Co. House

Registered number: 7419660

BRANSTON ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015



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BRANSTON ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015

Governors	M Norman, Chair[1] D Dearden, Vice Chair[1] P Baker (resigned 9 June 2015) M Bell, Staff Governor D Boyd[1] S Burnett, Staff Governor D Challinor P Coombes R Doe V Foottit[1] N Harris H Marriott, Staff Governor M Turner (appointed 10 December 2014) R Woollen[1] J Wilcox P Beighton, Principal [1] Company Member
Company registered number	7419660
Principal and registered office	Branston Community Academy Station Road Branston Lincoln LN4 1LH
Company secretary	C Osborne
Senior management team	P Beighton, Principal J Campbell, Vice-Principal K Lamming, Vice-Principal J Turner, Vice-Principal A Wright, Vice-Principal C Osborne, Business Manager
Independent auditor	BDO LLP 1 Bridgewater Place Water Lane Leeds LS11 5RU
Bankers	Lloyds Bank 202 High Street Lincoln LN5 7AP
Solicitors	Browne Jacobson 44 Castle Gate Nottingham NG1 7BJ

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015

Administrative details (continued)

Insurers	Zurich Municipal Zurich House 2 Gladiator Way Farnborough GU14 6GB

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Branston Academy Trust (the Trust) for the year ended 31 August 2015. The Governors confirm that the annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 and of a directors' report under company law (The Companies Act 2006).

The Trust also trades under the name Branston Community Academy and operates a school for pupils aged 11 to 18 plus community-focussed nursery and gym facilities serving a catchment area south and east of Lincoln. The school has a pupil capacity of 1125 and had a roll of 1076 in the Autumn 2014 school census.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and was set up by a trust deed. Branston Academy Trust began trading as a charitable company on 1 December 2010, when Branston Community College ceased and was incorporated to Branston Community Academy.

The Branston Academy Trust is a company limited by guarantee and an exempt charity regulated by the Education Funding Agency (EFA). The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors, including the Principal, act as the Trustees for the charitable activities of Branston Academy Trust Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Branston Community Academy. Details of the Governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

b. Members' liability

The Charitable Company has six members, each of whom 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.

c. Method of recruitment and appointment or election of Governors

The management of the Trust is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

The Academy currently has 15 governors including the Principal (ex-officio) and is required to have a minimum of three, there is no maximum. Parent governors (5) are elected by paper ballot of parents and candidates must be parents at the time of their election. Staff governors (3) are elected by staff at the Academy. Community governors (4) who must live or work in the community served by the Academy, and partnership governors (2) may be appointed by the Governing Body. Further governors may be a appointed by the company members (1) and the local authority (1). All Governors (except the Principal) are appointed for four years and may be re-elected or re-appointed.

d. Policies and procedures adopted for the induction and training of Governors

There is a core of long-standing, highly experienced governors and normally very low turnover of trustees, although during the year one has resigned and one has been appointed (one vacancy pending appointment). All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they need to fulfil their roles. There is a dedicated area for governors on the school website. Any induction required is tailored specifically to the needs of the individual, for example this year there has been one to one mentoring sessions for the new governor.

e. Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, ensuring funding is spent in line with any restrictions, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. There are four committees – Finance and Resources, Curriculum and Staffing, Standards and Specialisms and the Governors Standing Committee. Standing Committee currently has six members - the Chair and Vice-Chair of the governing body, the Chairs of the other three committees and the Principal. It has delegated powers to act on behalf of any committee or the full Governing Body.

The senior management team comprises the Principal and four Vice-Principals. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Principal is the Accounting Officer and the Business Manager is the Principal Finance Officer. Other managers including the IT Systems Manager and heads of department are responsible for the authorisation of spending within agreed budgets, but limits have been set in the Financial Regulations above which the senior management team must be made aware of proposed expenditure. A detailed Scheme of Delegation has been agreed by the governing body and sets out the responsibilities and delegated authority of relevant individuals.

f. Connected organisations, including related party relationships

Branston Community Academy is a member of the Lincolnshire Teaching Schools Alliance (LTSA) an alliance of 20 secondary schools working collaboratively to recruit and train teachers, provide high quality professional development programmes and deliver school to school support. Branston is a founder member of the alliance and sits on the executive board and strategic development board for the School Centred Initial Teacher Training (SCITT) programme and the professional development programmes. An informal network of local Chief Finance officers / Business Managers collaborate to provide mutual support.

Branston Academy Trust collaborates with the Branston Computer Clinic Community Interest Company which is based on Trust premises and proves a computer repair and IT support service to the local area. This is a separate entity and not a connected charity under schedule 3 of the Charities Act.

g. Governors' indemnities

Qualifying third party indemnity provision has been obtained by the Academy for the benefit of the Governors.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and Activities

a. Objects and aims

The principal object and activity of the Academy Trust is to provide education for students of all abilities between the ages of 11 and 19 with an emphasis on our specialist areas of Business and Enterprise and Applied Learning. The main objectives of Branston Academy Trust as set out in the articles of association and funding agreement are:

- to ensure that every student receives the same high quality education
- to raise the standard of educational achievement for all of our students
- to improve the educational provision of the Academy by keeping the curriculum and all operations of the Academy under constant review
- to provide value for money on the spending of public money
- to comply with all appropriate statutory and curriculum requirements
- to maintain links with the wider community including through our on-site community provision and to provide recreation and leisure facilities in the interests of social cohesion and the wider community.
- to conduct Branston Community Academy business in accordance with the highest standards of integrity, probity and openness
- to work with other educational providers to advance the quality of education across the City of Lincoln and its surrounding area.

b. Objectives, strategies and activities

Branston Community Academy is a place of learning where the principal objective is to provide very high academic standards which are complemented and supported by first class pastoral care and guidance. We promote values that support the achievement of that vision, particularly ambition and compassion. We believe that these values can and should be complementary rather than in opposition.

The curriculum strategy recognises that the Academy serves an intake that mirrors the national average profile. As a result we need a curriculum that meets the needs of those requiring a traditional academic experience and other young people who need a curriculum that has a rich applied and work related learning component. The ability of our curriculum to meet those disparate needs extremely effectively is an undoubted strength of the Academy.

c. Equality

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment when required, by making support resources available and through training and career development. Door widths are adequate to enable wheelchair access to all the main areas of the Academy and several disabled toilets are installed. The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contributions and needs of all people are fully valued.

d. Public benefit

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. The core business activity of the Trust is providing secondary education for the public benefit in the south Lincoln area. An admissions policy is reviewed and published annually. These arrangements are determined in line with the School Admissions Code. In addition, the Academy Trust provides community nursery, library and gym facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the local community.

Strategic report

Achievements and performance

a. Review of activities

Student Achievement

The key performance indicator for Branston Community Academy is student achievement as this is the core purpose of the enterprise. Student achievement has been outstanding for a number of years; young people progress well beyond expectations by the end of compulsory education in traditional (EBacc courses), other GCSE and vocational courses. Moreover students in the Academy 6th form then progress beyond expectations despite the extremely challenging targets set as a result of the outstanding achievement at 16.

Student achievement at GCSE in 2014 resulted in the Academy receiving a national award for the progress made by students. In 2015 attainment in public examinations was even stronger, with 71% of students achieving at least five high grade passes (including English and Maths) and the provisional Attainment 8 score is 52.7.

At Advanced Level 64% of all grades achieved by the Y13 of 2015 were at grade 'A*', 'A' or 'B'. Students achieved beyond value added expectations despite the very challenging targets set as a result of achievement at GCSE referred to above.

Curriculum and Extra-curricular Activities

The Academy curriculum pattern is constructed to allow students to follow traditional academic routes or to access one or more vocational options without identifying students in constricted 'pathways'. The quality and personalisation of the curriculum is definitely a major factor in current success with student achievement.

A previous High Performing Specialist School, we are now part of the Leading Edge Programme (LEPP), responsible for sharing good and best practice within that community and beyond it. This expertise informs and supports the development of the curriculum, particularly at KS4 and KS5, and promotes breadth, relevance and flexibility in our provision. The Academy has twice had its curriculum used as a national case study.

Students from the Academy participate to high standards in Cambridge Schools Debating competition. We are regularly the only, or one of the few state comprehensive schools competing at this level. The Academy regularly produces Arkwright scholars from the outstanding Technology department.

Pupil Premium

This is funding associated with the Government's commitment to deliver extra resources into schools for work with the 'disadvantaged'. Disadvantage is defined specifically as students entitled to receive free school meals (FSM) or with looked after status which is, perhaps, a somewhat blunt and simplistic mechanism to identify that need. There are smaller sums of funding per pupil available for children of service personnel. The specifics of Pupil Premium spend are shown in detail on the Academy website, however put simply we have decided to invest a significant amount in academic mentoring. Our methodology allows trained student support officers to work closely with students to identify specific barriers to learning and ensure that the rest of the funding is allocated according to defined need rather than as an entitlement. It is used to pay for generic, targeted and personalised activities and resources for students to help overcome general and specific barriers to learning. In addition to generic funding (eg uniforms) the mentoring process may identify that a particular student needs tuition in Maths, a laptop or access to the internet and that barrier can then be removed.

General Performance Indicators

Benchmarked surveys from students, parents and staff have all given the highest possible category rating (outstanding) in the last seven years. Responses from students, parents and staff are compared to responses from students, parents and staff nationally to the same questions to produce meaningful results.

All staff have regular performance management reviews. Ongoing monitoring of student attendance and staff absence enables appropriate support to be provided to individuals.

Community Activities

The Academy is proud of its community dimension. In 2014 we successfully opened a community gymnasium (Herons) which has over 400 members. This venture joins the highly successful community Nursery as businesses instigated and managed by the Academy. In addition we host a community Library sharing facilities between the school and wider community.

Equality

The Academy has continued to promote tolerance and understanding of different cultures, beliefs and other characteristics through its curriculum, pastoral activities and the way issues are dealt with on a day to day basis. Recent improvements to the site have included provision of disabled access to the swimming pool and gym, the building of separate disabled changing rooms and an additional disabled toilet in the Concert Hall/Nursery extension plus the installation of automatic doors and additional ramps at key locations across the site.

b. Key financial performance indicators

Financial performance indicators commonly used to monitor the financial performance of schools are set out in the table below, together with some standard financial ratios. Comparative information from the previous three financial years is provided.

	2011-12	2012-13	2013-14	2014-15
Staff costs as a % of total costs	68.45%	63.71%	67.96%	69.51%
Pupil to teacher ratio	17.70	17.70	17.80	18.20
Average teaching post cost*	£49,229	£50,691	£50,866	£53,201
Average cost per pupil (total)*	£5,431	£5,762	£5,463	£5,645
Average direct cost per pupil*	£4,410	£4,273	£4,332	£4,461
Teacher cost per pupil*	£2,780	£2,859	£2,826	£2,917
Support staff cost per pupil	£808	£868	£920	£983
Occupancy costs as a % of total costs (includes premises improvements and site staff)	11.82%	19.97%	28.90%	14.89%
% of total income than from grants and delegated funding	6.01%	7.11%	8.63%	9.11%
Operating surplus	£741,639	£310,613	£613,729	£302,094
Working capital	4.31:1	13.90:1	5.80:1	6.02:1
Public equity	£1,390,280	£1,709,924	£1,082,384	£1,349,966

Staff salaries make up the greatest proportion of the school budget, so staff salaries as a % of total costs are a key indicator of the financial health of the school. This figure has increased slightly during 2014-15 from previous years and at under 70% can be seen as an indicator that the Academy has sufficient funds available to meet other demands on revenue funding. Benchmarking against similar schools suggests that it remains lower than the median, however this is obviously affected by the level of other expenditure. Occupancy costs, for example, have been particularly high in the two previous years, 2012-13 and 2013-14, due to significant investment in the premises. The age, nature and usage of the school buildings and infrastructure also have a detrimental effect on occupancy costs, particularly in relation to energy and maintenance expenditure. The average teaching post cost has risen from £50,018 to £53,201 which reflects September pay increases, increased responsibility payments and incremental drift.

The pupil / teacher ratio is a key performance indicator of the teaching resource available to carry out the core business of providing education. This remains relatively static, but has increased to 18.2 pupils per teacher during 2014-15. Factors contributing to this include Y7 recruitment being significantly above the Planned Admission Number (PAN) in September 2014. This, of course, can be regarded as a key performance indicator in itself, being a reflection of the Academy's high reputation. Overall, pupil numbers increased by 2.5% on the previous year, 2013-14, an achievement made against a fall in secondary age numbers within the Lincoln area. This increase in pupil numbers has not been enough to offset a modest increase in the average teaching post cost per pupil, which is still lower than the figure for 2012-13.

The support staff cost per pupil has risen over the past two years to its current level of £983 per pupil, which is directly attributable to the strategic decision to spend a significant proportion of Pupil Premium on additional student support officers.

During the year, the Academy completed a major project to improve changing facilities for the swimming pool, including disabled facilities. A block was remodelled to provide an additional full-size classroom. Significant investment was made in improving the layout of internal roadways and replacing end-of-life hard surfacing, but revenue and capital expenditure on premises projects was lower than in previous years, hence the very large reduction in occupancy costs spend as a percentage of total expenditure.

Over 9% of the Trust's income was self-generated i.e. not from grants or delegated funding. Benchmarking against similar academies nationally has indicated a median percentage of 4-5% so the Trust is performing well on this measure. It reflects community activities which generate income – the nursery, Heron's gym, swimming lessons and lettings. Nursery income in particular has risen during the year as a result of the increased capacity following capital investment.

Working capital is an indicator of the organisation's ability to generate cash and meet its liabilities as they become due – this shows a slight increase on the previous year, an indication of the financial health of the company - current assets more than six times current liabilities. The operating surplus has decreased during the year, which is a direct result of decreasing grant income. Public equity has been calculated as the difference between total assets (excluding fixed assets) and total liabilities (including the pension deficit) and has increased during the year, primarily due to an increase in cash.

c. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy 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 Accounting Policies.

Financial review

a. Principal funding

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for 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 expected useful life of the assets concerned.

During the period ended 31 August 2015, total expenditure of £6,074,026 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period after transfers between funds and adjustments (excluding restricted fixed asset funds) was £302,094.

At 31 August 2015 the net book value of fixed assets was £8,296,718 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy or for its community activities.

b. 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 Governors have determined an appropriate level of free reserves to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £888,192 (note 17) which is slightly less than the pension scheme liability of £896,000. The pension scheme liability increased slightly during the year from £819,000 as at 31 August 2014. Given that the pension liability is long-term, it does not affect the availability of working capital on an operational basis. However, as a result reserves are not being designated for any particular purposes.

In previous years the Academy chose to pay a higher contribution rate to the Local Government than required in order to reduce this deficit. However, following the revaluation as at 31 March 2013, it was decided to pay the Lincolnshire County Council default rate which rose from 19.9% to 20.9% in April 2015.

c. Investments policy

The Academy's investment policy is set out in the Financial Regulations (812) and states that investments must be made only in risk-averse, ethical funds. During 2014-15 funds were invested in short, medium and long term bank deposits after careful consideration of the options and returns available. Funds were kept immediately available in case of unforeseen maintenance issues or known infrastructure issues relating to the age of the property.

d. Principal risks and uncertainties

Risks may be classified as strategic, operational, financial, compliance and reputation, but in practice many risks will fall into more than one category.

The principal risk currently facing the Academyis the combined effect of lower Government funding, particularly the reduction in LACSEG (Local Authority Central Spend Equivalent Grant) and in 6th form funding and expenditure-increasing factors such as increased National Insurance and pensions contributions, national pay policy and general inflationary pressure. Areas for potential expenditure reductions have been identified by the Governing Body. Detailed budget planning, built-in contingencies and rigorous monthly monitoring are the main mitigation measures for the strategic management of expenditure.

Student recruitment at Year 7 and Year 12 must also be considered as a principal risk because of the potential impact on funding, but while the impact of this risk would be high, it is considered a low probability because of the school's recruitment record and demographic factors which indicate numbers are likely to increase. As such, risks are more likely to emerge from managing growth, but the Academy is working closely with Lincolnshire County Council to manage and mitigate this risk.

Operational risks with the highest rating have been identified as relating to sustainability (fuel, utilities and waste expenditure) and financial benchmarking. Key controls are meticulous monitoring and benchmarking of energy expenditure, combined with regular review of contracts following best value principles. Moderate operational risks relating to the unpredictability of staffing costs are mitigated by means of flexible roles and budget contingencies, combined with detailed monthly monitoring. Individual projects and issues are risk assessed as they arise. Measures are also in place to reduce staff absence and consequential major additional supply costs. The Financial Regulations and Scheme of Delegation detail the controls in place to ensure proper operation of the Academy's day to day finances. These are designed to ensure that:

- the Academy is operating efficiently and effectively
- its assets are safeguarded against unauthorised use or disposition
- the proper records are maintained and financial information used within the Academy or for publication is reliable
- the Academy complies with relevant laws and regulations

Failure to comply with health and safety and child protection procedures and legislation is high risk because of the potential consequences to individuals as well as reputation, however both key staff involved are experienced and the Business Manager gained an education-specific IoSH (Institute of Safety and Health) qualification during the year.

The Academy premises are considered to be a very high risk because parts of the site are more than 50 years old, infrastructure such as pipework and electrical installations is failing, in need of upgrading or at end-of-life and significant investment could be required to safeguard the continuance of business operations. A programme of ACMF-funded work to replace pipework and reduce the risk of school closure was completed during 2013-14.

e. Financial and risk management objectives and policies

The extent of the Academy's exposure to financial risks including credit, cash flow and liquidity has been considered. The Academy's current assets are at present sufficient to meet immediate needs so cash flow is not considered a risk. Debtors are principally due to lettings and student music lessons, amounts are small and not material. A specialist courier collects banking weekly which minimises the risk of cash in transit and work is in progress to reduce incoming cash and cheque payments by encouraging use of the online ParentPay system. New IT software systems have been installed during the year to manage nursery and Heron's gym income to improve control and management information relating to both activities, particularly in relation to the identification of debtors. It is not considered that there is material risk from trade creditors. There is a material deficit on the LGPS defined benefit pension scheme, but this is not considered to be a risk to the Academy's operations.

Plans for future periods

a. Future developments

The Academy is committed to improving student achievement in key performance indicators at GCSE, improving the achievement of both disadvantaged and most able pupils and sustaining the existing high levels of post 16 student achievement (three-year averages Alis at +0.10 or better / CVA 1000 or better). A particular focus will be to monitor, review and implement changes to sustain standards as EBacc impacts on the KS4 curriculum pattern. The Academy Development Plan sets out in detail measures for developing teaching and learning which include improving the quality of written feedback to students and improving lesson planning to take account of the wide variance in student ability. Other curriculum-related priorities include improving the monitoring of progress by groups and individuals and continuing to implement curriculum intervention at Key Stage 4.

During 2015-16 there are plans to improve financial operations by introducing BACS as the normal method for making payments. This will reduce postage and stationery costs as well as being a more secure and efficient way of transferring money to creditors. Work has already been done on the implementation of cashless catering, which is planned for April 2016 following a change of catering partner during 2014-15. This will also facilitate the rollout of ParentPay, the electronic payment system which has been trialled successfully for school trips and swimming lessons payments.

Continued capital investment in the premises is planned – with reducing revenue expenditure and sustainability being the guiding principles.

Projects under consideration include a review of signage across the site and refurbishment of the sports hall.

Prudent financial management is considered crucial in anticipation of challenging times ahead.

Funds held as custodian trustee on behalf of others

None.

Disclosure of information to auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

This report, incorporating the strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2015 and signed on the board's behalf by:

.....

M Norman, Chair
Chair of Trustees

GOVERNANCE STATEMENT

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Branston 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 Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Branston Academy 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

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Governor	Meetings attended	Out of a possible
M Norman, Chair	3	3
D Dearden, Vice Chair	3	3
P Baker	1	3
M Bell, Staff Governor	2	3
D Boyd	3	3
S Burnett, Staff Governor	3	3
D Challinor	3	3
P Coombes	3	3
R Doe	2	3
V Foottit	3	3
N Harris	2	3
H Marriott, Staff Governor	3	3
M Turner	2	2
R Woollen	3	3
J Wilcox	1	3
P Beighton, Principal	3	3

There have been some changes in the composition of the governing body.M Turner was appointed on 10-12-2014 to fill a vacancy carried forward from the previous year and P Baker on 9-6-2015, leaving a vacancy at the end of the year. No particular governance-related challenges have arisen.

There are three main specialist committees which meet at least once per term (three times a year), plus the Standing Committee which meets monthly.

GOVERNANCE STATEMENT (continued)

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to take responsibility for all matters concerning the maintenance and development of buildings, for financial matters, including the creation of the annual budget and its subsequent monitoring.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
M Norman	3	3
D Dearden	3	3
M Bell	3	3
S Burnett	3	3
V Foottit	2	3
M Turner	1	2
R Woollen, Chair	3	3
J Wilcox	0	3
P Beighton	3	3

The Standing Committee has several functions, including fulfilling the role of the Academy's audit committee. It discusses any general issues concerning the well-being of the Academy and can act as a Steering Committee for business, directing issues to the agenda of specialist committees or the full governing body. It reacts, where necessary, to current issues needing a response before an appropriate full or committee meeting is held; it receives reports from the Principal on action considered significant enough to raise at once with the governing body. It receives monitoring reports on the budget in between meetings of the Finance and Resources Committee and has delegated powers to act on behalf of the governing body.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
M Norman	6	8
D Dearden	7	8
V Foottit	4	8
R Woollen	7	8
D Boyd	6	8
P Beighton	8	8

The Standards & Specialism Committee has delegated powers to consider and decide policy matters relating to the monitoring of performance and standards and the progress and development of the Academy specialism. In particular, the Committee receives annual reports from the Principal and/or senior post-holders on the Academy's self-evaluation of overall performance

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
M Norman	2	3
D Dearden	3	3
M Bell	3	3
D Boyd	3	3
S Burnett	3	3
D Challinor	3	3
P Coombes	3	3
R Doe	2	3

Matters concerning individual members of staff must, for legal reasons, be decided upon by a small group and the Personnel Committee fulfils this role. Membership consists of the Chairman of Governors, the Chairman of the Curriculum and Staffing Committee and one other elected annually.

The Curriculum & Staffing Committee has delegated powers to decide matters concerning the curriculum and staffing of the Academy. Each year this Committee discusses the following year's curriculum plan, and also the corresponding staffing plan, after which it needs to decide on an establishment figure for the coming year and discuss in general any associated strategies to achieve the required quantity and quality of staff. During the year the Committee will receive updates on major curriculum and staffing developments and receives and decides upon recommendations from the Principal on the general pattern of allowances within the Academy.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
M Norman	2	3
P Baker	2	3
S Burnett	3	3
D Boyd	1	3
D Challinor	3	3
P Coombes	2	3
V Foottit	3	3
N Harris	2	3
H Marriott	3	3
M Turner	2	2
R Woollen	2	3
J Wilcox	0	3
P Beighton	3	3

Review of Value for Money

As Accounting Officer the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by ensuring that the principles of value for money are embedded within the Academy's strategic decision making and procurement procedures.

Value for Money is widely described by Government, and other organisations including the Audit Commission, as striking the right balance between economy, efficiency and effectiveness. The three E's of Value for Money can be defined as follows:

- Economy – minimising costs without compromising quality e.g. were rubbish sacks of the required quality purchased for the best price?
- Efficiency – the relationship between output in terms of goods, services or other results and the resources used to produce them e.g. was the cost of school meals minimised at the same time as enhancing the nutritional quality of the lunch provided to pupils?
- Effectiveness – the extent to which objectives have been achieved e.g. did the education programme improve examination success rates?

GOVERNANCE STATEMENT (continued)

Four basic principles provide a route for approaching value for money and are embedded into the routine operations and daily conversations and decisions within the Academy in order to ensure that money is spent wisely within a culture of continuous improvement and raising of school standards. These are set out below:

- Challenge – why, how and by whom an activity is carried out, which may mean deciding that a project or service will not go ahead or a product not be purchased
- Compare – performance against other schools and between parts of each school. This may be quantitative ie by means of formal benchmarking of statistical expenditure and performance information, or qualitative, using detailed informal discussions and peer review
- Consult – involving stakeholders, especially pupils and parents. This may lead to changes in how money is spent in order to meet the priorities and needs of the community served. Consultation within the school is also effective in securing improvement
- Compete – as a means of securing efficient and effective services. This is most commonly the "decision tree" of procurement procedures involving obtaining alternative quotes, investigating potential alternative supplies and tendering for major projects.

In practice, these will be applied together to ensure that value for money is achieved.

Major building works are always tendered through a project management company with considerable experience of working in schools and a knowledge of the site stretching back many years. Benefits of this include specialist advice and compliance with public sector procurement requirements. An example of this during the year is improvements made to the layout and surfacing of the main entrance and exit to the Academy, the bus bays and other external areas. This was contracted following a formal competitive tendering process and resulted in a company not used previously being contracted to complete the works. The specifications for the project followed extensive consultation which raised issues including the safety of pupils arriving at and leaving school.

There is always careful consideration of what money is to be spent on, with pupils' wellbeing, safety and educational outcomes always at the forefront of prioritising expenditure; this has also been identified as a question schools seeking to achieve value for money should ask themselves (Teachernet 2006). Curriculum departments receive an annual amount covering recurrent expenditure which is calculated according to pupil numbers and higher weightings for resource-heavy subjects. Departments are allowed to carry forward a small amount to the next year if they underspend but any overspend is not written off at the end of the year. Further curriculum development funding is subject to competitive bidding which ensures that it is targeted to areas of greatest need.

An example from 2014-15 of challenging how an activity is carried out is the purchase of a washing machine for the cleaning department. The initial purchase and installation requirements were obviously a cost, but significant savings are already being made because cloths and other items can be washed and recycled rather than being discarded.

Better income generation and efficient credit control are also factors to be considered when assessing value for money An extension to the community nursery opened in the financial year 2013-14, increasing the business capacity of the operation by 25%. The effect of this can be seen directly in the increase in nursery reserves in this year's financial statements. In addition, both the nursery and the Heron's Gym are regarded as an enhancement to the reputation of the Academy and a benefit in terms of recruiting and retaining talented staff as well as providing wider community benefits and generating additional resources. An investment in additional IT software to run both the gym and nursery better use of staff management resources by ensuring that income due is collected more efficiently.

Educational outcomes for pupils, particularly as represented by examination results and value added scores, must be seen as a key indicator of value for money and speak for themselves as a measure of the Academy's effectiveness. Ofsted (2014) judged that "by the time students leave Branston Community Academy, most have made good, and sometimes outstanding, progress across a range of subjects".

GOVERNANCE STATEMENT (continued)

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 ongoing 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 Branston Academy Trust for the year 1 September 2014 to 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 Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 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 Board of Trustees.

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 Board of Trustees;
- regular reviews by the Standing Committee/Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint not to appoint an internal auditor.

The Academy's external auditors, BDO LLP, have been engaged to perform a supplementary programme of work.

Their role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis (three times per year), the auditor reports to the board of trustees through the standing committee or finance and resources committee on the operation of the systems of control and the discharge of their financial responsibilities.

The auditor has delivered the scheduled work as planned and no material control issues have arisen during the year. This year matters have been raised in connection with procedures relating to two specific items, a premises procurement and a bequest by a former member of staff. The issues raised were appropriately discussed and noted.

GOVERNANCE STATEMENT (continued)

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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 Standing Committee/Finances and Resources Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2015 and signed on its behalf, by:

.....
M Norman, Chair
Chair of Trustees

.....
P Beighton, Principal
Governor

BRANSTON ACADEMY TRUST

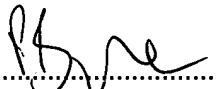
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Branston Academy Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2014).

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



.....

P Beighton, Principal
Accounting Officer

Date: 9 December 2015

BRANSTON ACADEMY TRUST

(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who act as trustees of the Charitable Company and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' 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 Governors 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 Academy and of its incoming resources and application of resources, including its income and expenditure, for that period.

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 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 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 and the Academies Accounts Direction 2014 to 2015 (SORP 2005). 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 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 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 Board of Governors and signed on its behalf by:



.....

M Norman, Chair,
for and on behalf of the Board of Governors
Date: 9 December 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRANSTON ACADEMY TRUST

We have audited the financial statements of Branston Academy Trust for the year ended 31 August 2015 which comprise the statement of financial activities, incorporating the income and expenditure account and statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2014 to 2014 (SORP 2005). Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Governors and auditor

As explained more fully in the Governors' responsibilities statement, the trustees (who act as Governors of Branston Academy Trust and are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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 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 Academy'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report, which includes the 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 BRANSTON ACADEMY TRUST

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept in respect of the Academy, 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Craig Burton (senior statutory auditor)
for and on behalf of
BDO LLP, Statutory auditor
Leeds, UK
14 December 2015

BRANSTON ACADEMY TRUST

(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 2 November 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015 (SORP 2005), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Branston Academy Trust during the year 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 Branston Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Branston 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 Branston Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Branston Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Branston Academy Trust's funding agreement with the Secretary of State for Education dated 30 November 2010, 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 (SORP 2005). 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 year 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 (SORP 2005) 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's income and expenditure.

The work undertaken to draw our conclusions includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 9 of the Academies Accounts Direction 2014 to 2015 (SORP 2005).

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRANSTON ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

Conclusion

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

BDO LLP
Reporting Accountant
Leeds, UK

Date: 14 December 2015

BRANSTON ACADEMY TRUST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Activities for generating funds	3	**569,051**	-	-	**569,051**	536,446
Investment income	4	**11,682**	**5,000**	-	**16,682**	18,203
Incoming resources from charitable activities:	5					
Funding for the Academy Trust's educational operations		-	**5,790,387**	-	**5,790,387**	5,861,032
TOTAL INCOMING RESOURCES		**580,733**	**5,795,387**	-	**6,376,120**	6,415,681
RESOURCES EXPENDED						
Costs of generating funds:						
Cost of activities for gen. funds	3	**427,806**	-	-	**427,806**	431,005
Charitable activities:	7					
Academy Trust's educational operations		-	**5,305,637**	**326,510**	**5,632,147**	5,349,303
Governance costs	6	-	**14,073**	-	**14,073**	21,644
TOTAL RESOURCES EXPENDED	8	**427,806**	**5,319,710**	**326,510**	**6,074,026**	5,801,952
NET INCOMING RESOURCES BEFORE TRANSFERS		**152,927**	**475,677**	**(326,510)**	**302,094**	613,729
Transfers between Funds	17	-	**(406,798)**	**406,798**	-	-
NET INCOME FOR THE YEAR		**152,927**	**68,879**	**80,288**	**302,094**	613,729
Actuarial losses on defined benefit pension schemes		-	**(13,000)**	-	**(13,000)**	(351,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		**152,927**	**55,879**	**80,288**	**289,094**	262,729
Total funds at 1 September 2014		735,265	347,119	8,216,430	9,298,814	9,036,085
TOTAL FUNDS AT 31 AUGUST 2015		**888,192**	**402,998**	**8,296,718**	**9,587,908**	9,298,814

All of the Academy's activities derive from continuing operations during the above two financial periods.

The notes on pages 27 to 46 form part of these financial statements.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 7419660

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		**8,296,718**		8,216,430
CURRENT ASSETS					
Debtors	15	**361,427**		346,835	
Cash at bank		**2,239,863**		1,950,360	
		2,601,290		2,297,195	
CREDITORS: amounts falling due within one year	16	**(414,100)**		(395,811)	
NET CURRENT ASSETS			**2,187,190**		1,901,384
TOTAL ASSETS LESS CURRENT LIABILITIES			**10,483,908**		10,117,814
Defined benefit pension scheme liability	23		**(896,000)**		(819,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			**9,587,908**		9,298,814
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	**1,298,998**		1,166,119	
Restricted fixed asset funds	17	**8,296,718**		8,216,430	
Restricted funds excluding pension liability		**9,595,716**		9,382,549	
Pension reserve		**(896,000)**		(819,000)	
Total restricted funds			**8,699,716**		8,563,549
Unrestricted funds	17		**888,192**		735,265
TOTAL FUNDS			**9,587,908**		9,298,814

The financial statements were approved by the Governors, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:

.....
M Norman, Chair
Chair of Trustees

.....
P Beighton, Principal

The notes on pages 27 to 46 form part of these financial statements.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	19	**608,113**	961,767
Returns on investments and servicing of finance	20	**16,682**	(17,203)
Capital expenditure and financial investment	20	**(335,292)**	(1,119,938)
INCREASE/(DECREASE) IN CASH IN THE YEAR		**289,503**	(175,374)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase/(Decrease) in cash in the year	**289,503**	(175,374)
MOVEMENT IN NET FUNDS IN THE YEAR	**289,503**	(175,374)
Net funds at 1 September 2014	**1,950,360**	2,125,734
NET FUNDS AT 31 AUGUST 2015	**2,239,863**	1,950,360

The notes on pages 27 to 46 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 SORP 2005) issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 general fund.

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

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

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

1. ACCOUNTING POLICIES (continued)

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

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

Governance costs include the costs attributable to the Academy'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.

1.5 Going concern

The Governors 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 Academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 are 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's depreciation policy.

Depreciated replacement cost has been used as the basis for the valuation of freehold buildings transferred from Branston Community College to the Academy on its formation at a total value of £7million. A reinstatement valuation for insurance purposes was used to attribute as assessment of current costs to the individual major building units. Known costs of approximately £1million for building projects undertaken during the last 10 years were added to this in respect of improvements. This total was then discounted to take account of the age and condition of each unit using an estimated useful life of 50 years as benchmark.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant and machinery	-	15% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.8 Taxation

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

1.9 Pensions

Retirement benefits to employees of the Academy 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"), and the assets are held separately from those of the Academy.

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 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 23, the TPS is a multi-employer scheme and the Academy 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 LGPS is a funded scheme and the assets are held separately from those of the Academy 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 the 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 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.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has exceeded these limits during the year ended 31 August 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Charity trading income			
Nursery income	**188,198**	**188,198**	202,492
Catering income	**216,697**	**216,697**	206,968
Other income	**164,156**	**164,156**	126,986
	569,051	**569,051**	536,446
Fundraising trading expenses			
Nursery expenditure	**133,544**	**133,544**	147,698
Catering expenditure	**216,697**	**216,697**	215,144
Other expenditure	**77,565**	**77,565**	68,163
	427,806	**427,806**	431,005
Net income from activities for generating funds	**141,245**	**141,245**	105,441

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank Interest	**11,682**	**-**	**11,682**	17,203
Pension income	**-**	**5,000**	**5,000**	1,000
	11,682	**5,000**	**16,682**	18,203

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants			
General annual grant	**5,247,027**	**5,247,027**	5,356,417
Other DfE/EFA grants	**261,079**	**261,079**	208,929
DfE/EFA capital grants	**71,506**	**71,506**	86,772
	5,579,612	**5,579,612**	5,652,118
Other government grants			
SEN grants	**137,167**	**137,167**	153,638
	137,167	**137,167**	153,638
Other funding			
Local authority and other grants	**73,608**	**73,608**	55,276
	73,608	**73,608**	55,276
	5,790,387	**5,790,387**	5,861,032

6. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditor's remuneration	**12,315**	**12,315**	10,500
Auditor's non audit costs	**1,745**	**1,745**	11,144
Other Governance costs	**13**	**13**	-
	14,073	**14,073**	21,644

7. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	**3,097,095**	2,931,146
National insurance	**218,896**	213,996
Pension cost	**547,202**	460,902
Depreciation	**326,510**	316,440
Teaching and education	**42,434**	103,598
Technology costs	**92,208**	120,799
Educational supplies	**241,730**	204,613
Examination fees	**138,684**	110,981
Staff development	**30,125**	50,123
Recruitment and support	**11,981**	38,789
Other costs	**42,299**	48,448
Legal and professional	**11,391**	14,853
	4,800,555	4,614,688
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	**302,288**	284,587
National insurance	**21,100**	10,537
Pension cost	**35,773**	41,958
Maintenance of premises	**160,520**	122,253
Cleaning	**30,929**	32,846
Rent and rates	**31,832**	33,665
Energy costs	**99,413**	112,121
Insurance	**44,991**	22,465
Security and transport	**16,567**	16,514
Catering	**20,900**	18,587
Other support costs	**67,279**	39,082
	831,592	734,615
	5,632,147	5,349,303

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

8. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other costs		
	2015	2015	2015	2015	2014
	£	£	£	£	£
Cost of activities for generating funds	294,339	-	133,467	427,806	431,005
Costs of generating funds	294,339	-	133,467	427,806	431,005
Direct costs	3,866,755	169,641	764,159	4,800,555	4,614,688
Support costs	359,161	160,520	311,911	831,592	734,615
Charitable activities	4,225,916	330,161	1,076,070	5,632,147	5,349,303
Governance	-	-	14,073	14,073	21,644
	4,520,255	330,161	1,223,610	6,074,026	5,801,952

9. NET INCOMING RESOURCES

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	326,510	316,441
Auditor's remuneration	12,315	10,500
Operating lease rentals:		
- other operating leases	4,914	1,228

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	**3,630,742**	3,451,854
Social security costs	**248,001**	226,963
Other pension costs (Note 23)	**594,183**	514,036
	4,472,926	4,192,853
Agency staff costs	**43,767**	88,855
Supply teacher costs	**3,562**	14,743
	4,520,255	4,296,451

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	**62**	60
Administration and support	**56**	58
Management	**7**	7
	125	125

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	**4**	3
In the band £100,001 - £110,000	**1**	1
	5	4

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £50,221 (2014 - £39,934).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

11. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2015 £	2014 £
P Beighton - Principal and trustee - Remuneration	**100,000-105,000**	100,000-105,000
P Beighton - Principal and trustee - Employers' Pension contributions	**10,000-15,000**	10,000-15,000
M Bell - Staff governor and trustee - Remuneration	**45,000-50,000**	45,000-50,000
M Bell - Staff governor and trustee - Employers' Pension contributions	**5,000-10,000**	5,000-10,000
H Marriott - Staff governor and trustee - Remuneration	**25,000-30,000**	25,000-30,000
H Marriott - Staff governor and trustee - Employers' Pension contributions	**0-5,000**	0-5,000
S Burnett - Staff governor and trustee - Remuneration	**25,000-30,000**	25,000-30,000
S Burnett - Staff governor and trustee - Employers' Pension contributions	**0-5,000**	0-5,000

During the year, no Governors received any reimbursement of expenses (2014 - £NIL).

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2 million on any one claim and the cost for the year ended 31 August 2015 was £1,016 (2014 - £1,016). The cost of this insurance is included in the total insurance cost.

13. NET INTEREST ON PENSION SCHEME LIABILITY

	2015 £	2014 £
Expected return on pension scheme assets	**101,000**	88,000
Interest on pension scheme liabilities	**(96,000)**	(87,000)
	5,000	1,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	**8,154,752**	**112,339**	**591,046**	**379,213**	**9,237,350**
Additions	**323,965**	**5,226**	**18,374**	**59,233**	**406,798**
At 31 August 2015	**8,478,717**	**117,565**	**609,420**	**438,446**	**9,644,148**
Depreciation					
At 1 September 2014	**553,566**	**51,950**	**155,690**	**259,714**	**1,020,920**
Charge for the year	**169,641**	**18,571**	**64,485**	**73,813**	**326,510**
At 31 August 2015	**723,207**	**70,521**	**220,175**	**333,527**	**1,347,430**
Net book value					
At 31 August 2015	**7,755,510**	**47,044**	**389,245**	**104,919**	**8,296,718**
At 31 August 2014	7,601,186	60,389	435,356	119,499	8,216,430

15. DEBTORS

	2015 £	2014 £
Trade debtors	**19,684**	36,249
Other debtors	**148,402**	172,130
Prepayments and accrued income	**193,341**	138,456
	361,427	346,835

16. CREDITORS:

Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	**155,572**	81,254
Other taxation and social security	**75,539**	72,225
Other creditors	**132,020**	135,138
Accruals and deferred income	**50,969**	107,194
	414,100	395,811

Deferred income relates to funding for the financial year 2014/15 which has been received in advance.

Deferred income	£
Deferred income at 1 September 2014	**13,306**
Resources deferred during the year	**12,589**
Amounts released from previous years	**(13,306)**
Deferred income at 31 August 2015	**12,589**

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Other unrestricted funds	725,633	392,535	(294,262)	-	-	823,906
Nursery fund	9,632	188,198	(133,544)	-	-	64,286
	735,265	580,733	(427,806)	-	-	888,192
Restricted funds						
General Annual Grant (GAG)	680,018	5,247,027	(4,819,305)	(358,198)	-	749,542
Other DfE/EFA grants	103,781	72,996	(33,797)	-	-	142,980
SEN grants	-	137,167	(137,167)	-	-	-
Local Authority and other grants	126,824	-	-	-	-	126,824
Nursery fund	-	71,358	(71,358)	-	-	-
Capital maintenance grants	-	48,600	-	(48,600)	-	-
Capital grants	232,581	22,906	-	-	-	255,487
Other restricted grants and income	16,844	-	-	-	-	16,844
Pupil premium	6,071	190,333	(189,083)	-	-	7,321
Pension reserve	(819,000)	5,000	(69,000)	-	(13,000)	(896,000)
	347,119	5,795,387	(5,319,710)	(406,798)	(13,000)	402,998
Restricted fixed asset funds						
Fixed asset fund	8,216,430	-	(326,510)	406,798	-	8,296,718
Total restricted funds	8,563,549	5,795,387	(5,646,220)	-	(13,000)	8,699,716
Total of funds	9,298,814	6,376,120	(6,074,026)	-	(13,000)	9,587,908

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

General Annual Grant (GAG)
These are expended on the provision of education, including associated support functions, and on the Academy's related community activities.

Other DfE/EFA grants
Other funds provided by the DfE/EFA for particular purposes within the Academy's educational operations.

17. STATEMENT OF FUNDS (continued)

SEN grant
Funds received specifically for use on pupils with special educational needs.

Local Authority and other grants
Funds received from the local authority for specific projects.

Nursery fund
Funds received for use on the community nursery provision.

Capital maintenance grants and capital grants
Funds received from various bodies for the purposes of capital and repairs works.

Other restricted grants and income
Funds generated in relation to other specific grants and income.

Pupil premium
Funds received for the purposes of providing additional support to pupils who receive free school meals.

Pension reserve
Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. This fund is in deficit given the nature of the liability, however this is not payable immediately.

Other unrestricted funds
These are used in support of the Academy's educational and community activities.

Transfers
During the year, fixed asset additions of £406,798 were purchased from the GAG funds and capital maintenance grants. These have been appropriately transferred to the fixed asset fund.

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	735,265	580,733	(427,806)	-	-	888,192
Restricted funds	347,119	5,795,387	(5,319,710)	(406,798)	(13,000)	402,998
Restricted fixed asset funds	8,216,430	-	(326,510)	406,798	-	8,296,718
	9,298,814	6,376,120	(6,074,026)	-	(13,000)	9,587,908

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	8,296,718	8,296,718	8,216,430
Current assets	888,192	1,713,097	-	2,601,289	2,297,194
Creditors due within one year	-	(414,099)	-	(414,099)	(395,810)
Provisions for liabilities and charges	-	(896,000)	-	(896,000)	(819,000)
	888,192	402,998	8,296,718	9,587,908	9,298,814

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	302,094	613,729
Returns on investments and servicing of finance	(16,682)	17,203
Depreciation of tangible fixed assets	326,510	316,441
Capital grants from DfE	(71,506)	(86,772)
Decrease in stocks	-	675
Increase in debtors	(14,592)	(155,708)
Increase in creditors	18,289	225,199
FRS 17 Finance income	(5,000)	(1,000)
FRS 17 Pension costs less contributions payable	69,000	32,000
Net cash inflow from operations	608,113	961,767

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	16,682	(17,203)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(406,798)	(1,206,710)
Capital grants from DfE	71,506	86,772
Net cash outflow capital expenditure	(335,292)	(1,119,938)

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014	Cash flow	Other non-cash changes	31 August 2015
	£	£	£	£
Cash at bank and in hand:	1,950,360	289,503	-	2,239,863
Net funds	1,950,360	289,503	-	2,239,863

22. CAPITAL COMMITMENTS

At 31 August 2015 the Academy had capital commitments as follows:

	2015	2014
	£	£
Contracted for but not provided in these financial statements	-	63,896

23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2010.

Contributions amounting to £66,083 were payable to the scheme at 31 August 2015 (2014 - £63,331) 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 £356,183 (2014: £330,036).

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

23. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £218,000, of which employer's contributions totalled £169,000 and employees' contributions totalled £49,000. The agreed contribution rates for future years are 20.9% for employers and 5.5 - 7.5% for employees.

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

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	**3.80**	**1,425,000**	6.30	1,253,000
Bonds	**3.80**	**247,000**	3.60	214,000
Property	**3.80**	**228,000**	4.50	181,000
Cash	**3.80**	**-**	3.30	-
Total market value of assets		**1,900,000**		1,648,000
Present value of scheme liabilities		**(2,796,000)**		(2,467,000)
(Deficit)/surplus in the scheme		**(896,000)**		(819,000)

The amounts recognised in the balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	**(2,796,000)**	(2,467,000)
Fair value of scheme assets	**1,900,000**	1,648,000
Net liability	**(896,000)**	(819,000)

23. PENSION COMMITMENTS (continued)

The amounts recognised in the statement of financial activities are as follows:

	2015	2014
	£	£
Current service cost	**(238,000)**	(184,000)
Interest on obligation	**(96,000)**	(87,000)
Expected return on scheme assets	**101,000**	88,000
Total	**(233,000)**	(183,000)
Actual return on scheme assets	**42,000**	174,000

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

	2015	2014
	£	£
Opening defined benefit obligation	**2,467,000**	1,787,000
Current service cost	**238,000**	184,000
Interest cost	**96,000**	87,000
Contributions by scheme participants	**49,000**	44,000
Actuarial (Gains)/losses	**(45,000)**	373,000
Benefits paid	**(9,000)**	(8,000)
Closing defined benefit obligation	**2,796,000**	2,467,000

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

	2015	2014
	£	£
Opening fair value of scheme assets	**1,648,000**	1,350,000
Expected return on assets	**101,000**	88,000
Actuarial gains	**(58,000)**	22,000
Contributions by employer	**169,000**	152,000
Contributions by employees	**49,000**	44,000
Benefits paid	**(9,000)**	(8,000)
	1,900,000	1,648,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £493,000 (2014 - £480,000).

The Academy expects to contribute £168,000 to its defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	**3.80 %**	6.30 %
Bonds	**3.80 %**	3.60 %
Property	**3.80 %**	4.50 %
Cash	**3.80 %**	3.30 %

23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	**3.80 %**	3.70 %
Expected return on scheme assets at 31 August	**3.80 %**	5.80 %
Rate of increase in salaries	**4.10 %**	4.00 %
Rate of increase for pensions in payment / inflation	**2.70 %**	2.70 %

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

	2015	2014
Retiring today		
Males	**22.2 years**	22.2 years
Females	**24.4 years**	24.4 years
Retiring in 20 years		
Males	**24.5 years**	24.5 years
Females	**26.8 years**	26.8 years

Sensitivity analysis

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

Change in assumptions at 31 August 2015:	**Approximate % increase in Employers Liability**	**Approximate monetary amount (£)**
0.5% decrease in Real Discount Rate	14%	402,000
1 year increase in member life expectancy	3%	84,000
0.5% increase in the Salary Increase Rate	8%	211,000
0.5% increase in the Pension Increase Rate	6%	177,000

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	**(2,796,000)**	(2,467,000)	(1,787,000)	(1,483,000)	(1,074,000)
Scheme assets	**1,900,000**	1,648,000	1,350,000	1,015,000	769,000
Deficit	**(896,000)**	(819,000)	(437,000)	(468,000)	(305,000)
Experience adjustments on scheme liabilities	**45,000**	(373,000)	(47,000)	(197,000)	(13,000)
Experience adjustments on scheme assets	**(58,000)**	22,000	104,000	27,000	(29,000)

24. OPERATING LEASE COMMITMENTS

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

	2015	2014
	£	£
Expiry date:		
Between 2 and 5 years	**4,914**	4,914

25. RELATED PARTY TRANSACTIONS

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

26. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being would 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.