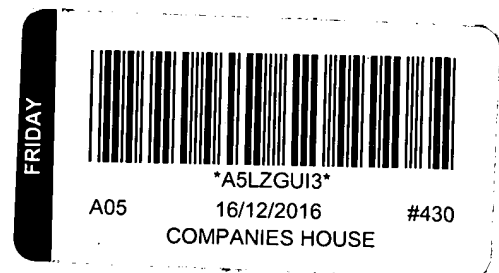


Registered number: 07694044

OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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



**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Trustees

Miss E Wilkes, Headteacher⁴
Mr T Cutting, Chair, Chair of Environment²
Mr B Edwards³
Miss A Hart (resigned 20 June 2016)⁴
Mrs C Hopkins, Chair of Personnel³
Mrs S Hynds, Chair of Finance^{1,3}
Mrs M Jessop (resigned 1 September 2015)^{1,3}
Mr J Malley (resigned 4 July 2016)³
Mr D McGrath, Staff Trustee⁴
Mrs J McGuinness, Staff Trustee²
Mrs L Peat, Staff Trustee⁴
Mr A Kendall (resigned 26 April 2016)¹
Mr G Smart^{2,3}

- ¹ Finance Committee
² Environment Committee
³ Personnel Committee
⁴ Curriculum Committee

Company registered number 07694044

Company name Oakfield School Academy Trust

Principal and Registered office Oakfield Road
Frome
Somerset
BA11 4JF

Principal operating office Oakfield Road
Frome
Somerset
BA11 4JF

Accounting Officer E Wilkes

Senior Leadership Team

E Wilkes, Head Teacher
M O'Shea, Deputy Head Teacher
A Harding, Director of Pupil Services
S Wells, Business Manager
E Thomas, Assistant Head Teacher
D McGrath, Assistant Head Teacher

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Bankers Lloyds Bank
37 Market Place
Warminster
Wiltshire
BA12 9BD

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

The Trust operates an academy for pupils aged 9 to 13 in Frome, Somerset. It has a pupil capacity of 700 and had a roll of 564 in the school census on 1 June 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Oakfield School 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 page 1.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance (Risk Protection Arrangement) purchased at the Academy Trust'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 Trust, 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 Trust. The level of indemnity is unlimited and is explained in the 'Professional Indemnity' section of the RPA.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 5 July 2011 the Trustees appointed all those Governors that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

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

- up to 3 LA Trustees who are appointed by the Local Authority;
- up to 6 Parent Trustees who are elected by parents of registered pupils at the Academy;
- up to 4 staff Trustees appointed by Governing Body; and,
- up to 4 Community Trustees who are appointed by the Governing Body.

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

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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. 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.

Organisational Structure

The Board of Trustees normally meets once each term with an additional meeting usually in November to consider the Academy Improvement Plan. 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.

The committees are as follows;

- Finance - 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 reporting and regulatory requirements and reporting, receiving reports from the Internal Assurance reviews and drafting the annual budget. It also incorporates the role of an audit committee;
- Pay & Personnel Committee – meets at least four times a year and is responsible for reviewing issues relating to all staff and pupils including their welfare and contractual matters. It also annually monitors and reviews pay scales, job descriptions and performance management;
- Discipline Committee – meets as and when required; and,
- The Admissions Committee - meets as and when required.

Following the review of the Trustees' structure a system of Link Trustees was implemented at the beginning of the period covered. This system provides a link or liaison between the Governing Board and a specific area of the work of the Academy. These areas are:

- Child Protection and Safeguarding;
- Health and Safety;
- Pupil Premium;
- Quality of Teaching Learning and Assessment;
- SEND;
- Pupil/Parent Voice;
- Pupil Behaviour; and,
- Curriculum.

The following decisions are reserved to the Members; 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 Headteacher 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.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Board has devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises of the Headteacher, Deputy Headteacher, three Assistant Headteachers and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Academy Business Manager and Finance Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts include a Non-Staff Governor.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consist of the Board of Trustees, and the Senior Leadership Team comprise the Key Management Personnel of the Academy in charge of directing, controlling, running and operating the Academy on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year, in respect of their role as a Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of Key Management Personnel is reviewed annually and normally increased in accordance with average earnings and for performance.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles adjusting as appropriate for any additional responsibilities.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with the 17 schools which encompass The Frome Learning Partnership (FLP).

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is the operation to provide free education and care for pupils of different abilities between the ages of 9 and 13.

At Oakfield Academy 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 Academy Improvement Plan which is available from the Academy Clerk.

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 Trust's aims and objectives and in planning its future activities.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

STRATEGIC REPORT

Achievements and Performance

Outcomes

L4b+ Results (Age Related Expectation)

AS Results (Achieved Standard)

%	2013 (Nat)	2014 (Nat)	2015 (Nat)	2016 (Nat)
L4b+ RWM	46% (63%) - 17	55% (67%) - 12	66% (69%) - 3	49% (53%)
L4b+ Reading	65% (75%)	82% (78%)	74% (80%)	69% (66%)
L4b+ EGPS	58% (65%)	76% (68%)	72% (73%)	69% (72%)
L4b+ Mathematics	76% (73%)	76% (76%)	79% (77%)	58% (70%)

Progress from the start of Year 5 to the end of Year 8:

	2015	2016
Reading	16.32	15.72
Writing	14.99	15.78
Maths	17.58	16.25
Science	19.83	20.04

- Progress across Years 5 to 8 is significantly good.
- Progress from KS1 to KS2 is above expectation in Reading and Writing but needs to improve in Mathematics but particularly high attainers (performance is good compared to middle schools).
- Attainment in Year 8 progress tests which are nationally moderated and standardised are significantly higher than expected.
- Year 5 current attainment looks set to improve on this year's SATs results; particular attention is needed on writing, and reading will also need to be closely monitored.
- Whilst RWM attainment is below national, progress scores show appropriate levels for R&W and Mean Scores are not significantly different to expected.

Further information is available on the Academy's website.

During the year, the Academy's charity fundraising activities raised £6,377.

The Academy is a member of the Family of Schools for Somerset Challenge and a member of the Somerset Association of Middle Schools.

The Academy was inspected by Ofsted in April 2016 and was judged to Good. The next step is to ensure the three areas of guidance within the Ofsted report are implemented and monitored throughout the Academy.

Numerous external visits from various organisations, including HMI, Academy Improvement Partner and groups of Headteachers has taken place, with the primary aim of driving up standards.

During the year, the Academy's charity fundraising activities raised £2,843.95.

The Academy has established close links with Maiden Beech Academy, Crewkerne. The two Academies are embarking on mutual staff development, with the primary aim of driving up standards.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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 period under review, £148,507 was carried forward representing 6.7% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 were 602, an increase of 27 over 2015 (575). It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2016 this was 76.9%, compared to 79.0% in 2015.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern accounting policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2016, the Academy received total income of £2,848,974 and incurred total expenditure of £3,043,691. The excess of expenditure over income for the year was £194,717.

At 31 August 2016 the net book value of fixed assets was £5,121,745 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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 23 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, Headteacher, 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 reviewed the future plans of the Academy and have assessed the adequacy of reserves following the closure of the audit of each year's accounts. The Trustees consider that reserves should be targeted between £300k and £500k to cover the key risks described above. At the balance sheet date the Academy had free reserves of £404,242 (2015: £470,062).

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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 and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. 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.

Principal Risks And Uncertainties

Financial and Risk Management Objectives and Policies

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, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' 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.

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

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 23 of 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.

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 95.0% 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.

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 Somerset County Council to carry out Internal Assurance 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.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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 schools that comprise of the FLP to improve the educational opportunities for students in the wider community.

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

The Academy follows the principles of quality first class teaching.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees collectively 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 6.12.16 and signed on the board's behalf by:

Mr T Cutting
Chair of Trustees



**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Oakfield School 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 Headteacher, 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 Oakfield School 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 Statement of Trustees' responsibilities. 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
Mr T Cutting, Chair, Chair of Environment	7	7
Mr B Edwards	2	7
Miss A Hart	6	6
Mrs C Hopkins, Chair of Personnel	7	7
Mrs S Hynds, Chair of Finance	7	7
Mr A Kendall	3	5
Mr J Malley	6	7
Mr D McGrath, Staff Trustee	7	7
Mrs J McGuinness, Staff Trustee	6	7
Mrs L Peat, Staff Trustee	7	7
Mr G Smart	7	7
Miss E Wilkes, Headteacher	7	7

Governance review:

The Academy made significant progress towards achieving its objectives (as set out in its Vision Statement in 2014) during the year 2015-16.

After receiving a grade of 'Requires Improvement' in April 2014, the strategy to move the Academy to a grading of 'Good', began even before that inspection and continued in the year 2014-15, was sustained. The self evaluations carried out at the beginning of the year indicated that the Academy was on track to achieve this and the Ofsted Inspection of April 2016 confirmed our assessment with a 'Good' grading.

Our Academy Improvement Plan for the year addressed the areas highlighted by the RI judgement but was also designed with further improvements to take it beyond 'Good' and to achieve a broader excellence of outcomes for our students as described in our Vision.

Our Academy Improvement Partner's recommendation in July 2015 was to improve the Governing Board's tracking of pupil progress and use to this information to measure the impact and effectiveness of actions. At the beginning of the year we fully implemented the change to governance using Link Governors. The Link Governors responsible for tracking pupil progress met to examine the Headteacher's report in detail and gave feedback in the form of questions about data and suggestions about format. During the year this process has evolved to become the core of a robust collaboration between Headteacher and the Governing Board about the effectiveness of our strategy and implementation of Academy Improvement, and was commented upon very favourably by our Ofsted Inspector.

The 2016 Ofsted report identified 3 areas for improvement and these form the basis of the Academy Improvement Plan for the year 2016-17. The Headteacher's Report and Governor feedback will be further developed to evaluate the impact of the improvement actions and bring ever greater effectiveness to the Full Governing Board.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

The Academy is also taking a lead role in the creation of a Frome Multi Academy Trust (MAT) which will have as its central objective the continuing improvement of educational outcomes and the wellbeing of all the young people in our community of Frome.

Finance Committee

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity and to make appropriate comments and recommendation on such matters to the Board of Trustees on a regular basis. Major issues will be referred to the Board of Trustees for ratification.

The Committee will compose a minimum of three Trustees chosen by the Board of Trustees, in addition to the Chair and/or Vice-Chair of Trustees plus the Business Manager. At the first meeting of the academic year, one member will be nominated as Chair to be responsible for drawing up agendas, chairing the meetings, ensuring that minutes are taken and, following agreement, presented to the main Board of Trustees at the next meeting. The committee will meet at least three times spread evenly across the year. The Committee will:

1. Consider the Academy's indicative funding from the DfES, and to assess its implications for the Academy, in consultation with the Headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Board of Trustees;
2. Consider and recommend acceptance/non-acceptance of the Academy's budget at the start of the year taking into consideration priorities and allocation of funds prior to recommending them to the Board of Trustees;
3. Contribute to the Academy Improvement Plan;
4. Review and discuss income and expenditure to date with the appropriate portion of the budget for the year. This information will be documented on a report compiled monthly;
5. The Finance Committee will report at least once per term to the Board of Trustees highlighting key points and make any necessary recommendations together with a suitable course of action;
6. The committee will delegate to the Business Manager authority for virements which do not exceed £3,000. All virements carried out by the Business Manager must be reported at the next Finance Committee meeting;
7. Monitor and review procedures for ensuring the effective implementation and operation of financial procedures on a regular basis as detailed in the Finance Handbook;
8. Prepare the financial statements to form part of the Annual Report of the Board of Trustees to parents and for filing in accordance with Companies Act and Charity Commission requirements;
9. Receive auditor's reports and recommend to the Board of Trustees action as appropriate in response to audit findings;
10. Recommend to the Board of Trustees the appointment or reappointment of the auditors of the Academy; and,
11. The committee will consider and report to the Board of Trustees, financial issues to be addressed in:
 - the Academy Improvement Plan
 - the Charging Policy for lettings
 - and on such matters as are referred to it by other committees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Cutting	6	6
Mrs S Hynds	6	6
Mr A Kendall	1	4
Mr G Smart	5	6
Miss E Wilkes, Headteacher	6	6

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

Improving educational results:

- Staffing structure reviewed annually to support an improved curriculum;
- Pupil Premium used to improve attainment;
- Collaboration with Frome Learning Partnership continuing the relationship and good practice of driving up standards;
- Use of Accelerated Reader to continue to improve literacy standards; and,
- Improved appraisal system ensures staffing is deployed effectively to deliver the Academy Improvement Plan.

Financial governance & oversight:

- Experienced Chair of Finance Committee and Accounting Officer; and,
- Monthly reports provided to Finance Committee to ensure probity and effectiveness of spending.

Better purchasing:

- Contracts reviewed on a regular basis to ensure quality and effectiveness; and,
- Options considered for larger purchases which include several quotes and tendering process where necessary.

Better income generation:

- Income streams explored regularly – CIF (Condition Improvement Fund) application successful on four occasions, most recent being the replacement of flat roof surfaces. Further application for pitched roof replacement submitted.

Reviewing controls and managing risks:

- Quarterly internal assurance reports carried out to independently check processes and procedures in place; and,
- RPA (Risk Protection Arrangement) in place to manage risk.

Lessons learned:

- Regular reviews of spending undertaken by finance staff and finance governors and strategies revisited where necessary.

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 Trust 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 Oakfield School Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key 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 Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy Trust'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 Somerset County Council, to provide internal assurance (IA).

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

- testing of payroll systems;
- testing of purchasing systems;
- testing of control account/bank reconciliations; and,
- testing income and expenditure.

The schedule of work has been completed as planned with no significant control issues to be addressed.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 06/12/2016 and signed on their behalf, by:

**Mr T Cutting, Chair
Chair of Trustees**



**Miss E Wilkes
Accounting Officer**



**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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.



**Miss E Wilkes, Headteacher
Accounting Officer**

06/12/2016

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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


The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFADfE 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 T Cutting,
Chair of Trustees

Date:


6. 12. 2016

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OAKFIELD SCHOOL ACADEMY TRUST**

We have audited the financial statements of Oakfield School Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust 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 Trust'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 Trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OAKFIELD SCHOOL 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.



Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date: 15/12/16

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Oakfield School Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF OAKFIELD SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

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

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

APPROACH

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust'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 Trust 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 noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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



Joseph Scaife FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 15/12/16

OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations	2	-	49,648	-	49,648	36,665
Charitable activities	5	22,266	2,603,395	133,343	2,759,004	2,792,471
Other trading activities	3	39,472	-	-	39,472	35,153
Investments	4	850	-	-	850	760
TOTAL INCOME		62,588	2,653,043	133,343	2,848,974	2,865,049
EXPENDITURE ON:						
Charitable activities		27,431	2,896,020	120,240	3,043,691	2,917,609
TOTAL EXPENDITURE	6	27,431	2,896,020	120,240	3,043,691	2,917,609
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		35,157	(242,977)	13,103	(194,717)	(52,560)
Actuarial losses on defined benefit pension schemes	23	-	(803,000)	-	(803,000)	(5,000)
NET MOVEMENT IN FUNDS		35,157	(1,045,977)	13,103	(997,717)	(57,560)
RECONCILIATION OF FUNDS:						
Total funds brought forward		220,578	(938,516)	5,021,908	4,303,970	4,361,530
TOTAL FUNDS CARRIED FORWARD		255,735	(1,984,493)	5,035,011	3,306,253	4,303,970

The notes on pages 23 to 43 form part of these financial statements.

OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07694044

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		5,121,745		5,053,447
CURRENT ASSETS					
Debtors	14	142,469		95,377	
Cash at bank and in hand		643,041		818,985	
		<u>785,510</u>		<u>914,362</u>	
CREDITORS: amounts falling due within one year	15	(360,763)		(446,271)	
NET CURRENT ASSETS			<u>424,747</u>		<u>468,091</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,546,492</u>		<u>5,521,538</u>
CREDITORS: amounts falling due after more than one year	16		(107,239)		(29,568)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>5,439,253</u>		<u>5,491,970</u>
Defined benefit pension scheme liability	23		(2,133,000)		(1,188,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>3,306,253</u></u>		<u><u>4,303,970</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted income funds:					
General funds	18	148,507		249,484	
Fixed asset funds	18	5,035,011		5,021,908	
Restricted income funds excluding pension liability		<u>5,183,518</u>		<u>5,271,392</u>	
Pension reserve		(2,133,000)		(1,188,000)	
Total restricted income funds			<u>3,050,518</u>		<u>4,083,392</u>
Unrestricted income funds	18		255,735		220,578
TOTAL FUNDS			<u><u>3,306,253</u></u>		<u><u>4,303,970</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 6-12-16 and are signed on their behalf, by:

Mr T Cutting
Chair of Trustees



Miss E Wilkes
Accounting Officer



The notes on pages 23 to 43 form part of these financial statements.

OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	20	(202,470)	(36,437)
Cash flows from investing activities:			
Interest received		850	760
Purchase of tangible fixed assets		(188,538)	(10,184)
Capital funding received		138,514	237,248
Net cash (used in)/provided by investing activities		(49,174)	227,824
Cash flows from financing activities:			
Cash inflows from Salix loans		75,700	31,359
Net cash provided by financing activities		75,700	31,359
Change in cash and cash equivalents in the year		(175,944)	222,746
Cash and cash equivalents brought forward		818,985	596,239
Cash and cash equivalents carried forward		643,041	818,985

OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION

Oakfield School Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Oakfield Road, Frome, Somerset, BA11 4JF.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

1.3 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.4 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.5 INCOME

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.6 EXPENDITURE

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.

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All resources expended are inclusive of irrecoverable VAT.

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long term leasehold land	-	over the life of the lease
Long term leasehold buildings and improvements	-	2% Straight Line
Plant and machinery	-	15% Straight Line
Fixtures and fittings	-	15% Straight Line
Computer equipment	-	20% Straight Line

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.

On conversion the academy was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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

1. ACCOUNTING POLICIES (continued)

1.8 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.9 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.10 PENSIONS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.11 OPERATING LEASES

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

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.12 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

1.13 DEBTORS

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

1.14 CASH AT BANK AND IN HAND

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

1.15 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	49,648	-	49,648	36,665

In 2015, of the total income from donations and capital grants, £1,988 was unrestricted and £34,677 was restricted.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	12,449	-	12,449	10,609
Consultancy and reimbursements	21,800	-	21,800	20,103
Extra curricular activities	5,223	-	5,223	4,441
	39,472	-	39,472	35,153

In 2015, total income from other trading activities, £35,153 was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	850	-	850	760

In 2015, total investment income, £760 was unrestricted.

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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
Capital Grants	-	133,343	133,343	237,289
General Annual Grant	-	2,212,163	2,212,163	2,122,408
Other DfE/EFA grants	-	242,629	242,629	243,298
	-	2,588,135	2,588,135	2,602,995
Other government grants				
High Needs	-	111,889	111,889	149,382
Other government grants non capital	-	920	920	8,984
	-	112,809	112,809	158,366
Other funding				
Sales to students	19,693	-	19,693	13,538
PFSA and PSA income	-	31,283	31,283	15,277
FLP TA support income	-	4,011	4,011	-
Other income	2,573	500	3,073	2,295
	22,266	35,794	58,060	31,110
	22,266	2,736,738	2,759,004	2,792,471

In 2015, of the total income from charitable activities, £28,093 was unrestricted, £2,527,089 was restricted and £237,289 was in relation to the restricted fixed asset fund.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	1,924,435	116,469	219,729	2,260,633	2,144,210
Support costs	467,439	138,225	177,394	783,058	759,399
	2,391,874	254,694	397,123	3,043,691	2,903,609

In 2015, of the total expenditure on charitable activities, £32,565 was from unrestricted funds, £2,723,036 was from restricted funds and £148,008 was in relation to the restricted fixed asset fund.

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7. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	48,000	27,950
Educational supplies	152,457	146,543
Staff development	15,501	11,081
Supply teachers	47,184	39,560
Wages and salaries	1,490,004	1,480,696
National insurance	111,801	102,706
Pension cost	275,446	240,127
Depreciation	120,240	109,547
	<u>2,260,633</u>	<u>2,158,210</u>

8. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	-	17,050
Other costs	-	1,095
Recruitment and support	2,885	3,317
Maintenance of premises and equipment	90,608	65,034
Cleaning	6,038	6,691
Rent and rates	23,104	22,948
Energy costs	12,801	27,503
Insurance	13,825	25,855
Security and transport	19,734	26,161
Catering	38,878	38,168
Office overheads	26,493	34,716
Professional fees	70,416	77,327
Bank interest and charges	154	64
Governance	10,683	13,167
Wages and salaries	334,061	302,816
National insurance	16,555	12,738
Pension cost	116,823	84,749
	<u>783,058</u>	<u>759,399</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	120,240	109,547
Auditors' remuneration - audit	6,900	6,750
Auditors' remuneration - non -audit	1,675	1,665
Operating lease rentals:		
- Plant and machinery	9,058	4,953
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OAKFIELD SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	1,824,065	1,783,512
Social security costs	128,356	115,444
Pension costs	392,269	324,876
	2,344,690	2,223,832
Supply teacher costs	47,184	39,560
	2,391,874	2,263,392

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

	2016	2015
	No.	No.
Teachers	34	34
Teaching support	37	33
Administration and support	35	34
Management	6	5
	112	106

Average headcount expressed as a full time equivalent:

	2016	2015
	No.	No.
Teachers	30	31
Teaching support	24	25
Administration and support	15	16
Management	5	5
	74	77

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

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

Annual employer's contributions of £21,110 (2015: £17,450) are payable to the Teachers' Pension Scheme (TPS) in respect of the above employees.

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS (continued)

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £311,600 (2015: £329,108).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: E Wilkes remuneration £65,000 - £70,000 (2015: £65,000 - £70,000), employers pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000), D McGrath remuneration £40,000 - £45,000 (2015: £40,000 - £45,000), employers pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000), J McGuinness remuneration £15,000 - £20,000 (2015: £15,000 - £20,000), employers pension contributions £nil - £5,000 (2015: £nil - £5,000), L Peat remuneration £40,000 - £45,000 (2015: £40,000 - £45,000), employers pension contributions £5,000 - £10,000 (2015: £nil - £5,000).

During the year retirement benefits were accruing to 4 Trustees (2015: 4) in respect of defined benefit pension schemes.

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year, no Trustees received any reimbursement of expenses (2015: £596).

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides unlimited cover. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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FOR THE YEAR ENDED 31 AUGUST 2016

13. TANGIBLE FIXED ASSETS

	Leasehold property and improvements £	Plant and equipment £	Computer equipment £	Total £
COST				
At 1 September 2015	5,334,029	63,826	71,925	5,469,780
Additions	188,538	-	-	188,538
At 31 August 2016	5,522,567	63,826	71,925	5,658,318
DEPRECIATION				
At 1 September 2015	342,027	32,442	41,864	416,333
Charge for the year	96,281	9,574	14,385	120,240
At 31 August 2016	438,308	42,016	56,249	536,573
NET BOOK VALUE				
At 31 August 2016	5,084,259	21,810	15,676	5,121,745
At 31 August 2015	4,992,002	31,384	30,061	5,053,447

Included in the cost of leasehold property and improvements is £1,180,841 in respect of long term leasehold land. The leasehold interest in this land is being depreciated over the 125 year life of the lease.

14. DEBTORS

	2016 £	2015 £
Trade debtors	540	540
VAT recoverable	41,329	44,742
Prepayments and accrued income	100,600	50,095
	142,469	95,377

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Salix loan	-	1,971
Trade creditors	63,577	187,417
Other taxation and social security	37,500	34,940
Pension contributions payable	35,741	36,852
Other creditors	140,000	6,922
Accruals and deferred income	83,945	178,169
	360,763	446,271

At the balance sheet date no funds received in advance were being held by the academy.

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NOTES TO THE FINANCIAL STATEMENTS
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16. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Salix loans	107,239	29,568

Included within the above are amounts falling due as follows:

	2016	2015
	£	£
BETWEEN TWO AND FIVE YEARS		
Salix loans	43,893	15,768
OVER FIVE YEARS		
Salix loans	63,346	13,800

Creditors include amounts not wholly repayable within 5 years as follows:

	2016	2015
	£	£
Repayable by instalments	63,346	13,800

Included within other creditors due after more than one year is a loan from Salix Limited under the Schools Energy Efficiency Loans Programme. At the year end £31,539 (2015: £31,539) remains outstanding. The loan is unsecured and interest free. It is repayable by instalments with 8 years remaining at the year end.

Additionally there is another loan from Salix Limited under the Schools Energy Efficiency Loans Programme relating to another capital project. At the year end £75,700 (2015: £Nil) remains outstanding. The loan is unsecured and interest free. It is repayable by instalments with 8 years remaining at the year end.

The repayments on the above loans begin 12 months after the completion of the projects. At the year end both projects remain incomplete, and therefore none of the balances are repayable within one year.

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

17. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	540	540
Accrued income	54,903	36,259
Cash at bank and in hand	643,041	818,985
	<u>698,484</u>	<u>855,784</u>
	2016 £	2015 £
Financial liabilities measured at amortised cost		
Trade creditors	(63,577)	(187,417)
Other creditors	(247,239)	(75,313)
Accruals	(83,945)	(178,169)
	<u>(394,761)</u>	<u>(440,899)</u>

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS					
General funds	220,578	62,588	(27,431)	-	255,735
RESTRICTED FUNDS					
	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	244,146	2,212,163	(2,307,802)	-	148,507
SEN funding	-	111,889	(111,889)	-	-
Pupil premium	-	210,811	(210,811)	-	-
Other DfE/EFA grants	5,338	31,818	(37,156)	-	-
Other non-government grants	-	35,794	(35,794)	-	-
Other restricted funds	-	50,568	(50,568)	-	-
Pension reserve	(1,188,000)	-	(142,000)	(803,000)	(2,133,000)
	<u>(938,516)</u>	<u>2,653,043</u>	<u>(2,896,020)</u>	<u>(803,000)</u>	<u>(1,984,493)</u>

OAKFIELD SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Fixed asset funds brought forward	4,373,132	-	(99,288)	-	4,273,844
Fixed assets purchased from					
GAG and other restricted funds	59,590	-	(1,353)	-	58,237
DfE/EFA Capital grants	589,186	133,343	(19,599)	-	702,930
	<u>5,021,908</u>	<u>133,343</u>	<u>(120,240)</u>	<u>-</u>	<u>5,035,011</u>
Total restricted funds	<u>4,083,392</u>	<u>2,786,386</u>	<u>(3,016,260)</u>	<u>(803,000)</u>	<u>3,050,518</u>
Total of funds	<u>4,303,970</u>	<u>2,848,974</u>	<u>(3,043,691)</u>	<u>(803,000)</u>	<u>3,306,253</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.

High Needs - Funding received by the local authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Devolved formula capital is funding received from the EFA to cover the cost of maintenance and purchase of the Academy's assets.

Other DfE/EFA grants include PE/Sports Grants of £9,535, Year 7 Catchup Grants of £13,000 and £10,353 of rates relief funding. PE/Sports Grants represents funding received from the EFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles. Year 7 Catchup Grants are provided to support the cost enhancing learning within Year 7 at the Academy. The rates relief grant is used to cover the cost of the academies annual rates bill.

Other non government grants include £15,828 Pupil Support Advisor (PSA) income, £15,455 of Parent Family Support Advisor (PFSA) income and £4,511 of other income. The PSA income is received from Frome Learning Partnership and is a reimbursement of the costs of the PSA. Other income represents income received from Frome Learning Partnership relating to teaching assistant support for a specific pupil. PFSA income support to families of pupils at the Academy.

Other restricted funds includes school crossing patrol grant income received from the local authority. The grant has been used to implement safety procedures for pupils, both at the start and the end of the school day, parental contributions for educational visits and other restricted donations made to the academy. The funds had been spent in full for the purpose for which they had been received at the year end.

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

FIXED ASSET FUNDS

Fixed assets brought forward represent tangible fixed assets donated to the School from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG represent capital expenditure from GAG funding.

DfE/EFA Capital grants relate to funds received for direct capital expenditure on fixed asset projects.

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	5,121,745	5,121,745	5,053,447
Current assets	255,735	369,270	160,505	785,510	914,362
Creditors due within one year	-	(220,763)	(140,000)	(360,763)	(446,271)
Creditors due in more than one year	-	-	(107,239)	(107,239)	(29,568)
Pension scheme liability	-	(2,133,000)	-	(2,133,000)	(1,188,000)
	<u>255,735</u>	<u>(1,984,493)</u>	<u>5,035,011</u>	<u>3,306,253</u>	<u>4,303,970</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(194,717)	(52,560)
Adjustment for:		
Depreciation charges	120,240	116,469
Interest received	(850)	(760)
(Increase)/decrease in debtors	(47,092)	46,646
Decrease in creditors	(88,008)	(8,984)
Capital grants from DfE and other capital income	(134,043)	(237,248)
Defined benefit pension scheme cost less contributions payable	94,000	55,000
Defined benefit pension scheme finance cost	48,000	45,000
Net cash used in operating activities	<u>(202,470)</u>	<u>(36,437)</u>

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

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	643,041	818,985
Total	643,041	818,985

22. 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.

23. PENSION COMMITMENTS

The Academy Trust'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 Somerset County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £35,741 were payable to the schemes at 31 August 2016 (2015: £36,852) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £198,837 (2015: £175,362).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £132,000 (2015: £124,000), of which employer's contributions totalled £100,000 (2015: £94,000), and employees' contributions totalled £32,000 (£2015: £30,000). The agreed contribution rates for future years are 18.1% for employers and 5.5 - 7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Expected return on scheme assets at 31 August	2.20 %	3.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2016	2015
Retiring today		
Males	23.8 years	23.7 years
Females	26.2 years	26.1 years
Retiring in 20 years		
Males	26.1 years	26.0 years
Females	28.5 years	28.4 years

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	722,000	555,000
Gilts	70,000	53,000
Other bonds	118,000	82,000
Cash	29,000	14,000
Property	106,000	80,000
Total market value of assets	<u>1,045,000</u>	<u>784,000</u>

The actual return on scheme assets was £140,000 (2015: £22,000).

The amounts recognised in the Statement of financial activities:

	2016 £	2015 £
Current service cost (net of employee contributions)	(163,000)	(149,000)
Net interest cost	(48,000)	(45,000)
Past service cost	(31,000)	-
Total	<u>(242,000)</u>	<u>(194,000)</u>
Actual return on scheme assets	<u>140,000</u>	<u>22,000</u>

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

	2016 £	2015 £
Opening defined benefit obligation	1,972,000	1,737,000
Current service cost	163,000	149,000
Interest cost	81,000	73,000
Contributions by employees	32,000	30,000
Actuarial losses/(gains)	909,000	(1,000)
Past service costs	31,000	-
Benefits paid	(10,000)	(16,000)
Closing defined benefit obligation	<u>3,178,000</u>	<u>1,972,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	784,000	654,000
Interest income	33,000	28,000
Actuarial gains and (losses)	106,000	(6,000)
Contributions by employer	100,000	94,000
Contributions by employees	32,000	30,000
Benefits paid	(10,000)	(16,000)
	<u>1,045,000</u>	<u>784,000</u>
Closing fair value of scheme assets	<u>1,045,000</u>	<u>784,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	11,740	4,953
Between 1 and 5 years	15,599	1,888
Total	<u>27,339</u>	<u>6,841</u>

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector 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 related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11.

26. CONTROLLING PARTY

The Academy is under the joint control of the trustees. There is no ultimate controlling party.

OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

27. FIRST TIME ADOPTION OF FRS 102

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

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

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		4,361,530	4,303,970
Total funds reported under FRS 102		<u>4,361,530</u>	<u>4,303,970</u>

Reconciliation of net (expenditure)	Notes	31 August 2015
		£
Net expenditure previously reported under UK GAAP		(38,560)
Pension interest cost		(14,000)
Net movement in funds reported under FRS 102		<u>(52,560)</u>

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

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in income/expense. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £14,000 and increase the debit/credit in other recognised gains and losses in the SoFA by an equivalent amount.