

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**



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

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**POOL ACADEMY  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Members** Mrs J Gill, Vice Chair (resigned 1 September 2014)  
Mrs Z Hill, Principal  
Mr M Moyle, Chair of Trustees (resigned 30 June 2014)  
Cornwall College  
Mr N Lake, Chair of Trustees (appointed 25 September 2014)  
Mrs S J Newham, Vice Chair (appointed 25 September 2014)

**Trustees** Mr F W Baker<sup>1</sup>  
Mrs C A Bragg (appointed 25 September 2014)  
Mrs J Gill, Vice Chair (resigned 1 September 2014)<sup>1</sup>  
Mrs Z Hill, Principal<sup>1</sup>  
Mr R Humphreys  
Mr P Jones, Staff Trustee  
Mr N Lake, Chair of Trustees<sup>1</sup>  
Mr M Moyle, Chair of Trustees (resigned 30 June 2014)<sup>1</sup>  
Mrs M J Thomas  
Miss G Tonkin (resigned 1 September 2014)  
Mr N Hamblin  
Mrs M A Anson (appointed 27 March 2014)  
Mrs S A York (appointed 6 November 2013)  
Mrs S J Newham, Vice Chair (appointed 6 November 2013)

<sup>1</sup> Finance, Resources and Staffing Committee

**Company registered  
number** 07525178

**Principal and Registered  
office** Pool Academy  
Church Road  
Pool  
Cornwall  
TR15 3PZ

**Company secretary** Mr J Mitchell

**Accounting officer** Mrs Z Hill

**Senior Leadership Team** Mrs Z Hill, Principal  
Mr A Myers, Senior Vice-Principal (until 31 August 2014)  
Mr C Challis, Vice-Principal  
Miss C Meakin, Vice-Principal  
Mr J Webb, Assistant Principal  
Mr J Mitchell, Business Manager

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
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**Administrative details (continued)**

<b>Bankers</b>	Natwest 11 Fore Street Redruth Cornwall TR15 2BB
<b>Solicitors</b>	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 2014**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. 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. It has a pupil capacity of 1,050 and had a roll of 907 in the school census on 1 September 2014.

**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 cease 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 and funding

- 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 Management Team.

**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

**POOL ACADEMY  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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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 comprises the Principal, 3 Deputy Principals, 1 Assistant Principal and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Senior Leadership Team (SLT) consists of the Principal, Deputy Principal, four Assistant Principals, the ICT Technical Coordinator, the Extended Services Coordinator 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.

**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.

**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:

- At least 3 Levels of Progress of all groups of students
- Narrow the gap between the outcomes of boys and girls
- Narrow the gap between Pupil Premium and non-Pupil Premium students
- Improve persistent absence statistics
- Offer a personalised curriculum to suit the needs of all learners
- Maintain pupil numbers against a background of a falling demographic
- Refurbishment of outdated science laboratories and student toilets.

**POOL ACADEMY  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 enjoyed excellent exam results with 90% of its students achieving English A\*-C and 70% Mathematics A\*-C. There were similar levels of success in other departments with ICT, Business, Music and PE all achieving 100% pass rates.

Three of the oldest science laboratories in the Academy were completely refurbished in June and July 2014 creating much improved learning environments that are proving a great success with students.

Pool Academy played a key role in the County Armed Forces Day which was held this year at Heartlands with students performing music and drama on the main stage and creating 'Urban Art' recognising the role and sacrifice of the Armed Forces on the day.

The forecast reduction in pupil numbers meant that redundancies were required to be made. Every effort was made to re-deploy staff where possible and in many cases this was achieved but unfortunately a very small number of staff left at the end of the year.

The in-house catering provision worked extremely well with sales targets being comprehensively beaten.

Other highlights for the year included the Academy Geography Leaders winning a Pirate FM Local Hero Award for their environmental work, there have been many individual sporting successes with awards being won at County, National and International levels.

**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, no GAG funds were carried forward.

As funding is based on pupil numbers this is also a key performance indicator. The funded pupil numbers for 2014 were 911, compared to 957 in 2013. 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 on the area.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2014 this was 84.2% (before restructuring costs), compared to 79.04% in 2013.

**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.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 2013 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 and 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 2014, total expenditure of £6,400,190 was covered by recurrent grant funding from the DfE, together with other incoming resources of £6,085,672. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £31,201.

At 31 August 2014 the net book value of fixed assets was £9,333,659 and movements in tangible fixed assets are shown in note 19 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 27 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending.

**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 determined that the appropriate level of free cash reserves should be approximately £500,000. The reason for this is to provide sufficient working capital to cover delays to provide a cushion to deal with unexpected emergencies such as urgent maintenance and capital work. The Academy's current level of free reserves (unrestricted funds) is £386,277, of this £32,616 relates to income generated by Teaching School activities.

The defined benefit pension scheme reserve has a negative balance of £1,062,000. 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.

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



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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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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 was 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 dependant 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 on 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 Academy 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 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.

Following the notification of a successful capital funding bid, the Academy will commence construction of its new sixth form centre in the coming year. The Board of Trustees plans to utilise the majority of existing reserves and any surplus from 2014/15 towards this project. The project is due for completion in July 2015.

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 11 December 2014 and signed on the board's behalf by:



**Mr N Lake  
Chair of Trustees**

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

**GOVERNANCE STATEMENT**

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**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 Trustees' responsibilities statement. 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	2	4
Mrs C A Bragg	0	0
Mrs J Gill, Vice Chair	5	5
Mrs Z Hill, Principal	5	5
Mr R Humphreys	4	5
Mr P Jones, Staff Trustee	3	4
Mr N Lake, Chair of Trustees	5	5
Mr M Moyle, Chair of Trustees	1	3
Mrs M J Thomas	3	4
Miss G Tonkin	3	4
Mr N Hamblin	4	4
Mrs M A Anson	4	4
Mrs S A York	3	3
Mrs S J Newham, Vice Chair	2	3

Mr M Moyle resigned as chair due to ill-health on 30 June 2014.  
Mrs J Gill (vice chair) acted as chair of Trustees during the year.  
Mr N Lake took over as chair of Trustees on 25 September 2014.  
Mrs J Gill resigned as a Trustees on 1 September 2014.  
Mrs S J Newham took over as vice chair on 25 September 2014.

**Governance reviews:**

The Directors will review the governance structure of the Academy on an annual basis. The next review will be undertaken in September 2015.

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  
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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Moyle	0	11
Mrs J Gill	11	12
Mr F W Baker	11	12
Mr N Lake	12	12
Mrs Z Hill, Principal	10	12
Mr J Mitchell, Business Manager	12	12

**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 2013 to 31 August 2014 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 2013 to 31 August 2014 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;
- 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.

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

**GOVERNANCE STATEMENT (continued)**

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**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:

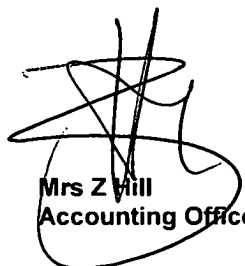
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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 11 December 2014 and signed on its behalf, by:



**Mr N Lake  
Chair of Trustees**



**Mrs Z Hill  
Accounting Officer**

**POOL ACADEMY  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Pool Academy 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.

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.

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**

Date: 11 December 2014

**POOL ACADEMY  
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**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

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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 Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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;
- 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.

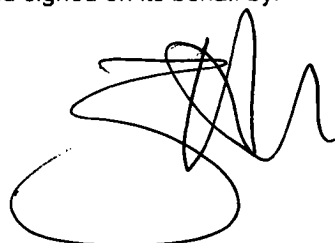
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been 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: 11 December 2014**

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POOL ACADEMY**

We have audited the financial statements of Pool Academy for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 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 Trustees' responsibilities statement, 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 2014 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 2013 to 2014 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 TO THE MEMBERS OF POOL ACADEMY**

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**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

Date: 19/12/2014

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

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

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In accordance with the terms of our engagement letter dated 2 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 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)**

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**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 2013 to 31 August 2014 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

Date: 19 / 12 / 2014

**POOL ACADEMY**  
**(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 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	241	145,583	-	145,824	109,774
Activities for generating funds	3,4	93,341	-	-	93,341	227,993
Investment income	5	2,138	-	-	2,138	2,424
Incoming resources from charitable activities	6	225,969	5,587,414	30,986	5,844,369	5,641,898
<b>TOTAL INCOMING RESOURCES</b>		<b>321,689</b>	<b>5,732,997</b>	<b>30,986</b>	<b>6,085,672</b>	<b>5,982,089</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Fundraising expenses and other costs	4	121,540	-	-	121,540	118,483
Charitable activities		107,687	5,835,034	314,303	6,257,024	5,905,608
Governance costs	8	-	21,626	-	21,626	21,491
<b>TOTAL RESOURCES EXPENDED</b>	11	<b>229,227</b>	<b>5,856,660</b>	<b>314,303</b>	<b>6,400,190</b>	<b>6,045,582</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>92,462</b>	<b>(123,663)</b>	<b>(283,317)</b>	<b>(314,518)</b>	<b>(63,493)</b>
Transfers between funds	22	(28,730)	(90,333)	119,063	-	-
<b>NET EXPENDITURE FOR THE YEAR</b>		<b>63,732</b>	<b>(213,996)</b>	<b>(164,254)</b>	<b>(314,518)</b>	<b>(63,493)</b>
Actuarial gains and losses		-	(541,000)	-	(541,000)	35,000
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>63,732</b>	<b>(754,996)</b>	<b>(164,254)</b>	<b>(855,518)</b>	<b>(28,493)</b>
Total funds at 1 September		512,280	(236,336)	9,308,178	9,584,122	9,612,615
<b>TOTAL FUNDS AT 31 AUGUST</b>		<b>576,012</b>	<b>(991,332)</b>	<b>9,143,924</b>	<b>8,728,604</b>	<b>9,584,122</b>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 42 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	19		9,333,659		9,308,178
<b>CURRENT ASSETS</b>					
Debtors	20	355,901		188,725	
Cash at bank and in hand		698,305		817,986	
		<u>1,054,206</u>		<u>1,006,711</u>	
<b>CREDITORS:</b> amounts falling due within one year	21	(597,261)		(272,767)	
<b>NET CURRENT ASSETS</b>			<u>456,945</u>		<u>733,944</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>9,790,604</u>		<u>10,042,122</u>
Defined benefit pension scheme liability	27		(1,062,000)		(458,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>8,728,604</u></u>		<u><u>9,584,122</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
General funds	22	70,668		221,664	
Fixed asset funds	22	9,143,924		9,308,178	
		<u>9,214,592</u>		<u>9,529,842</u>	
Restricted funds excluding pension liability					
Pension reserve		(1,062,000)		(458,000)	
		<u></u>		<u></u>	
Total restricted funds			8,152,592		9,071,842
Unrestricted funds	22		576,012		512,280
<b>TOTAL FUNDS</b>			<u><u>8,728,604</u></u>		<u><u>9,584,122</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 11 December 2014 and are signed on their behalf, by:



**Mr N Lake**  
**Chair of Trustees**

**Mrs Z Hill**  
**Accounting Officer**



The notes on pages 21 to 42 form part of these financial statements.

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

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	<b>Note</b>	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Net cash flow from operating activities	24	<b>190,850</b>	151,704
Returns on investments and servicing of finance	25	<b>2,138</b>	2,424
Capital expenditure and financial investment	25	<b>(312,669)</b>	(243,212)
<b>DECREASE IN CASH IN THE YEAR</b>		<b>(119,681)</b>	<b>(89,084)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Decrease in cash in the year	<b>(119,681)</b>	(89,084)
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>(119,681)</b>	<b>(89,084)</b>
Net funds at 1 September 2013	<b>817,986</b>	907,070
<b>NET FUNDS AT 31 AUGUST 2014</b>	<b>698,305</b>	<b>817,986</b>

The notes on pages 21 to 42 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 2013 to 2014 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 Trustees.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**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.

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

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

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 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 Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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:

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 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**1. ACCOUNTING POLICIES (continued)**

**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 27, 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. VOLUNTARY INCOME**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
Donations	241	6,025	6,266	8,183
Grants	-	139,558	139,558	101,591
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	<b>241</b>	<b>145,583</b>	<b>145,824</b>	<b>109,774</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings	58,768	-	58,768	70,506
Catering income	34,573	-	34,573	-
Teaching School	-	-	-	157,487
	<u>93,341</u>	<u>-</u>	<u>93,341</u>	<u>227,993</u>

**4. COSTS OF GENERATING FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>ACTIVITIES FOR GENERATING FUNDS</b>				
Lettings expenses	11,405	-	11,405	8,047
Catering expenses	27,813	-	27,813	-
Teaching School expenditure	82,322	-	82,322	70,821
Teaching School wages and salaries	-	-	-	39,615
	<u>121,540</u>	<u>-</u>	<u>121,540</u>	<u>118,483</u>
Total costs of generating funds	<u>(121,540)</u>	<u>-</u>	<u>(121,540)</u>	<u>(118,483)</u>

**5. INVESTMENT INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest	2,138	-	2,138	2,424

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>DfE/EFA grants</b>				
Capital Grants	-	30,986	30,986	27,844
General Annual Grant	-	4,970,870	4,970,870	4,767,765
Pupil Premium	-	258,744	258,744	236,728
Other DfE/EFA grants	-	12,500	12,500	-
	-	5,273,100	5,273,100	5,032,337
<b>Other Government grants</b>				
Special Educational Needs	-	54,762	54,762	177,763
Teaching School grant income	-	40,000	40,000	117,451
Summer School grant income	-	14,961	14,961	23,500
Freestyle grant income	-	66,365	66,365	-
NLE grant income	-	1,000	1,000	26,000
	-	177,088	177,088	344,714
<b>Other Academy income</b>				
Internal catering - pupils	68,242	-	68,242	-
Income for hosting trainee teachers	-	8,041	8,041	21,291
Other	157,727	160,171	317,898	243,556
	225,969	168,212	394,181	264,847
	225,969	5,618,400	5,844,369	5,641,898

**7. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Education	107,687	6,149,337	6,257,024	5,905,608

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**8. GOVERNANCE COSTS**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
Auditors' remuneration	-	2,705	2,705	2,575
Auditors' non audit costs	-	9,938	9,938	8,768
Legal and Professional	-	677	677	2,563
Other costs	-	8,306	8,306	7,585
	<u>-</u>	<u>21,626</u>	<u>21,626</u>	<u>21,491</u>

**9. DIRECT COSTS**

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
Pension finance costs	6,000	4,900
Educational supplies	419,004	471,476
Examination fees	65,658	64,417
Staff development	27,192	44,033
Other costs	57,113	17,627
Supply teachers	83,895	38,523
Wages and salaries	2,909,998	2,844,347
National insurance	202,846	200,690
Pension cost	370,456	373,206
Depreciation	261,461	166,363
	<u>4,403,623</u>	<u>4,225,582</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**10. SUPPORT COSTS**

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
Pension finance costs	1,000	5,100
Other costs	14,601	14,337
Recruitment and other staff costs	105,830	140,254
Maintenance of premises and equipment	273,197	254,992
Cleaning	29,654	25,460
Rent and rates	53,410	59,960
Heat and light	118,107	94,934
Insurance	78,797	90,478
Security and transport	29,489	31,372
Catering	81,279	68,821
Technology costs	53,917	35,807
Office overheads	110,398	88,282
Legal and professional	51,449	70,255
Bank interest and charges	3,879	2,930
Wages and salaries	642,006	479,183
National insurance	32,237	32,012
Pension cost	117,437	78,662
Depreciation	56,714	107,187
	<b>1,853,401</b>	<b>1,680,026</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**11. RESOURCES EXPENDED**

	Staff costs	Premises	Non Pay Expenditure Other	Total	Total
	2014	2014	2014	2014	2013
	£	£	£	£	£
Costs for generating voluntary income	-	9,672	111,868	121,540	118,483
<b>COSTS OF GENERATING FUNDS</b>	<b>-</b>	<b>9,672</b>	<b>111,868</b>	<b>121,540</b>	<b>118,483</b>
Education	3,567,195	170,591	665,837	4,403,623	4,225,582
Support costs - Education	812,680	466,783	573,938	1,853,401	1,680,026
<b>CHARITABLE ACTIVITIES</b>	<b>4,379,875</b>	<b>637,374</b>	<b>1,239,775</b>	<b>6,257,024</b>	<b>5,905,608</b>
<b>GOVERNANCE</b>	<b>-</b>	<b>-</b>	<b>21,626</b>	<b>21,626</b>	<b>21,491</b>
	<b>4,379,875</b>	<b>647,046</b>	<b>1,373,269</b>	<b>6,400,190</b>	<b>6,045,582</b>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Ex-gratia payments	5,000	5,000	Settlement payment
Ex-gratia payments	21,000	20,000	Settlement payment

**12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Education	4,403,623	1,853,401	6,257,024	5,905,608

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**13. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the charity	<u>318,174</u>	<u>273,550</u>

**14. AUDITORS' REMUNERATION**

	2014 £	2013 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	2,705	2,500
Fees payable to the academy's auditor and its associates in respect of: All other non-audit services not included above	<u>9,938</u>	<u>8,768</u>

**15. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	3,463,914	3,355,795
Social security costs	235,083	232,702
Pension costs	487,893	459,218
	<u>4,186,890</u>	<u>4,047,715</u>
Supply teacher costs	83,895	38,523
Severance costs	88,090	-
Other costs	21,000	30,000
	<u>4,379,875</u>	<u>4,116,238</u>

**b. Staff severance payments**

Included in severance costs is a non-contractual payment of £5,000, other costs relate to a non-contractual payment of £20,000 plus legal fees.



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**15. STAFF (continued)**

**c. Staff numbers**

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

	<b>2014</b>	2013
	<b>No.</b>	No.
Teachers	<b>55</b>	52
Administration and support	<b>82</b>	74
Management	<b>6</b>	5
	<hr/> <b>143</b> <hr/>	<hr/> 131 <hr/>

**d. Higher paid staff**

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

	<b>2014</b>	2013
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>1</b>	0
In the band £70,001 - £80,000	<b>0</b>	1
In the band £80,001 - £90,000	<b>1</b>	0
	<hr/> <b>2</b> <hr/>	<hr/> 1 <hr/>

Contributions to pension schemes in respect of the above staff members during the year were £20,229 (2013: £11,040).

**16. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 2 Trustees (2013: 3) in respect of defined benefit pension schemes.

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' salaries was as follows: Mrs Z Hill between eighty thousand and eighty five thousand pounds, Mr P Jones between thirty thousand and thirty five thousand pounds and Mrs S York between 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, Mr P Jones between five thousand and ten thousand pounds and Mrs S York between 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 2014, expenses totalling £43 (2013: £1,140) were reimbursed to 1 Trustee (2013: 1).

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**17. 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 2014 was £1,563 (2013: £1,400). The cost of this insurance is included in the total insurance cost.

**18. OTHER FINANCE INCOME**

	2014 £	2013 £
Expected return on pension scheme assets	89,000	61,000
Interest on pension scheme liabilities	(96,000)	(71,000)
	<u>(7,000)</u>	<u>(10,000)</u>

**19. TANGIBLE FIXED ASSETS**

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2013	9,516,919	22,886	110,593	246,729	9,897,127
Additions	297,143	-	32,886	13,626	343,655
At 31 August 2014	<u>9,814,062</u>	<u>22,886</u>	<u>143,479</u>	<u>260,355</u>	<u>10,240,782</u>
<b>DEPRECIATION</b>					
At 1 September 2013	417,058	11,354	34,577	125,960	588,949
Charge for the year	207,594	2,883	21,780	85,917	318,174
At 31 August 2014	<u>624,652</u>	<u>14,237</u>	<u>56,357</u>	<u>211,877</u>	<u>907,123</u>
<b>NET BOOK VALUE</b>					
At 31 August 2014	<u>9,189,410</u>	<u>8,649</u>	<u>87,122</u>	<u>48,478</u>	<u>9,333,659</u>
At 31 August 2013	<u>9,099,861</u>	<u>11,532</u>	<u>76,016</u>	<u>120,769</u>	<u>9,308,178</u>

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**20. DEBTORS**

	2014 £	2013 £
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Other debtors	-	7,000
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	21,594	15,805
VAT	113,830	46,957
Other debtors	752	650
Prepayments and accrued income	113,515	78,013
Grants Receivable	106,210	40,300
	<u>355,901</u>	<u>188,725</u>

**21. CREDITORS:**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade creditors	239,982	108,769
Other taxation and social security	68,771	72,727
Other creditors	63,447	56,583
Accruals and deferred income	225,061	34,688
	<u>597,261</u>	<u>272,767</u>

	£
<b>DEFERRED INCOME</b>	
Deferred income at 1 September 2013	10,988
Resources deferred during the year	36,566
Amounts released from previous years	(10,988)
Deferred income at 31 August 2014	<u>36,566</u>

Deferred income refers to grants received in one period that relate to the subsequent period. At the balance sheet date the Academy held funds received in advance relating to the Teaching School totalling £36,566.

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**22. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	459,830	321,689	(205,521)	(222,337)	-	353,661
Teaching School funds	52,450	-	(19,834)	-	-	32,616
Assets purchased	-	-	(3,872)	193,607	-	189,735
	<u>512,280</u>	<u>321,689</u>	<u>(229,227)</u>	<u>(28,730)</u>	<u>-</u>	<u>576,012</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	-	4,970,871	(4,984,074)	13,203	-	-
Pupil Premium	-	258,744	(258,744)	-	-	-
Year 7 Catch up grant	-	12,500	(4,937)	-	-	7,563
Special needs funding	-	54,762	(54,762)	-	-	-
Donations	-	6,025	(6,025)	-	-	-
ITT income	-	8,041	(8,041)	-	-	-
Freestyle grant	-	66,365	(66,365)	-	-	-
Parental contributions	-	116,016	(116,016)	-	-	-
Other curriculum income	-	29,423	(29,423)	-	-	-
Cluster fund	26,145	3,570	(4,319)	-	-	25,396
Private fund	8,082	4,637	(1,329)	-	-	11,390
Other restricted	27,859	135	(10,349)	-	-	17,645
Teaching School grant fund	35,761	46,389	(67,432)	-	-	14,718
NLE grant	-	1,000	(5,958)	-	-	(4,958)
Summer school	18,783	14,961	(33,508)	-	-	236
PFI Maintenance funds	105,034	139,558	(142,378)	(103,536)	-	(1,322)
Pension reserve	(458,000)	-	(63,000)	-	(541,000)	(1,062,000)
	<u>(236,336)</u>	<u>5,732,997</u>	<u>(5,856,660)</u>	<u>(90,333)</u>	<u>(541,000)</u>	<u>(991,332)</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. STATEMENT OF FUNDS (continued)**

**RESTRICTED FIXED ASSET FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	8,898,636	-	(214,067)	-	-	8,684,569
Fixed assets purchased from GAG and other funds	265,335	-	(53,939)	15,527	-	226,923
Fixed assets funded by PFI	100,620	-	(4,523)	103,536	-	199,633
Fixed assets purchased from DFC Capital grants	43,587	30,986	(41,774)	-	-	32,799
	<u>9,308,178</u>	<u>30,986</u>	<u>(314,303)</u>	<u>119,063</u>	<u>-</u>	<u>9,143,924</u>
Total restricted funds	<u>9,071,842</u>	<u>5,763,983</u>	<u>(6,170,963)</u>	<u>28,730</u>	<u>(541,000)</u>	<u>8,152,592</u>
Total of funds	<u>9,584,122</u>	<u>6,085,672</u>	<u>(6,400,190)</u>	<u>-</u>	<u>(541,000)</u>	<u>8,728,604</u>

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

**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.

Special Needs Funding - Income received by the Local Authority to fund further support for students with additional needs.

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.

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.

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 represent the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

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**22. STATEMENT OF FUNDS (continued)**

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.

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 2014.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	512,280	321,689	(229,227)	(28,730)	-	576,012
Restricted funds	(236,336)	5,732,997	(5,856,660)	(90,333)	(541,000)	(991,332)
Restricted fixed asset funds	9,308,178	30,986	(314,303)	119,063	-	9,143,924
	<u>9,584,122</u>	<u>6,085,672</u>	<u>(6,400,190)</u>	<u>-</u>	<u>(541,000)</u>	<u>8,728,604</u>

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	189,735	-	9,143,924	9,333,659	9,308,178
Debtors due after more than one year	-	-	-	-	7,000
Current assets	977,258	76,948	-	1,054,206	999,711
Creditors due within one year	(590,981)	(6,280)	-	(597,261)	(272,767)
Pension scheme liability	-	(1,062,000)	-	(1,062,000)	(458,000)
	<u>576,012</u>	<u>(991,332)</u>	<u>9,143,924</u>	<u>8,728,604</u>	<u>9,584,122</u>

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**24. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Net (outgoing) / incoming resources before revaluations	(314,518)	(63,493)
Returns on investments and servicing of finance	(2,138)	(2,424)
Depreciation of tangible fixed assets	318,174	273,550
Capital grants from DfE	(30,986)	-
Decrease in stocks	-	1,768
Increase in debtors	(127,376)	(64,804)
Increase/(decrease) in creditors	284,694	(30,893)
Defined benefit pension scheme adjustments	63,000	38,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<b>190,850</b>	<b>151,704</b>

**25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	2,138	2,424
	2014 £	2013 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(343,655)	(243,212)
Capital grants from DfE	30,986	-
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>(312,669)</b>	<b>(243,212)</b>

**26. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2013 £	Cash flow £	31 August 2014 £
Cash at bank and in hand:	817,986	(119,681)	698,305
<b>NET FUNDS</b>	<b>817,986</b>	<b>(119,681)</b>	<b>698,305</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**27. 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 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 2004 and of the LGPS 31 March 2013.

Contributions amounting to £63,447 were payable to the schemes at 31 August 2014 (2013: 56,583) 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.



**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. PENSION COMMITMENTS (continued)**

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and 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 2014 was £186,000, of which employer's contributions totalled £138,000 and employees' contributions totalled £48,000. The agreed contribution rates for future years are 17.1% 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.

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**27. PENSION COMMITMENTS (continued)**

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(2,852,000)	(1,973,000)
Fair value of scheme assets	1,790,000	1,515,000
Net liability	<u>(1,062,000)</u>	<u>(458,000)</u>

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

	2014 £	2013 £
Current service cost	(200,000)	(166,000)
Interest on obligation	(96,000)	(71,000)
Expected return on scheme assets	89,000	61,000
Total	<u>(207,000)</u>	<u>(176,000)</u>

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

	2014 £	2013 £
Opening defined benefit obligation	1,973,000	1,639,000
Current service cost	200,000	166,000
Interest cost	96,000	71,000
Contributions by scheme participants	53,000	48,000
Actuarial Losses	557,000	49,000
Benefits paid	(27,000)	-
Closing defined benefit obligation	<u>2,852,000</u>	<u>1,973,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	1,515,000	1,184,000
Expected return on assets	89,000	61,000
Actuarial gains and (losses)	16,000	84,000
Contributions by employer	144,000	138,000
Contributions by employees	53,000	48,000
Benefits paid	(27,000)	-
	<u>1,790,000</u>	<u>1,515,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £541,000 (2013: £35,000 gain).

The academy expects to contribute £194,000 to its Defined benefit pension scheme in 2015.

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**27. PENSION COMMITMENTS (continued)**

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

	<b>2014</b>	<b>2013</b>
Equities	<b>53.00 %</b>	63.00 %
Bonds	<b>40.00 %</b>	25.00 %
Property	<b>6.00 %</b>	5.00 %
Cash	<b>1.00 %</b>	7.00 %

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

	<b>2014</b>	<b>2013</b>
Discount rate for scheme liabilities	<b>3.70 %</b>	4.60 %
Expected return on scheme assets at 31 August	<b>4.80 %</b>	5.60 %
Rate of increase in salaries	<b>4.50 %</b>	5.10 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	2.80 %

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

	<b>2014</b>	<b>2013</b>
Retiring today		
Males	<b>22.2 years</b>	21.3 years
Females	<b>24.4 years</b>	23.4 years
Retiring in 20 years		
Males	<b>24.4 years</b>	23.2 years
Females	<b>26.8 years</b>	25.6 years

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

Defined benefit pension schemes

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Defined benefit obligation	<b>(2,852,000)</b>	(1,973,000)	(1,639,000)	(1,163,000)
Scheme assets	<b>1,790,000</b>	1,515,000	1,184,000	919,000
Deficit	<b>(1,062,000)</b>	(458,000)	(455,000)	(244,000)
Experience adjustments on scheme liabilities	<b>(557,000)</b>	(49,000)	(222,000)	74,000
Experience adjustments on scheme assets	<b>16,000</b>	84,000	12,000	(68,000)

Pension scheme deficit - 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 with an additional annual contribution of £12,500.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. OPERATING LEASE COMMITMENTS**

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>EXPIRY DATE:</b>		
Within 1 year	<b>47,512</b>	1,300
Between 2 and 5 years	<b>93,258</b>	94,703

**29. 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.