

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

 **Bishop Fleming**
Chartered Accountants

MONDAY



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**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

Members and Trustees S Rowe, Principal^{1,3,4,5}
M Rogers (resigned 4 July 2014)^{1,3,4,5,6}
R Hales, Chair^{3,4,5,6}
S Sage^{2,3,5}
Rev A Schuman (resigned 31 August 2014)^{2,3}
P Black³
N Beaumont^{2,3,5}
Dr R Bryce (resigned 31 August 2014)³
N Arora^{3,4}
L Craig^{3,5}
S Geen^{1,3}
P French^{3,5}
M Stratford (resigned 11 July 2014)^{1,3,4,6}
C McCormack (resigned 17 February 2014)^{3,4}
A Venn (resigned 21 October 2013)^{1,3,5}
O Feeley, Vice Chair (appointed 21 October 2013)^{1,3,5}
R Healey (appointed 2 September 2013, resigned 21 October 2013)³
J Stevens (appointed 25 November 2013)^{1,3}
K Brockett (appointed 21 October 2013, resigned 31 August 2014)^{3,5}

- ¹ Finance Committee
- ² Pastoral Committee
- ³ Curriculum and Standards Committee
- ⁴ Site and Buildings Committee
- ⁵ Personnel Committee
- ⁶ Pay Review Committee

Company registered number 07683980

Principal and Registered office Selden Road
Stockwood
Bristol
BS14 8PS

Company secretary P Warburton

Accounting officer S Rowe

Senior Leadership Team S Rowe, Principal
S Sage, Deputy Principal
P Warburton, Business Manager

Independent auditors Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Bankers Lloyds Bank PLC
102 Regent Street
Kingswood
Bristol
BS15 8HT

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014**

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 3 to 11 in Stockwood, Bristol. It has a pupil capacity of 480 and had a roll of 485 in the school census on 15 January 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 Waycroft Academy Trust 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

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £10,000,000.

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

TRUSTEES

Method of recruitment and appointment or election of Trustees

The Academy's Board of Trustees comprises the Principal, a minimum of 5 Parent Trustees, up to 3 Staff Trustees (providing that the total number of Trustees, including the Principal, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 9 other Trustees.

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

- up to 3 Trustees who are appointed by members.
- up to 5 Parent Trustees who are elected by parents of registered pupils at the Academy.
- up to 3 Staff Trustees appointed by the Trustee board.
- up to 5 Community Trustees who are appointed by the Trustee Board.
- the Principal who is treated for all purposes as being an ex officio Governor.

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

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

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. To reduce photocopying volume much of the documentation is available electronically. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There are training sessions arranged to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. Trustees also have access to Bristol City Council Governor Development Service, a service Waycroft Academy Trust subscribes to each year.

Organisational Structure

The Full Governing Body meets at least once each term, a minimum of six times per year. 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 are six committees as follows;

- 1) Finance Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- 2) Pastoral Committee – this meets as and when there is need.
- 3) Standards and Curriculum Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment.
- 4) Site and Buildings Committee (including Health and Safety) – this meets as and when necessary, at least three times a year.
- 5) Personnel Committee - this meets as and when necessary, at least four times per year.
- 6) Pay Review Committee - this meets as and when required.

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 School Development Plan (SDP) 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.

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

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 (Tier 1) comprises of the Principal and Vice Principal. SLT (Tier 2) comprises of SLT (Tier 1), plus four Team Leaders, three core Subject Leaders, the SENCo and the ICT Subject Leader. The SLT (Tiers 1 and 2) implement policies agreed by Trustees and report back to them on performance. The School Business Manager joins SLT (Tier 1) for weekly briefings.

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team and Subject Leaders. The aim of the leadership structure is to devolve responsibility, distribute leadership and encourage involvement in decision making at all levels.

The Principal, Vice Principal and School Business Manager are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Principal is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee, usually the Chair of the Personnel Committee.

The Principal is the Accounting Officer.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with Bath Spa University. A Bath Spa senior tutor is a member of the Waycroft Academy Trust Board of Trustees. Some Bath Spa University teacher training pupils complete teaching practices at Waycroft.

Waycroft Academy Trust has a 'Friends of Waycroft Committee' a group of volunteer parents and carers, affiliated to the National Parent Teacher Association and a registered charity. This group of volunteers works with Waycroft staff to organise fund raising and social events for Waycroft children, parents and carers.

There are no other related parties which either control or significantly influence the decisions and operations of Waycroft Academy Trust.

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.

The principal object and activity of the Charitable Company is the operation of Waycroft Academy Trust to provide free education and care for pupils of different abilities between the ages of 3 and 11.

The aims of the Academy during the year ended 31 August 2014 are summarised below:

- Create a safe, happy and caring learning environment where children realise their full potential
- Teach the importance of courtesy, good manners, self-discipline and respect for others
- Teach respect for religious and moral values with an understanding of all races, religions and ways of life in an increasingly multicultural society
- Teach and encourage an enjoyment of reading
- Teach written and spoken communication skills
- Develop knowledge and understanding of mathematical concepts
- Develop knowledge and scientific curiosity
- Develop an interest and understanding of computer technology and its applications
- Develop an interest in technology through problem solving
- Promote an interest in the world through historical, geographical and religious studies
- Develop an appreciation of the creative arts and an ability to express feelings through music, drama and the arts
- Teach recreational games and encourage a positive attitude towards health and physical fitness

WAYCROFT ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- Develop an understanding of people as individuals with their own strengths and weaknesses
- Encourage children to focus on doing their best as opposed to being the best and to recognise and celebrate the achievements of others
- Develop a caring attitude toward the environment and the ability to think globally and act locally
- Foster links with the local community.

At Waycroft Academy Trust we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

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

- (Priority 1) Developing a curriculum which meets the needs of Waycroft pupils in the 21st century
- (Priority 2) Directly address the Every Child Matters agenda
- (Priority 3) Working with and engaging stakeholders

Key strategies for the hitting of those targets related to priorities 1, 2 and 3 were identified in the School Development Plan (SDP). The SDP is reviewed termly and re-written every three years.

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.

As an Academy we have a duty to support other schools. Over the last 12 months Waycroft has supported and worked with a number of schools. Waycroft is a National Support School (NSS).

STRATEGIC REPORT

Achievements and Performance

The Academy is in its third year of operation and has matched the forecast number of students. The total number of students in the year ended 31 August 2014 was 485.

The Academy is full in all age groups with most year groups having a waiting list of 5 to 10 pupils.

SATS

We achieved the following pupil attainment at Key Stage 2.

Reading Test: 98% Level 4 and above (81%), 64% Level 5 or above (44%)
SPAG Test: 89% Level 4 and above (73%), 59% Level 5 and above (48%)
Writing: 96% Level 4 and above (83%), 61% Level 5 and above (31%)
Maths: 98% Level 4 and above (85%), 66% Level 5 and above (42%)

(National average 2013 in brackets)

Examination results for 2014 represented a continuation of excellent results well above national results.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Senior Leadership Team and Subject Leaders.

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

During the year, the Academy made a successful bid for funding from the ACMF (Academies Capital Maintenance Fund) to build a new multi-purpose hall and kitchen which is scheduled for completion in January 2015.

Continuing professional development for staff has been very successful with 6 teaching staff undertaking Challenge Partners OTP and ITP courses.

5 Waycroft staff carried out Quality Assured Reviews of schools in 2013-2014. Challenge Partners Reviews provide excellent CPD for Waycroft Senior Staff.

Waycroft's own Challenge Partners Review took place in March 2014. The Review Team led by an Ofsted Inspector judged Waycroft to be "outstanding".

The Academy received the NACE award for its work with Gifted and Talented children and the Bristol Mayor's Healthy Schools Award.

Over 40 parent volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, writing, maths, drama and trips out of school. They were thanked in a special Assembly on 15 July 2014.

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 income. The General Annual Grant (GAG) requires special attention, although the amount of carry forward is no longer restricted to 12%. In the year under review, £60,140 was carried forward representing 3.7% of GAG.

Another key financial performance indicator is staffing costs as a percentage of total non-capital income. For 2014 this was 80%, compared to 75% 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.

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 2014 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 £2,396,838 was covered by recurrent grant funding from the DfE, together with other incoming resources of £2,662,557. The deficit of income compared with expenditure for the year (excluding restricted fixed asset funds) was £127,085. This was funded from brought forward reserves.

At 31 August 2014 the net book value of fixed assets was £4,299,098 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.

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

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 25 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 determined that the appropriate level of free reserves should be approximately enough to cover 3 months expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the academy amount to £4,377,366, although £4,022,699 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £354,667 (representing £294,527 unrestricted funds and £60,140 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 1.5 months of normal recurring expenditure.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust'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 Trust.

Investment Policy

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods. £100,000 is invested on a 3 month rolling programme and £20,000 per week is invested a six week rolling programme (£120,000) with Lloyds Bank. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

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. Day to day management of the surplus funds is delegated to the Principal and School Business Manager within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust 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 86% (2013: 86%) 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.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

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.

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

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 a Responsible Officer/internal audit 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 Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

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.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

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 the local South 3 Cluster of 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 multi-purpose hall and kitchen in July. Due for completion and opening in January 2015.

Full details of our plans for the future are given in our School Development Plan, which is available on our website or from the Clerk to the Trustees.

We plan to maintain class sizes with a maximum of 30 pupils in each class which will reflect in academic outcomes being improved.

Due to our success in working with other schools, we have been asked to sponsor St Anne's Junior school and to support the Interim Executive Board with their conversion to an Academy in January 2015. Waycroft Academy Trust will become Waycroft Multi Academy Trust with St Anne's as part of Waycroft's MAT.

Upon opening as an Academy St Anne's Junior School will be renamed Wicklea Academy.

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

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 Bath Limited, 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 24 November 2014 and signed on the board's behalf by:



R Hales

Chair of Trustees

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Waycroft Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The board of trustees has formally met 7 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
S Rowe, Principal	7	7
M Rogers	5	7
R Hales	6	7
S Sage	7	7
Rev A Schuman	0	7
P Black	1	7
N Beaumont	4	7
Dr R Bryce	3	7
N Arora	7	7
L Craig	6	7
S Geen	6	7
P French	7	7
M Stratford	3	7
C McCormack	1	3
O Feeley	7	7
J Stevens	4	5
K Brockett	7	7

During the year ended 31 August 2014, Waycroft Academy Trust has had to deal with the great challenge of an unusually high number of Trustee changes due to terms of office coming to an end. A number of new trustees have been appointed in the year.

Governance reviews:

Waycroft Academy Trust employed an external consultant (Ian Caskie) to help the Trustees self assess their effectiveness and to conduct a skills audit on the Board. As a result governance numbers will be reduced as of September 2014 to 13 from 17 and committee members were assigned roles in July 2014 in readiness for September 2014. New parent trustees will be assigned to committees according to their skill set.

WAYCROFT ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The Finance Committee is a sub-committee of the main board of trustees. The purpose of the Finance Committee is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, and monitor the progress of income and expenditure. The Finance Committee has formally met 4 times during the year. Attendance during the year at meetings was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Rowe	3	4
M Rogers	2	4
O Feeley	4	4
S Geen	4	4
J Stevens	2	3
M Stratford	1	4

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 Waycroft Academy Trust 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 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 Bath Limited, 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 quarterly 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.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 24 November 2014 and signed on its behalf, by:



R Hales
Chair of Trustees



S Rowe
Accounting Officer

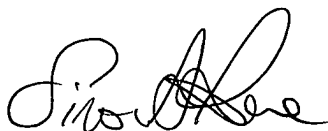
**WAYCROFT ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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.



**S Rowe
Accounting Officer**

Date: 24 November 2014

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE).**

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

The Trustees (who act as governors of Waycroft Academy Trust 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:



**R Hales
Chair of Trustees**

Date: 24 November 2014

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYCROFT ACADEMY TRUST

We have audited the financial statements of Waycroft Academy Trust 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.

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYCROFT ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, 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.



Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 28 November 2014

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WAYCROFT ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 3 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 Waycroft Academy Trust 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 Waycroft Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Waycroft Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Waycroft Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF WAYCROFT ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Waycroft Academy Trust's funding agreement with the Secretary of State for Education dated 29 July 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.

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WAYCROFT
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.



Simon Morrison FCA (Reporting Accountant)

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 29 November 2014

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	5,012	37,195	-	42,207	54,264
Activities for generating funds	3	1,490	-	-	1,490	18,930
Investment income	4	1,353	-	-	1,353	930
Incoming resources from charitable activities		279,696	1,797,509	540,302	2,617,507	2,540,734
TOTAL INCOMING RESOURCES		287,551	1,834,704	540,302	2,662,557	2,614,858
RESOURCES EXPENDED						
Charitable activities	7	237,220	1,950,407	197,065	2,384,692	2,180,895
Governance costs	10	-	12,146	-	12,146	22,194
TOTAL RESOURCES EXPENDED	6	237,220	1,962,553	197,065	2,396,838	2,203,089
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		50,331	(127,849)	343,237	265,719	411,769
Transfers between Funds	18	-	(49,567)	49,567	-	-
NET INCOME/ (EXPENDITURE) FOR THE YEAR		50,331	(177,416)	392,804	265,719	411,769
Actuarial gains and losses on defined benefit pension schemes		-	(26,000)	-	(26,000)	26,000
NET MOVEMENT IN FUNDS FOR THE YEAR		50,331	(203,416)	392,804	239,719	437,769
Total funds at 1 September		244,196	(436,839)	4,330,290	4,137,647	3,699,878
TOTAL FUNDS AT 31 AUGUST		294,527	(640,255)	4,723,094	4,377,366	4,137,647

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

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

The notes on pages 23 to 39 form part of these financial statements.

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07683980

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	15		4,299,098		4,290,089
CURRENT ASSETS					
Debtors	16	467,728		235,932	
Cash at bank and in hand		531,488		365,984	
		<u>999,216</u>		<u>601,916</u>	
CREDITORS: amounts falling due within one year	17	(219,948)		(118,358)	
NET CURRENT ASSETS			<u>779,268</u>		<u>483,558</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,078,366</u>		<u>4,773,647</u>
Defined benefit pension scheme liability	25		(701,000)		(636,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>4,377,366</u></u>		<u><u>4,137,647</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	18	60,745		199,161	
Fixed asset funds	18	4,723,094		4,330,290	
Restricted funds excluding pension liability		<u>4,783,839</u>		<u>4,529,451</u>	
Pension reserve		<u>(701,000)</u>		<u>(636,000)</u>	
Total restricted funds			<u>4,082,839</u>		<u>3,893,451</u>
Unrestricted funds	18		<u>294,527</u>		<u>244,196</u>
TOTAL FUNDS			<u><u>4,377,366</u></u>		<u><u>4,137,647</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 24 November 2014 and are signed on their behalf, by:



R Hales
Chair of Trustees

The notes on pages 23 to 39 form part of these financial statements.

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	20	(23,201)	54,489
Returns on investments and servicing of finance	21	1,353	930
Capital income/(expenditure)	21	187,352	(89,035)
(DECREASE)/INCREASE IN CASH IN THE YEAR/PERIOD		165,504	(33,616)

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

	2014 £	2013 £
Increase/(Decrease) in cash in the year	165,504	(33,616)
MOVEMENT IN NET FUNDS IN THE PERIOD	165,504	(33,616)
Net funds at 1 September 2013	365,984	399,600
NET FUNDS AT 31 AUGUST 2014	531,488	365,984

The notes on pages 23 to 39 form part of these financial statements.

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

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 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. The trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2014.

1.3 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.

1.4 INCOMING RESOURCES

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

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

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.5 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.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 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.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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 property	-	10-50 years straight line
Long term leasehold land	-	125 years straight line, over the life of the lease
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

Long Term Leasehold Property improvements are depreciated over a shorter life than the property itself.

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.

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.8 TAXATION

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes 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 25, 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 settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	5,012	37,195	42,207	54,264

WAYCROFT ACADEMY TRUST
(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	200	-	200	915
External Catering	1,290	-	1,290	5,463
Other	-	-	-	12,552
	<u>1,490</u>	<u>-</u>	<u>1,490</u>	<u>18,930</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest	1,353	-	1,353	930
	<u>1,353</u>	<u>-</u>	<u>1,353</u>	<u>930</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA grants				
Capital Grants	-	540,302	540,302	407,157
General Annual Grant	-	1,632,065	1,632,065	1,786,145
Other DfE/EFA grants	-	125,703	125,703	62,538
	<u>-</u>	<u>2,298,070</u>	<u>2,298,070</u>	<u>2,255,840</u>
Other government grants				
High needs funding	-	39,741	39,741	43,714
Other government grants non capital	197,973	-	197,973	157,353
	<u>197,973</u>	<u>39,741</u>	<u>237,714</u>	<u>201,067</u>
Other funding				
Internal catering income	57,795	-	57,795	62,286
Other	23,928	-	23,928	21,540
	<u>81,723</u>	<u>-</u>	<u>81,723</u>	<u>83,826</u>
	<u>279,696</u>	<u>2,337,811</u>	<u>2,617,507</u>	<u>2,540,733</u>

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

6. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2014	Premises	Other	2014	2013
	£	2014	2014	£	£
		£	£		
Direct costs	1,419,388	139,299	208,309	1,766,996	1,620,232
Support costs	298,858	92,575	226,263	617,696	560,663
CHARITABLE ACTIVITIES	1,718,246	231,874	434,572	2,384,692	2,180,895
GOVERNANCE	1,240	-	10,906	12,146	22,194
	1,719,486	231,874	445,478	2,396,838	2,203,089

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Education	1,766,996	617,696	2,384,692	2,180,895

8. DIRECT COSTS

	Total 2014	Total 2013
	£	£
Pension finance costs	14,000	8,843
Educational supplies	82,581	90,524
Educational visits and other costs	53,962	40,713
Supply teachers	25,020	9,995
Wages and salaries	1,118,781	1,130,891
National insurance	72,602	72,784
Pension cost	202,985	151,187
Depreciation	197,065	115,295
	1,766,996	1,620,232

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

9. SUPPORT COSTS

	Total 2014 £	Total 2013 £
Pension finance costs	9,000	15,157
Staff development	10,454	10,258
Other costs	20,895	13,387
Recruitment and other staff costs	9,982	9,365
Maintenance of premises and equipment	52,398	28,651
Cleaning	2,874	2,875
Rent and rates	9,313	8,483
Heat and light	26,663	24,234
Insurance	43,823	45,350
Security and transport	5,655	6,751
Catering	48,070	49,861
Technology costs	9,760	11,597
Office overheads	29,692	19,770
Legal and professional	39,246	29,950
Bank interest and charges	1,013	1,339
Wages and salaries	228,662	217,517
National insurance	10,823	10,095
Pension cost	59,373	56,023
	617,696	560,663

10. GOVERNANCE COSTS

	Total 2014 £	Total 2013 £
Auditors' remuneration	6,000	6,000
Auditors' non audit costs	3,820	13,550
Trustees training	1,086	1,415
Governance - Wages and salaries	1,022	1,016
Governance - NI	82	82
Governance - pension costs	136	131
	12,146	22,194

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	197,065	115,295
Auditors' remuneration	6,000	6,000
Auditors' remuneration - non-audit	3,820	13,550
Operating lease rentals:		
- other operating leases	2,991	2,991
	<u>2,991</u>	<u>2,991</u>

12. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	1,348,465	1,349,424
Social security costs	83,507	82,961
Pension costs	262,494	207,341
	<u>1,694,466</u>	<u>1,639,726</u>
Supply teacher costs	25,020	9,995
	<u>1,719,486</u>	<u>1,649,721</u>

b. Staff numbers

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

	2014 No.	2013 No.
Management	2	2
Teachers	23	25
Administrative and other support staff	30	28
	<u>55</u>	<u>55</u>

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £70,001 - £80,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this member amounted to £10,198 (2013: £10,009).

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 5 Trustees (2013: 5) in respect of defined benefit pension schemes.

During the year, no Trustees received any benefits in kind (2013: £NIL).

During the year, no Trustees received any reimbursement of expenses (2013: £NIL).

Principal and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal or staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the academy in respect of their role as Trustees.

The value of Trustees' remuneration including pension contributions in the year was as follows; S Rowe £80,000 - £85,000 (2013: £80,000 - £85,000); S Sage £55,000 - £60,000 (2013: £55,000 - £60,000); K Brockett £30,000 - £35,000 (2013: £30,000 - £35,000), L Craig £45,000 - £50,000 (2013: £40,000 - £45,000); and S Geen £15,000 - £20,000 (2013: £15,000 - £20,000).

14. 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 £10,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,860 (2013: £1,827). The cost of this insurance is included in the total insurance cost.

15. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2013	4,317,893	52,399	104,646	4,474,938
Additions	147,383	15,543	43,148	206,074
At 31 August 2014	4,465,276	67,942	147,794	4,681,012
DEPRECIATION				
At 1 September 2013	144,116	19,393	21,340	184,849
Charge for the year	139,299	13,588	44,178	197,065
At 31 August 2014	283,415	32,981	65,518	381,914
NET BOOK VALUE				
At 31 August 2014	4,181,861	34,961	82,276	4,299,098
At 31 August 2013	4,173,777	33,006	83,306	4,290,089

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FOR THE YEAR ENDED 31 AUGUST 2014

16. DEBTORS

	2014 £	2013 £
Trade debtors	1,343	-
Prepayments and accrued income	429,237	175,114
VAT recoverable	37,148	60,818
	<u>467,728</u>	<u>235,932</u>

17. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	68,887	934
Taxation and social security	26,805	24,615
Other creditors	55,171	19,959
Accruals and deferred income	69,085	72,850
	<u>219,948</u>	<u>118,358</u>

DEFERRED INCOME

Resources deferred during the year	<u>61,517</u>
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18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
Early Years Single Funding Formula (EYSFF)	79,914	197,973	(165,707)	-	-	112,180
Other unrestricted funds	164,282	89,578	(71,513)	-	-	182,347
	<u>244,196</u>	<u>287,551</u>	<u>(237,220)</u>	<u>-</u>	<u>-</u>	<u>294,527</u>

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18. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	197,727	1,632,065	(1,720,085)	(49,567)	-	60,140
High needs funding	-	39,741	(39,741)	-	-	-
Pupil premium	-	115,873	(115,873)	-	-	-
PE Grant	-	9,830	(9,830)	-	-	-
Healthy schools grant	1,434	-	(829)	-	-	605
Educational visits	-	37,195	(37,195)	-	-	-
Pension reserve	(636,000)	-	(39,000)	-	(26,000)	(701,000)
	<u>(436,839)</u>	<u>1,834,704</u>	<u>(1,962,553)</u>	<u>(49,567)</u>	<u>(26,000)</u>	<u>(640,255)</u>

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	3,672,480	-	(94,082)	-	-	3,578,398
Fixed assets purchased from GAG and other restricted funds	89,378	-	(30,888)	49,567	-	108,057
DfE/EFA Capital grants	40,289	9,124	(17,077)	-	-	32,336
Capital Maintenance Fund	528,143	531,178	(55,018)	-	-	1,004,303
	<u>4,330,290</u>	<u>540,302</u>	<u>(197,065)</u>	<u>49,567</u>	<u>-</u>	<u>4,723,094</u>
Total restricted funds	<u>3,893,451</u>	<u>2,375,006</u>	<u>(2,159,618)</u>	<u>-</u>	<u>(26,000)</u>	<u>4,082,839</u>
Total of funds	<u>4,137,647</u>	<u>2,662,557</u>	<u>(2,396,838)</u>	<u>-</u>	<u>(26,000)</u>	<u>4,377,366</u>

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Education Funding Agency (EFA) during the period in order to fund the continuing activities of the school.

High needs funding is received from Bristol City Council to cater for pupils with learning difficulties and other disabilities.

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils.

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18. STATEMENT OF FUNDS (continued)

The PE grant is funding from the EFA to assist with the provision of physical education within the Academy.

Healthy schools grant is funding from Bristol City Council and the NHS to enable the Academy to be proactive in encouraging pupil wellbeing.

Educational visits relates to contributions received by parents towards the cost of specific educational visits in the period.

Pension reserve 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 were inherited on conversion to an Academy. The Academy is following the recommendations of an actuary to reduce the deficit by making additional contributions over a number of years.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Bristol City Council on conversion to an Academy.

Fixed assets purchased from GAG represent amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA Capital grants represents devolved capital funding received for the period.

Capital Maintenance grant represents funding received from the Academies Capital Maintenance Fund.

TRANSFERS BETWEEN FUNDS

The transfer from the restricted fund to the restricted fixed asset fund represents the total capital expenditure from General Annual Grant (GAG) during the period.

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.

19. 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	-	-	4,299,097	4,299,097	4,290,089
Current assets	451,389	122,262	425,565	999,216	601,915
Creditors due within one year	(156,862)	(61,517)	(1,568)	(219,947)	(118,357)
Pension scheme liability	-	(701,000)	-	(701,000)	(636,000)
	<u>294,527</u>	<u>(640,255)</u>	<u>4,723,094</u>	<u>4,377,366</u>	<u>4,137,647</u>

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FOR THE YEAR ENDED 31 AUGUST 2014

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	265,719	411,769
Returns on investments and servicing of finance	(1,353)	(930)
Depreciation of tangible fixed assets	197,065	115,295
Capital grants from DfE	(321,463)	(407,158)
Increase in debtors	(231,796)	(54,860)
Increase/(decrease) in creditors	29,627	(46,627)
Defined benefit pension scheme adjustments	39,000	37,000
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS	(23,201)	54,489

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

	2014 £	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	1,353	930
	2014 £	2013 £
CAPITAL INCOME/(EXPENDITURE)		
Purchase of tangible fixed assets	(134,111)	(496,193)
Capital grants from DfE	321,463	407,158
NET CASH INFLOW/(OUTFLOW)	187,352	(89,035)

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	365,984	165,504	-	531,488
NET FUNDS	365,984	165,504	-	531,488

23. MEMBERS' LIABILITY

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

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24. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	<u>393,339</u>	<u>-</u>

25. 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 Bath and North East Somerset 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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

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25. PENSION COMMITMENTS (continued)

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.

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 £105,000, of which employer's contributions totalled £81,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 20.1% for employers and 5.5% - 12.5% 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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25. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	7.00	247,000	7.00	225,000
Government bonds	2.90	39,000	3.40	37,000
Property	6.20	34,000	5.70	25,000
Cash	0.50	15,000	0.50	6,000
Other bonds	3.80	48,000	4.40	31,000
Other	7.00	66,000	7.00	25,000
Total market value of assets		449,000		349,000
Present value of scheme liabilities		(1,150,000)		(985,000)
(Deficit)/surplus in the scheme		(701,000)		(636,000)

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,150,000)	(985,000)
Fair value of scheme assets	449,000	349,000
Net liability	(701,000)	(636,000)

The amounts recognised in the Statement of Financial Activities are as follows:

	2014 £	2013 £
Current service cost	(97,000)	(88,000)
Interest on obligation	(47,000)	(40,000)
Expected return on scheme assets	24,000	16,000
Total	(120,000)	(112,000)

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25. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	985,000	886,000
Current service cost	97,000	88,000
Interest cost	47,000	40,000
Contributions by scheme participants	24,000	25,000
Actuarial Losses	1,000	-
Benefits paid	(4,000)	(54,000)
Liability transferred on conversion	-	-
	<u>1,150,000</u>	<u>985,000</u>
Closing defined benefit obligation	<u>1,150,000</u>	<u>985,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	349,000	261,000
Expected return on assets	24,000	16,000
Actuarial gains and (losses)	(25,000)	26,000
Contributions by employer	81,000	75,000
Contributions by employees	24,000	25,000
Benefits paid	(4,000)	(54,000)
	<u>449,000</u>	<u>349,000</u>
	<u>449,000</u>	<u>349,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £NIL (2013: £NIL).

The Academy expects to contribute £NIL to its Defined Benefit Pension Scheme in 2015.

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

	2014	2013
Equities	55.10 %	64.50 %
Bonds	19.30 %	19.50 %
Property	7.60 %	7.10 %
Cash	3.30 %	1.80 %
Other	14.70 %	7.10 %

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

	2014	2013
Discount rate for scheme liabilities	3.90 %	4.50 %
Expected return on scheme assets at 31 August	5.66 %	5.89 %
Rate of increase in salaries	3.60 %	3.90 %
Rate of increase for pensions in payment / inflation	2.10 %	2.40 %
Inflation assumption (CPI)	2.10 %	2.40 %

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25. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	23.3	22.9
Females	25.8	25.9
Retiring in 20 years		
Males	25.7	25.2
Females	28.7	28.2

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

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(1,150,000)	(985,000)	(886,000)
Scheme assets	449,000	349,000	261,000
Deficit	(701,000)	(636,000)	(625,000)
Experience adjustments on scheme liabilities	(1,000)	-	(47,000)
Experience adjustments on scheme assets	(25,000)	26,000	(6,000)

26. OPERATING LEASE COMMITMENTS

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

	2014 £	2013 £
EXPIRY DATE:		
Between 2 and 5 years	2,991	2,991

27. 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 organisation, it is likely 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 such transactions have occurred during the current period.