

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016



POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 8
Governance statement	9 - 11
Statement on regularity, propriety and compliance	12
Statement of Trustees' responsibilities	13
Independent auditors' report on the financial statements	14 - 15
Independent reporting accountant's assurance report on regularity	16 - 17
Statement of financial activities incorporating income and expenditure account	18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21 - 40

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members	Mr F W Baker, Vice Chair Mrs Z Hill, Principal Cornwall College - Mr R Humphreys Mr N Lake, Chair of Trustees Mrs S J Newham, Vice Chair (resigned 1 September 2015)
Trustees	Mr F W Baker, Vice Chair ¹ Mrs C A Bragg Mrs Z Hill, Principal ¹ Mr R Humphreys (resigned 16 September 2016) Mr P Jones, Staff Trustee Mr N Lake, Chair of Trustees ¹ Mr N Hamblin Mrs M A Anson Mrs S A York, Staff Trustee Mrs S J Newham (resigned as Vice Chair 1 September 2015) Mrs A R Burton Mr S W Eathorne Mr C Bramley (appointed 16 September 2016) Mr L Roberts (appointed 16 September 2016) Ms M Venner (appointed 16 September 2016)
	¹ Finance, Resources and Staffing Committee
Company registered number	07525178
Company name	Pool Academy
Principal and Registered office	Pool Academy Church Road Pool Cornwall TR15 3PZ
Company secretary	Mr J Mitchell (resigned 31 March 2016) Mr C Barco (appointed 10 November 2016)
Accounting officer	Mrs Z Hill
Senior Leadership Team	Mrs Z Hill, Principal Miss C Meakin, Vice-Principal Mr J Webb, Assistant Principal Mrs L Neesham, Assistant Principal (appointed 1.9.15) Mr S Walker, Assistant Principal (appointed 1.9.15) Mr P Ryder, Assistant Principal (appointed 1.9.15) Mrs A Ludlow, Assistant Principal (appointed 1.11.15) Mr J Mitchell, Business Manager (resigned 31 March 2016) Mr C Barco, Finance Director (appointed 1 October 2016)

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	National Westminster Bank Plc 11 Fore Street Redruth Cornwall TR15 2BB
Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter EX1 1UP

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 in Camborne, Pool, Redruth area of Cornwall. It has a pupil capacity of 1,050 and had a roll of 805 in the school census on 6 October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Pool Academy are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association:

- up to 10 Trustees who are appointed by Members.
- up to 2 parent Trustees who are elected by parents of registered pupils at the Academy.
- up to 3 staff Trustees appointed by Trustee board.
- additional community Trustees who are appointed by such process as Members may determine.
- the Principal who is treated for all purposes as being an ex officio Governor.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Governors are provided with an Induction pack and all Governors are encouraged to partake of training offered by the Cornwall Governor Network and other providers. Regular in house training is provided to Governors by members of the Academy Senior Leadership Team.

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There is 1 Committee as follows:

-Finance, Resources and Staffing Committee - this meets monthly and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the auditor and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Principal and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Principal and Senior Leadership Team (SLT).

The SLT consists of the Principal, Vice Principal, four Assistant Principals and the Academy Business Manager. The SLT controls 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.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year for fulfilling their duties as a Trustee.

Details of Trustees' remuneration (in respect of their employment with the Academy), expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and increased, if applicable taking account of average earnings, benchmarking against pay levels in other academies of similar size and the Academy's budget.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Pool Academy. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Development Plan which is available from the Academy website. Improvement focuses identified include:

- Narrow the gap between Pupil Premium and non Pupil Premium students
- Improve attendance and persistent absence
- Increase challenge at KS3

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy provides 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 said community.

STRATEGIC REPORT

Achievements and Performance

The Academy is delighted that students achieved better than the national average outcomes. With a high percentage of students exceeding the national average in securing English and Maths GCSE. Boys in particular exceeded the national average in their outcomes for English and Maths A*-C.

It continues to deliver Subject Knowledge Enhancement in Mathematics; up skilling existing teachers to become specialist Maths teachers.

As part of the Principal's role as a National Leader in Education the Academy continues to support a number of schools in the locality, both Primary and Secondary.

The Academy was also delighted that four of its teaching and learning staff were successful in their nominations in the Cornwall Teacher of the Year Awards. One of the Academy's teachers won the 'Outstanding Teacher of the Year' award, another won the 'Outstanding use of Technology' award and another teacher received a 'Lifetime Achievement' award.

One of the Academy's teaching assistants received the 'Teaching Assistant of the Year' award.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £nil GAG funds were carried forward.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 were 805, compared to 867 in 2015. Pupil demographics indicate a decline in numbers for the next year followed by a period of stability at around 925 for a number of years. The future is more positive with a significant increase of numbers entering primary education and housing development in the area.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2016 this was 88.7% (before LGPS valuation adjustments), compared to 89.6% in 2015.

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 Going concern policy.

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 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 which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2016, total expenditure of £6,009,078 was covered by recurrent grant funding from the DfE, together with other incoming resources of £5,732,475. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £56,145.

At 31 August 2016 the net book value of fixed assets was £9,085,459 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2012 at £9,129,218. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 22 to the financial statements.

Reserves Policy

The Trustees 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 Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have set a long-term aspirational objective of free cash reserves at approximately £500,000. The reason for this is to provide sufficient working capital and the headroom to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (unrestricted funds) is £257,639, excluding the net book value of assets funded from unrestricted funds.

The Trustees are cognisant that the predicted decline in pupil numbers over the next few years, based on the numbers of eligible pupils in our catchment area will result in further pressure on unrestricted funds. The Trustees have therefore tasked the Senior Leadership team with delivering this objective. They will aim to achieve this by continuing to explore other income generating schemes, the continual review of cost savings and a drive for more efficient and effective deployment of resources. The Academy's actual performance in terms of the delivery against this objective will be monitored by the Finance, Resources and Staffing Committee.

The defined benefit pension scheme reserve has a negative balance of £2,250,000. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit.

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 95% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - the Academy has appointed Bishop Fleming to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Academy Development Plan, which is available on our

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

website or from the Clerk to the Trustees.

The Academy is a designated teaching school and continues to work with its partners. It is also part of the Regional Maths Hub working to develop numeracy skills and additional to this potential Maths and Physics teachers.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 13-12-16 and signed on the board's behalf by:



**Mr N Lake
Chair of Trustees**

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Pool Academy 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 Pool Academy 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 Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr F W Baker, Vice Chair	4	5
Mrs C A Bragg	3	5
Mrs Z Hill, Principal	5	5
Mr R Humphreys	1	5
Mr P Jones, Staff Trustee	5	5
Mr N Lake, Chair of Trustees	5	5
Mr N Hamblin	3	5
Mrs M A Anson	2	5
Mrs S A York, Staff Trustee	4	5
Mrs S J Newham	4	5
Mrs A R Burton	5	5
Mr S W Eathorne	3	5
Mr C Bramley	0	0
Mr L Roberts	0	0
Ms M Venner	0	0

Governance reviews:

The Trustees review the governance structure of the Academy on an annual basis. Governor visits to the Academy continued during the year to ensure the appropriate level of support and challenge to the Academy leadership. Panels of governors cover the following areas: Achievement and Standards, Behaviour and Safety, Teaching and Learning and Leadership and Management. Termly visits are undertaken observing lessons where appropriate, meeting with both staff and students, inspecting books and liaising with the relevant members of the leadership team. Reports and any recommendations are then made to the full Governing Board.

These panels are in addition to the existing governor involvement in individual needs, health and safety and Pupil Premium.

The Finance, Resources and Staffing Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor the financial performance of the Academy and ensure financial probity. This committee also incorporates the terms of reference of an audit committee.

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr F W Baker	12	14
Mr N Lake	14	14
Mrs Z Hill, Principal	14	14
Mrs C A Bragg	9	14

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Carried out a thorough review of the Senior Leadership team structure of the Academy to ensure effective and efficient management of resources with accountability for delivery and outcomes.
- More effective use of Governor visits to both challenge and support the leadership team in monitoring pupil outcomes and resources expended.
- The Finance Director has developed and revised the format in which financial information is reported to the Finance, Resources and Staffing Committee on a monthly basis to further improve the monitoring of financial performance and aid decision making.

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 Pool Academy for the year 1 September 2015 to 31 August 2016 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of 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 Finance, Resources and Staffing 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;

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

- 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 not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a semi-annual basis, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. In particular, the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchase systems;
- testing of control accounts and bank reconciliations;
- testing of income;
- testing of Fixed Asset purchase/disposal;
- testing of Budgets and financial monitoring;
- regularity testing; and
- testing of strategic and operational reviews.

Two reports have been received covering the full year in which there were no significant issues reported.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- 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 Finance, Resources and Staffing Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13 December 2016 and signed on their behalf, by:



**Mr N Lake
Chair of Trustees**



**Mrs Z Hill
Accounting Officer**

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Pool Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



**Mrs Z Hill
Accounting Officer**

13-12-16 .

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Mr N Lake
Chair of Trustees**

Date: 13-12-16

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF POOL ACADEMY

We have audited the financial statements of Pool Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' 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 and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF POOL
ACADEMY**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN
13 December 2016

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO POOL
ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 30 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pool Academy during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF POOL ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING
ACCOUNTANT**

The accounting officer is responsible, under the requirements of Pool Academy's funding agreement with the Secretary of State for Education dated March 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO POOL
ACADEMY 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

13 December 2016

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	133	14,110	19,255	33,498	175,190
Charitable activities	3	141,727	5,424,346	-	5,566,073	5,482,493
Other trading activities	4	131,609	-	-	131,609	119,439
Investments	5	1,295	-	-	1,295	1,514
TOTAL INCOME		274,764	5,438,456	19,255	5,732,475	5,778,636
EXPENDITURE ON:						
Raising funds		43,280	84,365	-	127,645	84,627
Charitable activities		129,922	5,511,798	239,713	5,881,433	6,066,088
TOTAL EXPENDITURE	6	173,202	5,596,163	239,713	6,009,078	6,150,715
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	101,562 (43,254)	(157,707) 1,508	(220,458) 41,746	(276,603) -	(372,079) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		58,308	(156,199)	(178,712)	(276,603)	(372,079)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(1,005,000)	-	(1,005,000)	41,000
NET MOVEMENT IN FUNDS		58,308	(1,161,199)	(178,712)	(1,281,603)	(331,079)
RECONCILIATION OF FUNDS:						
Total funds brought forward		417,252	(1,065,974)	9,046,247	8,397,525	8,728,604
TOTAL FUNDS CARRIED FORWARD		475,560	(2,227,173)	8,867,535	7,115,922	8,397,525

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07525178

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		9,085,459		9,244,529
CURRENT ASSETS					
Debtors	16	134,249		176,382	
Cash at bank and in hand		396,222		300,736	
		<u>530,471</u>		<u>477,118</u>	
CREDITORS: amounts falling due within one year	17	(250,008)		(185,122)	
NET CURRENT ASSETS			280,463		291,996
TOTAL ASSETS LESS CURRENT LIABILITIES			9,365,922		9,536,525
Defined benefit pension scheme liability	22	(2,250,000)		(1,139,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>7,115,922</u>		<u>8,397,525</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
General funds	18	22,827		73,026	
Fixed asset funds	18	8,867,535		9,046,247	
Restricted income funds excluding pension liability		8,890,362		9,119,273	
Pension reserve		(2,250,000)		(1,139,000)	
Total restricted income funds			6,640,362		7,980,273
Unrestricted income funds	18		475,560		417,252
TOTAL FUNDS			<u>7,115,922</u>		<u>8,397,525</u>

The financial statements were approved by the Trustees, and authorised for issue, on 13-12-16 and are signed on their behalf, by:


Mr N Lake
Chair of Trustees


Mrs Z Hill
Accounting Officer

The notes on pages 21 to 40 form part of these financial statements.

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	152,937	(235,540)
Cash flows from investing activities:			
Interest received		1,295	1,514
Purchase of tangible fixed assets		(78,001)	(183,169)
Capital grants from DfE/EFA		19,255	19,626
Net cash used in investing activities		(57,451)	(162,029)
Change in cash and cash equivalents in the year		95,486	(397,569)
Cash and cash equivalents brought forward		300,736	698,305
Cash and cash equivalents carried forward	21	396,222	300,736

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Pool Academy constitutes a public benefit entity as defined by FRS 102.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in the Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

First time adoption of FRS 102

These financial statements are the first financial statements of Pool Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Pool Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

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 Trustees.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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.

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All resources expended are inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

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

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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:

Long term leasehold land and buildings	-	Over the lease term, with a 50 year maximum on buildings
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% reducing balance
Computer equipment	-	33% straight line

1.7 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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

1. ACCOUNTING POLICIES (continued)

1.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 FINANCIAL INSTRUMENTS

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 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.

1.14 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 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 quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1. ACCOUNTING POLICIES (continued)

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	133	453	-	586	16,006
Capital Grants	-	-	19,255	19,255	19,626
PFI Grants	-	13,657	-	13,657	139,558
	<u>133</u>	<u>14,110</u>	<u>19,255</u>	<u>33,498</u>	<u>175,190</u>
Total donations and capital grants	133	14,110	19,255	33,498	175,190

In 2015, of the total income from donations and capital grants, £14,303 was to unrestricted funds and £142,261 was to restricted funds

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	4,814,604	4,814,604	4,726,680
Pupil Premium	-	269,088	269,088	273,838
Other DfE/EFA grants	-	36,967	36,967	21,500
	<u>-</u>	<u>5,120,659</u>	<u>5,120,659</u>	<u>5,022,018</u>
Other government grants				
Special Education Needs	-	31,422	31,422	39,277
Teaching School grant income	-	40,000	40,000	36,566
Summer School grant income	-	10,500	10,500	21,189
Freestyle grant income	-	-	-	12,000
NLE grant income	-	-	-	41,000
Core Maths and Maths Hub grants	-	97,474	97,474	46,673
	<u>-</u>	<u>179,396</u>	<u>179,396</u>	<u>196,705</u>
Other funding				
Internal catering - pupils	72,391	-	72,391	71,673
Income for hosting trainee teachers	9,300	-	9,300	4,800
Other	60,036	124,291	184,327	187,297
	<u>141,727</u>	<u>124,291</u>	<u>266,018</u>	<u>263,770</u>
	<u>141,727</u>	<u>5,424,346</u>	<u>5,566,073</u>	<u>5,482,493</u>

In 2015, of the total income from charitable activities, £153,119 was to unrestricted funds and £5,329,374 was to restricted funds.

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	74,663	-	74,663	68,211
Catering income	56,904	-	56,904	51,228
Copy Shop	42	-	42	-
	<u>131,609</u>	<u>-</u>	<u>131,609</u>	<u>119,439</u>

In 2015, of the total income from other trading activities, £119,439 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	1,295	-	1,295	1,514
	<u>1,295</u>	<u>-</u>	<u>1,295</u>	<u>1,514</u>

In 2015, of the total investment income, £1,514 was to unrestricted funds and £ NIL was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	-	-	127,645	127,645	84,627
Education:					
Direct costs	3,581,192	161,938	472,195	4,215,325	4,269,730
Support costs	810,816	291,732	563,560	1,666,108	1,774,358
	<u>4,392,008</u>	<u>453,670</u>	<u>1,163,400</u>	<u>6,009,078</u>	<u>6,128,715</u>

In 2016, of the total expenditure, £175,629 (2015: £378,205) was to unrestricted funds and £5,593,736 (2015: £5,750,710) was to restricted funds.

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

7. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	22,880	38,000
Educational supplies	342,166	348,428
Examination fees	75,633	92,104
Staff development	14,814	69,442
Other costs	5,626	27,917
Supply teachers	76,889	122,470
Wages and salaries	2,779,916	2,795,450
National insurance	232,259	204,020
Pension cost	472,628	372,528
Depreciation	192,514	221,371
	<u>4,215,325</u>	<u>4,291,730</u>

8. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	21,120	3,000
Other costs	22,464	9,687
Recruitment and support	70,249	102,401
Maintenance of premises and equipment	166,772	160,684
Cleaning	29,583	31,374
Rent and rates	38,753	44,912
Energy costs	99,202	112,554
Insurance	40,799	32,256
Security and transport	29,432	33,546
Catering	81,052	82,057
Technology costs	29,337	50,104
Office overheads	122,484	115,920
Legal and professional	38,082	74,533
Bank interest and charges	4,683	4,339
Governance	16,723	22,321
Wages and salaries	663,255	652,886
National insurance	34,437	32,690
Pension cost	113,124	158,166
Depreciation	44,557	50,928
	<u>1,666,108</u>	<u>1,774,358</u>

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,443,171	3,448,336
Social security costs	266,696	236,710
Operating costs of defined benefit pension schemes	585,752	530,694
	<u>4,295,619</u>	<u>4,215,740</u>
Supply teacher costs	76,889	122,470
Staff restructuring costs	19,500	-
	<u><u>4,392,008</u></u>	<u><u>4,338,210</u></u>

Staff restructuring costs comprise:

Other restructuring costs	<u>19,500</u>	<u>-</u>
---------------------------	---------------	----------

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

	2016 No.	2015 No.
Teachers	52	57
Administration and support	91	87
Management	7	6
	<u>150</u>	<u>150</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	50	54
Administration and support	66	63
Management	7	5
	<u>123</u>	<u>122</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	0
In the band £80,001 - £90,000	1	1

Contributions to pension schemes in respect of the above staff members during the year were £25,071 (2015: £12,422).

Included in staff restructuring costs are settlement payments totalling £19,500. Individually the payments were: £10,500, £5,000 and £4,000.

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

9. STAFF COSTS (continued)

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by the key management personnel for their services to the academy was £430,243 (2015: £286,499 paid to 4 individuals).

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	<u>237,071</u>	<u>272,299</u>

11. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Academy's auditor and its associates for the audit of the Academy's annual accounts	2,710	2,710
Fees payable to the Academy's auditor and its associates in respect of:		
All other non-audit services not included above	<u>13,985</u>	<u>9,458</u>

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2015: 3) in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: Mrs Z Hill between eighty five thousand and ninety thousand pounds (2015: eighty five thousand and ninety thousand pounds), Mr P Jones between thirty thousand and thirty five thousand pounds (2015: thirty thousand and thirty five thousand pounds) and Mrs S York between fifteen thousand and twenty thousand pounds (2015: ten thousand and fifteen thousand pounds). The value of Trustees' pension contributions in respect of defined benefit schemes made in the year was as follows: Mrs Z Hill between ten thousand and fifteen thousand pounds (2015: ten and fifteen thousand pounds), Mr P Jones between five thousand and ten thousand pounds (2015: five thousand and ten thousand pounds) and Mrs S York between one thousand and five thousand pounds (2015: one thousand and five thousand pounds). This is not representative of the spread of the salary either for teachers or support staff in the school.

During the year ended 31 August 2016, expenses totalling £1,541 (2015: £559) were reimbursed to 4 Trustees (2015: 5).

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £790 (2015: £1,565).

14. OTHER FINANCE INCOME

	2016 £	2015 £
Interest income on pension scheme assets	81,000	69,000
Interest on pension scheme liabilities	(125,000)	(110,000)
	<u>(44,000)</u>	<u>(41,000)</u>

15. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2015	9,953,811	22,886	170,403	276,851	10,423,951
Additions	52,999	-	9,786	15,216	78,001
At 31 August 2016	<u>10,006,810</u>	<u>22,886</u>	<u>180,189</u>	<u>292,067</u>	<u>10,501,952</u>
DEPRECIATION					
At 1 September 2015	824,551	17,120	83,088	254,663	1,179,422
Charge for the year	199,426	1,442	23,342	12,861	237,071
At 31 August 2016	<u>1,023,977</u>	<u>18,562</u>	<u>106,430</u>	<u>267,524</u>	<u>1,416,493</u>
NET BOOK VALUE					
At 31 August 2016	<u>8,982,833</u>	<u>4,324</u>	<u>73,759</u>	<u>24,543</u>	<u>9,085,459</u>
At 31 August 2015	<u>9,129,260</u>	<u>5,766</u>	<u>87,315</u>	<u>22,188</u>	<u>9,244,529</u>

16. DEBTORS

	2016 £	2015 £
Trade debtors	22,960	3,734
VAT	18,105	55,860
Other debtors	-	1,168
Prepayments and accrued income	49,913	72,083
Grants receivable	43,271	43,537
	<u>134,249</u>	<u>176,382</u>

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	54,415	20,416
Other taxation and social security	75,609	72,349
Other creditors	63,883	58,053
Accruals and deferred income	56,101	34,304
	250,008	185,122
	2016	2015
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2015	-	36,566
Amounts released from previous years	-	(36,566)

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	228,101	274,764	(167,879)	(77,347)	-	257,639
Assets purchased from unrestricted funds	189,151	-	(5,323)	34,093	-	217,921
	<u>417,252</u>	<u>274,764</u>	<u>(173,202)</u>	<u>(43,254)</u>	<u>-</u>	<u>475,560</u>
RESTRICTED FUNDS						
General Annual Grant	-	4,814,604	(4,846,580)	31,976	-	-
Pupil Premium	-	269,088	(269,437)	349	-	-
Year 7 Catch Up	22,456	15,000	(24,360)	-	-	13,096
Rates	-	21,967	(21,967)	-	-	-
Summer School	6,436	10,500	(16,351)	(585)	-	-
Other restricted funds	29,070	135,166	(144,564)	(16,811)	-	2,861
Teaching School	18,233	69,000	(63,426)	(17,135)	-	6,672
NLE grant	(1,847)	21,000	(35,004)	17,371	-	1,520
Core Maths and Maths Hub	-	68,474	(68,474)	-	-	-
PFI Maintenance funds	(1,322)	13,657	-	(13,657)	-	(1,322)
Pension reserve	(1,139,000)	-	(106,000)	-	(1,005,000)	(2,250,000)
	<u>(1,065,974)</u>	<u>5,438,456</u>	<u>(5,596,163)</u>	<u>1,508</u>	<u>(1,005,000)</u>	<u>(2,227,173)</u>
RESTRICTED FIXED ASSET FUNDS						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	8,490,059	-	(187,884)	-	-	8,302,175
Fixed assets purchased from GAG and DFC	227,411	19,255	(43,646)	17,118	-	220,138
Fixed assets funded by PFI	328,777	-	(8,183)	24,628	-	345,222
	<u>9,046,247</u>	<u>19,255</u>	<u>(239,713)</u>	<u>41,746</u>	<u>-</u>	<u>8,867,535</u>
Total restricted funds	<u>7,980,273</u>	<u>5,457,711</u>	<u>(5,835,876)</u>	<u>43,254</u>	<u>(1,005,000)</u>	<u>6,640,362</u>
Total of funds	<u>8,397,525</u>	<u>5,732,475</u>	<u>(6,009,078)</u>	<u>-</u>	<u>(1,005,000)</u>	<u>7,115,922</u>

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

18. STATEMENT OF FUNDS (continued)

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

Unrestricted Funds

Assets purchased from unrestricted funds - this fund represents net book value of assets purchased from unrestricted reserves.

Restricted Funds

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - Income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Year 7 Catch-up funding - Income from EFA which is used to support students who have not achieved Level 4 in reading and/or maths at KS2.

Rates Funding - Income received from EFA towards rates costs.

Summer School - Income from the Cornwall Council which is used for the delivery of extracurricular courses.

Other restricted funds - This represents general donations, parental contributions, other curriculum income and small grants received to be used for the normal running of the Academy, including education and support costs.

Teaching School grant - Income received for covering start up costs associated with the Teaching School, the aim is for this activity to become self-funding.

Core Math and Maths Hub - this fund represents income received from NCTL, supporting mathematics to improve attainment, progress & participation in mathematics through high quality teaching, learning & leadership. Pool Academy is a strategic partner of the Cornwall and West Devon Maths Hub, led by Truro and Penwith College, part of the national network of Maths Hubs that work together in the national Maths Hub programme.

NLE grant - Income from the NCTL for school to school support.

Pension Reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed Asset Funds

Fixed Assets Transferred on Conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed Assets Purchased from GAG and other funds - This represents funds transferred from the GAG, other restricted to purchase fixed assets.

Devolved Formula Capital - Income received from EFA for capital projects.

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

18. STATEMENT OF FUNDS (continued)

During the year, transfers totalling £17,118 were made from GAG to restricted fixed assets and £31,976 has been transferred from unrestricted funds to cover GAG expenditure. A transfer of £17,135 was also made from the Teaching School fund to the Core Maths and Maths Hub fund to correct the missallocation of costs between the two funds in the prior year.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	217,924	-	8,867,535	9,085,459	9,244,529
Current assets	507,644	22,827	-	530,471	477,118
Creditors due within one year	(250,008)	-	-	(250,008)	(185,122)
Pension scheme liability	-	(2,250,000)	-	(2,250,000)	(1,139,000)
	<u>475,560</u>	<u>(2,227,173)</u>	<u>8,867,535</u>	<u>7,115,922</u>	<u>8,397,525</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(276,603)	(372,079)
Adjustment for:		
Depreciation charges	237,071	272,299
Interest received	(1,295)	(1,514)
Decrease in debtors	42,133	179,519
Increase/(decrease) in creditors	64,886	(412,139)
Capital grants from DfE and other capital income	(19,255)	(19,626)
Defined benefit pension scheme cost less contributions payable	62,000	77,000
Defined benefit pension scheme finance cost	44,000	41,000
Net cash provided by/(used in) operating activities	<u>152,937</u>	<u>(235,540)</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	396,222	300,736
Total	<u>396,222</u>	<u>300,736</u>

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

22. 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 Cornwall Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £63,802 were payable to the schemes at 31 August 2016 (2015: 58,053) 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £354,482 (2015: £492,319).

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

22. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £220,000 (2015: £218,000), of which employer's contributions totalled £169,000 (2015: £166,000) and employees' contributions totalled £51,000 (2015: £52,000). The agreed contribution rates for future years are 16.9% for employers and between a range of 5.5% and 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Expected return on scheme assets at 31 August	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.2 years	22.2 years
Females	24.4 years	24.4 years
Retiring in 20 years		
Males	24.4 years	24.4 years
Females	26.8 years	26.8 years

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,174,000	831,000
Bonds	1,051,000	1,013,000
Property	171,000	142,000
Cash	49,000	40,000
Total market value of assets	<u>2,445,000</u>	<u>2,026,000</u>

The actual return on scheme assets was £81,000 (2015: £69,000).

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

22. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(231,000)	(243,000)
Net interest cost	(44,000)	(41,000)
Total	<u>(275,000)</u>	<u>(284,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	3,165,000	2,852,000
Current service cost	231,000	243,000
Interest cost	125,000	110,000
Contributions by employees	51,000	52,000
Actuarial losses/(gains)	1,148,000	(49,000)
Exchange differences on foreign schemes	(25,000)	(43,000)
Closing defined benefit obligation	<u>4,695,000</u>	<u>3,165,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	2,026,000	1,790,000
Return on plan assets (excluding net interest on the net defined pension liability)	81,000	69,000
Actuarial gains and (losses)	143,000	(8,000)
Contributions by employer	169,000	166,000
Contributions by employees	51,000	52,000
Benefits paid	(25,000)	(43,000)
Closing fair value of scheme assets	<u>2,445,000</u>	<u>2,026,000</u>

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	82,488	102,034
Between 1 and 5 years	173,282	102,291
Total	255,770	204,325

24. MEMBERS' LIABILITY

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

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 it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have 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.

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

POOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

26. FIRST TIME ADOPTION OF FRS 102

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		8,728,604	8,397,525
Total funds reported under FRS 102		<u>8,728,604</u>	<u>8,397,525</u>

Reconciliation of net (expenditure)	Notes	31 August 2015 £
Net (expenditure) previously reported under UK GAAP		(350,079)
Change in recognition of LGPS interest cost	A	(22,000)
Net movement in funds reported under FRS 102		<u>(372,079)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in income/expense. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £22,000 and increase the debit/credit in other recognised gains and losses in the SoFA by an equivalent amount.
---	--