	0	0	0	<b>0</b>
At 31 August 2015	<b>27,956</b>	<b>2,538</b>	<b>0</b>	<b>0</b>	<b>30,494</b>
<b>Net book values</b>					
At 31 August 2015	<b>1,269,595</b>	<b>3,807</b>	<b>0</b>	<b>0</b>	<b>1,273,402</b>
At 31 August 2014	<b>1,282,570</b>	<b>5,076</b>	<b>0</b>	<b>0</b>	<b>1,287,646</b>

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 13 Debtors

	2015 £	2014 £
Trade debtors	0	0
Other debtors	21,353	16,205
VAT recoverable	5,328	51,789
Prepayments and accrued income	375	610
	<u>27,057</u>	<u>68,604</u>

## 14 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	22,251	2,740
PAYE & NIC creditor	16,653	15,157
Other taxation and social security	0	0
Pension scheme creditors	11,472	11,004
Other creditors	112	68
Accruals and deferred income	13,443	2,750
	<u>63,932</u>	<u>31,719</u>

## 15 Creditors: amounts falling due in greater than one year

	2015 £	2014 £
Other Creditors	53,748	59,720
	<u>53,748</u>	<u>59,720</u>

Included within other creditors is a loan of £53,748 from Sandwell MBC which is provided on the following terms: Fifteen annual payments of £5,972 commencing in 2009/10 financial year and representing the former Ocker Hill Junior School commitment to a Council wide agreement to fund equal value settlements arising from Single Status disputes.

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(88,822)	1,045,639	(1,090,120)	6,655	(126,648)
Primary PE Grant	0	9,180	(9,180)	0	0
Pupil Premium	0	95,568	(95,568)	0	0
Transfer on Conversion	0	0	0	0	0
Other DfE/EFA grants	3,962	5,799	0	0	9,761
Provision of boarding	0	0	0	0	0
Pension reserve	(363,000)	0	(28,000)	0	(391,000)
	<b>(447,860)</b>	<b>1,156,186</b>	<b>(1,222,868)</b>	<b>6,655</b>	<b>(507,887)</b>
<b>Restricted fixed asset funds</b>					
Transfer on Conversion	1,274,130	0	(12,976)	0	1,261,155
DfE/EFA capital grants	6,290	6,655	(1,269)	0	11,676
Capital expenditure from GAG	7,226	0	0	(6,655)	571
Disposal of Assets	0	0	0	0	0
	<b>1,287,646</b>	<b>6,655</b>	<b>(14,245)</b>	<b>(6,655)</b>	<b>1,273,402</b>
<b>Total restricted funds</b>	<b>839,786</b>	<b>1,162,841</b>	<b>(1,237,112)</b>	<b>0</b>	<b>765,514</b>
<b>Unrestricted funds</b>					
Unrestricted funds	122,329	58,155	0	0	180,484
<b>Total unrestricted funds</b>	<b>122,329</b>	<b>58,155</b>	<b>0</b>	<b>0</b>	<b>180,484</b>
<b>Total Funds</b>	<b>962,115</b>	<b>1,220,996</b>	<b>(1,237,112)</b>	<b>0</b>	<b>945,999</b>

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

## 17 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible Fixed Assets	0	0	1,273,402	1,273,402
Current assets	180,484	793	0	181,277
Current liabilities	0	(117,680)	0	(117,680)
Pension scheme liability	0	(391,000)	0	(391,000)
<b>Total net assets</b>	<b>180,484</b>	<b>(507,887)</b>	<b>1,273,402</b>	<b>945,999</b>

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 18 Financial commitments

## Operating leases

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

	2015 £000	2014 £000
<b>Land and buildings</b>		
Expiring within one year	0	0
Expiring within two and five years inclusive	0	0
Expiring in over five years	0	0
	<u>0</u>	<u>0</u>
<b>Other</b>		
Expiring within one year	2,337	9,348
Expiring within two and five years inclusive	0	2,337
Expiring in over five years	0	0
	<u>2,337</u>	<u>11,685</u>

## 19 Reconciliation of net income to net cash inflow from operating activities

	2015 £	2014 £
Net income	(6,117)	994,115
Depreciation (note 12)	14,245	16,249
Capital grants from DfE and other capital income	(6,655)	(7,863)
Loss on disposal of tangible fixed assets	0	0
Fixed Assets Transfer on conversion	0	(1,287,000)
Cash Transfer on conversion	0	(34,274)
Equal Value loan transfer on conversion	0	59,720
Pension - Transfer of Liability on conversion	0	342,000
Interest receivable (note 4)	(174)	(147)
FRS 17 pension cost less contributions payable (note 24)	11,000	0
FRS 17 pension finance income (note 24)	(4,000)	0
(Increase)/decrease in stocks	0	0
(Increase)/decrease in debtors	41,547	(68,604)
Increase/(decrease) in creditors	26,241	31,719
<b>Net cash inflow from operating activities</b>	<u>76,087</u>	<u>45,916</u>

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

**20 Returns on investments and servicing of finance**

Interest received	<u>174</u>	<u>147</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>174</b>	<b>147</b>

**21 Capital expenditure and financial investment**

Purchase of tangible fixed assets	0	(16,895)
Capital grants from DfE/EFA	6,655	7,863
Capital funding received from sponsors and others	0	0
Receipts from sale of tangible fixed assets	<u>0</u>	<u>0</u>
<b>Net cash inflow from capital expenditure and financial investment</b>	<b><u>6,655</u></b>	<b><u>(9,032)</u></b>

**22 Analysis of changes in net funds**

	At 1 September 2014 £000	Cash Flows £000	At 1 August 2015 £000
Cash in hand and at bank	<u>71,305</u>	<u>82,916</u>	<u>154,220</u>
	<b><u>71,305</u></b>	<b><u>82,916</u></b>	<b><u>154,220</u></b>

**23 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.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

**24 Pensions and similar obligations**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the West Midlands Pension Fund. 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.

Contributions amounting to £11,472 (2014: £10,572) were payable to the schemes at 31 August 2015 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The pension costs paid to TPS in the period amounted to £98,241 (2014: £91,188).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 24 Pensions and similar obligations (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 £53,571 (2014 £48,938), of which employer's contributions totalled £42,686 (2014 £38,798) and employees' contributions totalled £11,065 (2014 £10,139). The agreed contribution rates for future years are 13.4 per cent for employers and a range of between 5.5 per cent and 12.5 per cent, based on earnings, for employees.

The employers contributions included a past service deficit payment of £16,142 as part of a twenty two year plan to remove the deficit on the scheme.

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	At 31 August 2014
Rate of increase in salaries	3.85%	4.05%
Rate of increase for pensions in payment/inflation	2.10%	2.30%
Discount rate for scheme liabilities	3.90%	4.00%
Inflation assumption (CPI)	2.10%	2.30%
Commutation of pensions to lump sums	0.00%	0.00%

## Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1%	0%	-0.1%
<b>Adjustment to discount rate</b>	<b>£</b>	<b>£</b>	<b>£</b>
Present value of total obligation	466,000	476,000	486,000
Projected service cost	40,000	41,000	42,000
	<u>40,000</u>	<u>41,000</u>	<u>42,000</u>
	+ 0.1%	0%	-0.1%
<b>Adjustment to pension increases and deferred revaluation</b>	<b>£</b>	<b>£</b>	<b>£</b>
Present value of total obligation	962,000	476,000	505,000
Projected service cost	83,000	41,000	40,000
	<u>83,000</u>	<u>41,000</u>	<u>40,000</u>
	+ 1 Year	None	- 1 Year
<b>Adjustment to mortality age rating assumption</b>	<b>£</b>	<b>£</b>	<b>£</b>
Present value of total obligation	488,000	476,000	464,000
Projected service cost	42,000	41,000	40,000
	<u>42,000</u>	<u>41,000</u>	<u>40,000</u>

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pensions and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.9	23
Females	25.5	25.2
<i>Retiring in 20 years</i>		
Males	25.1	25.6
Females	27.8	28

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

	Expected return at 31 August 2015	Fair Value at 31 August 2015	Expected return at 31 August 2014	Fair Value at 31 August 2014
		£		£
Equities	60.00%	51,000	45.00%	23,000
Government bonds	7.00%	6,000	8.00%	4,000
Other bonds	10.00%	9,000	10.00%	5,000
Property	9.00%	7,000	9.00%	4,000
Cash liquidity	5.00%	4,000	4.00%	2,000
Other	9.00%	8,000	24.00%	12,000
<b>Total market value of assets</b>		<b>85,000</b>		50,000
Present value of scheme liabilities				
- Funded		(476,000)		(424,000)
<b>Surplus/(deficit) in the scheme</b>		<b>(391,000)</b>		<b>(374,000)</b>

The actual return on scheme assets was £3,000 (2014: £2,000)

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost (net of employee contributions)	39,000	32,000
Past service cost	0	0
Total operating charge	<b>39,000</b>	<b>32,000</b>

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	4,000	1,000
Interest on pension liabilities	(17,000)	(17,000)
<b>Pension finance income/(costs)</b>	<b>(13,000)</b>	<b>(16,000)</b>

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 24 Pensions and similar obligations (continued)

## Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities.  
The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £43,000 loss (2014: £33,000 loss).

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

	2015 £	2014 £
<b>At 1 September</b>	<b>424,000</b>	<b>0</b>
Current service cost	39,000	32,000
Interest cost	17,000	17,000
Employee contributions	11,000	10,000
Actuarial (gain)/loss	9,000	33,000
Benefits paid	(24,000)	0
Past service cost	0	0
Curtailments and settlements	0	0
Business Combinations	0	332,000
<b>At 31 August</b>	<b>476,000</b>	<b>424,000</b>

## Movements in the fair value of academy's share of scheme assets:

	2015 £	2014 £
<b>At 1 September</b>	<b>50,000</b>	<b>0</b>
Expected return on assets	4,000	1,000
Actuarial gain/(loss)	(1,000)	1,000
Business combinations	0	0
Employer contributions	45,000	38,000
Employee contributions	11,000	10,000
Benefits paid	(24,000)	0
<b>At 31 August</b>	<b>85,000</b>	<b>50,000</b>

The estimated value of employer contributions for next period is £42,000 (2014 - £41,000).

## The two-year history of experience adjustments is as follows:

	2015 £	2014 £
<b>Present value of defined benefit obligations</b>	<b>(476,000)</b>	<b>(424,000)</b>
<b>Fair value of share of scheme assets</b>	<b>85,000</b>	<b>50,000</b>
<b>Deficit in the scheme</b>	<b>(391,000)</b>	<b>(374,000)</b>
<b>Experience adjustments on the share of scheme assets</b>		
Amount £	(1,000)	1,000
<b>Experience adjustments on scheme liabilities</b>		
Amount £	0	0

Comparative figures have not been restated as permitted by FRS 17.

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**25 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.

Hadley Travel – a company in which Mr A Hadley (a trustee of the trust) has a majority interest:

- The trust entered into contracts with Hadley Travel for pupil transportation to swimming lessons and on educational trips. These contracts totalled £4,350 (2014: £2,595) during the period. There were no amounts outstanding at 31 August 2015 (2014: £nil)
- In entering into the transaction the trust has complied with the requirements of EFA's Academies Financial Handbook