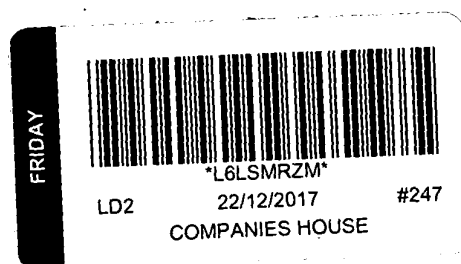


Company Registration Number: 07694044

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**



**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 2017**

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**Trustees**

Miss E Wilkes, Headteacher<sup>1,2</sup>  
Mr T Cutting, Chair<sup>1</sup>  
Mr B Edwards<sup>2</sup>  
Mrs C Hopkins, Chair of Personnel<sup>2</sup>  
Mrs S Hynds, Vice Chair, Chair of Finance<sup>1,2</sup>  
Mrs M Jessop (appointed 6 December 2016)  
Mr D McGrath, Staff Trustee<sup>1</sup>  
Mrs J McGuinness, Staff Trustee (resigned 24 November 2016)  
Mrs L Peat, Staff Trustee  
Mr G Smart<sup>1,2</sup>  
Mr K Dixon (resigned 1 September 2017)<sup>2</sup>  
Ms K Hellard (appointed 21 March 2017)<sup>1,2</sup>  
Mr W de Bolla (appointed 11 July 2017)<sup>1,2</sup>

<sup>1</sup> Finance Committee

<sup>2</sup> Personnel Committee

**Company registered number** 07694044

**Company name** Oakfield School Academy Trust

**Principal and Registered office** Oakfield School  
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 2017**

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The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. 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 696 and had a roll of 602 in the school census on 2 January 2017.

**VISION**

Oakfield Academy is focused upon the well-being and education of the young people in our community.

Our aim is to enable every pupil at the Academy to achieve their full academic potential, to nurture and encourage each of them to become a well-rounded person with a lifelong love of learning, able to build positive relationships and be a happy, confident member of the community.

We know that we live in a world that is changing rapidly and our pupils need to be equipped with the skills for life. Literacy and numeracy are the core of these skills. Our pupils must also have resilience, adaptability and creativity.

The staff and governors of Oakfield Academy will strive to work with pupils and their parents in providing an outstanding educational experience to achieve our aim. We believe that a happy and healthy environment, encouraging hard work and independence, is the right of every child.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust was incorporated on 5 July 2011 and opened as an Academy on 1st August 2011 and 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. The Charitable Company is known as Oakfield School Academy Trust.

Details of the Trustees who served throughout the year, except as noted, are included within the Trustee Statement.

**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 £5,000,000 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

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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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.

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 Full Governing Body meet a minimum of four times each year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

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. This includes welfare and contractual matters. It also annually monitors and reviews pay scales, job descriptions and staff appraisals.
- 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;

**OAKFIELD SCHOOL ACADEMY TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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- 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.

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 senior 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 Clerk to

**OAKFIELD SCHOOL ACADEMY TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

the Governing Body.

**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.

**STRATEGIC REPORT**

**Achievements and Performance**

KS2 subjects	% Achieved Standard					Mean Scaled Score				
	2017			2016		2017			2016	
	Oakfield	National	Somerset	Oak	Nat	Oakfield	National	Somerset	Oak	Nat
Reading	73	71	72	69	66	104.62	104	104	103.13	103
Writing	78	76	74	78	74					
GPVS	77	77	74	69	73	104.81	106	105	102.83	104
Maths	75	75	71	58	70	103.31	104	103	101.28	103

**Historical Overview**

	2012	2013	2014	2015	2016	2017
Reading	10.67	9.93	13.31	16.32	15.72	14.15
Writing	12.62	11.89	13.59	14.99	15.78	14.68
Maths	17.2	16.68	16.65	17.58	16.25	15.56
Science	19.16	19.55	19.94	19.83	20.04	19.74

Further information is available and the Academy's website.

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 March 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, Somerset Education Partner and groups of Headteachers has taken place, with the primary aim of driving up standards.

**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, £10,354 was carried forward.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for January 2017 were 602, an increase of 28 compared with 2016. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of total expenditure. For 2016-17 this was 82.1%, compared to 78.6% in 2015-16.

**OAKFIELD SCHOOL ACADEMY TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 Statement of Accounting Policies.

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the ESFA 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 2017 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 2017, the Academy received total income of £2,746,577 (excluding fixed asset funds and pension valuation movements recorded in expenditure, see note 18), and incurred total expenditure of £2,796,358. The excess of expenditure over income for the year was £49,781.

At 31 August 2017 the net book value of fixed assets was £5,017,290 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 Handbook 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 £266,538 (2016: £404,242).

**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



**OAKFIELD SCHOOL ACADEMY TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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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 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 ESFA. In the last year 98.25% 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 a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has 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.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**OAKFIELD SCHOOL ACADEMY TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**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.

**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.

The Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 15/12/17..... and signed on the board's behalf by:



**Mr T Cutting**  
Chair of Trustees

**OAKFIELD SCHOOL ACADEMY TRUST  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

Collectively 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 6 times during the year. This year two Trustees, Kate Hellard and William de Bolla, joined the board. Two governors, Jill McGuinness and Kane Dixon resigned.

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	6	6
Mrs S Hynds, Vice Chair, Chair of Finance	6	6
Mrs C Hopkins, Chair of Personnel	6	6
Mr B Edwards	4	6
Mr D McGrath	5	6
Mrs J McGuinness, Staff Governor (Resigned 24.01.2017)	0	2
Mrs L Peat	6	6
Mr G Smart	5	6
Mr K Dixon	4	6
Ms K Hellard	2	2
Mr W de Bolla	1	1
Miss E Wilkes, Headteacher	6	6

During the period of this report no changes were made to the governance structure.

**Governance review:**

The Academy made further progress towards achieving its objectives (as set out in its Vision Statement in 2014) during the year 2016-17.

Our Somerset Education Partner, Peter Elmy, at the end of his second year as our SEP, was able to report to the Board that 'He was very pleased with recent results which showed significant improvement in virtually every area since last year.'

The year has been one of consolidation and development of the structural changes in our governance that were put in place in the previous year. The system of link Trustees roles has made the board more effective in holding the SLT to account. Trustees now have stronger relationships with staff, a greater focus on and understanding of the work they are doing, and are thus able to improve the support for, and collaborations with, the SLT.

The process of examination of the Headteacher report by Trustees has also continued to be developed, with all involved finding the feedback sessions with the Headteacher particularly helpful and informative.

Mr Barry Stay was appointed as our clerk in October 2016 and his great depth of experience and knowledge is also improving the effectiveness of the Board. The chair and the clerk have reviewed and improved the process of induction of new Trustees and have introduced a 'new Trustees pack' to this end. New Trustees are also

**OAKFIELD SCHOOL ACADEMY TRUST  
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**GOVERNANCE STATEMENT (continued)**

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invited to attend the Headteacher report discussions and this is proving to be a helpful and rapid introduction to school activities and processes.

The formation of the Frome MAT has continued towards submitting the applications to the RSC during the year 17-18. The Oakfield Headteacher, Emma Wilkes, has been appointed the Interim CEO of the MAT, and the Chair, Tim Cutting, has been nominated as one of the MAT directors. The Board has discussed the implications for the Academy of these appointments, and is preparing to make the changes and adjustments that will be required when it comes into being. Two new Trustees have joined the Board to improve its skills and to provide for the succession of the role of chair.

The Finance Committee is a sub-committee of the main Board of Trustees.

Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the Full Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters to the governing body on a regular basis. Major issues will be referred to the Full Governing Body 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 DfE, 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 Full Governing Body.
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 Full Governing Body.
3. Contribute to the Academy's 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 Full Governing Body 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 £2,000. 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 statement to form part of the annual report of the Governing Body to parents and for filing in accordance with Companies Act and Charity Commission requirements.
9. Receive auditor's reports and recommend to the Full Governing Body action as appropriate in response to audit findings.
10. Recommend to the Full Governing Body the appointment or reappointment of the auditors of the Academy.
11. The Committee will consider and report to the Full Governing Body, 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.

During the year Kate Hellard and Dave McGrath joined the Finance committee.

**OAKFIELD SCHOOL ACADEMY TRUST  
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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Cutting	5	5
Mrs S Hynds	5	5
Mr D McGrath	4	5
Mr G Smart	2	5
Miss E Wilkes	5	5
Ms K Hellard	2	2
Mr W de Bolla	1	1

**REVIEW OF VALUE FOR MONEY**

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

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

The Academy considers value for money when making purchases which include more expensive items such as the Supply Value Pack where days of supply cover are purchased in bulk at a reduced rate. Longer term agreements are considered to obtain a reduced cost with a continuity of services such as the Accelerated Reading Scheme. Buying in bulk is a common practice for highly used items such as paper and pre-ordering items in advance ensures prices are secured before they are subject to annual increases. This also has the benefit of enabling finances to be allocated and a more effective budget to be set.

The Academy is part of the Risk Protection Arrangement (RPA) scheme which has reduced the cost of insurance considerably whilst still securing excellent cover.

After much consideration, the Academy withdrew from the Buildings Maintenance Indemnity Scheme (BMIS) from April 2017. This has given the Academy the ability to budget for work to be carried out based on needs rather than just necessary repairs. This has given the Academy more freedom to choose the work required and gain value for money from obtaining several quotes from a wider range of contractors. This decision has already proved successful with improvements being carried out throughout the Academy.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Oakfield School Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and,
- identification and management of risks all detailed in the Finance Handbook.

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, as Independent Reviewer.

The Independent Reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. 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
- Testing income and expenditure

On a quarterly basis, the Independent Reviewer reports for the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities. The schedule of work has been completed as planned with no significant Control issues to be addressed.

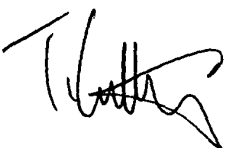
**REVIEW OF EFFECTIVENESS**

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 external Independent Reviewer;
- the work of the external auditors;

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

Approved by order of the members of the Board of Trustees on 15/12/17 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**

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As Accounting Officer of Oakfield School Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 ESFA.



**Miss E Wilkes, Headteacher  
Accounting Officer**

15/12/2017

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

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

The 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees December 2017 and signed on its behalf by:



**Mr T Cutting,  
Chair of Trustees**

Date:

18/12/17



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

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

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**OPINION**

We have audited the financial statements of Oakfield School Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

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**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust's or to cease operations, or have no realistic alternative but to do so.

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

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

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



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: 20/12/17.

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

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

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In accordance with the terms of our engagement letter dated 24 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA 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 the ESFA 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 the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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 AND SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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: 20/12/17.

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations	2	-	52,533	-	52,533	49,648
Charitable activities	5	17,151	2,645,822	11,695	2,674,668	2,759,004
Other trading activities	3	30,622	-	-	30,622	39,472
Investments	4	449	-	-	449	850
<b>TOTAL INCOME</b>		<b>48,222</b>	<b>2,698,355</b>	<b>11,695</b>	<b>2,758,272</b>	<b>2,848,974</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		47,773	2,939,585	117,339	3,104,697	3,043,691
<b>TOTAL EXPENDITURE</b>	6	<b>47,773</b>	<b>2,939,585</b>	<b>117,339</b>	<b>3,104,697</b>	<b>3,043,691</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	18	449	(241,230)	(105,644)	(346,425)	(194,717)
		-	(87,923)	87,923	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		449	(329,153)	(17,721)	(346,425)	(194,717)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	520,000	-	520,000	(803,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>449</b>	<b>190,847</b>	<b>(17,721)</b>	<b>173,575</b>	<b>(997,717)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		255,735	(1,984,493)	5,035,011	3,306,253	4,303,970
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>256,184</b>	<b>(1,793,646)</b>	<b>5,017,290</b>	<b>3,479,828</b>	<b>3,306,253</b>

The notes on pages 23 to 46 form part of these financial statements.

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

**BALANCE SHEET  
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		5,017,290		5,121,745
<b>CURRENT ASSETS</b>					
Debtors	14	61,232		142,469	
Cash at bank and in hand		569,996		643,041	
		<u>631,228</u>		<u>785,510</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(257,451)</u>		<u>(360,763)</u>	
<b>NET CURRENT ASSETS</b>			<u>373,777</u>		<u>424,747</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,391,067</u>		<u>5,546,492</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<u>(107,239)</u>		<u>(107,239)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>5,283,828</u>		<u>5,439,253</u>
Defined benefit pension scheme liability	23		<u>(1,804,000)</u>		<u>(2,133,000)</u>
<b>NET ASSETS</b>			<u><u>3,479,828</u></u>		<u><u>3,306,253</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	18	10,354		148,507	
Fixed asset funds	18	5,017,290		5,035,011	
Restricted funds excluding pension liability		<u>5,027,644</u>		<u>5,183,518</u>	
Pension reserve		<u>(1,804,000)</u>		<u>(2,133,000)</u>	
Total restricted funds			<u>3,223,644</u>		<u>3,050,518</u>
Unrestricted funds	18		<u>256,184</u>		<u>255,735</u>
<b>TOTAL FUNDS</b>			<u><u>3,479,828</u></u>		<u><u>3,306,253</u></u>

The financial statements on pages 20 to 46 were approved by the Trustees, and authorised for issue, on 15/2/17 and are signed on their behalf, by:

  
Mr T Cutting  
Chair of Trustees

  
Miss E Wilkes  
Accounting Officer

The notes on pages 23 to 46 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 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	<u>(72,837)</u>	<u>(202,470)</u>
<b>Cash flows from investing activities:</b>			
Interest received		449	850
Purchase of tangible fixed assets		(12,884)	(188,538)
Capital funding received		12,227	138,514
<b>Net cash used in investing activities</b>		<u>(208)</u>	<u>(49,174)</u>
<b>Cash flows from financing activities:</b>			
Cash inflows from Salix loans		-	75,700
<b>Net cash provided by financing activities</b>		<u>-</u>	<u>75,700</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(73,045)</b>	<b>(175,944)</b>
Cash and cash equivalents brought forward		<u>643,041</u>	<u>818,985</u>
<b>Cash and cash equivalents carried forward</b>		<u><b>569,996</b></u>	<u><b>643,041</b></u>

The notes on pages 23 to 46 form part of these financial statements.



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 2016 to 2017* issued by ESFA, the *Charities Act 2011* and the *Companies Act 2006*.

**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 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it can be reliably measured.

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods and services.

**1.5 EXPENDITURE**

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

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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.

On conversion the academy trust 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these 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.

**1.7 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.8 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 and cash on deposit that has a notice period of less than 30 days.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 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 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.

**1.10 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.

**1.11 FINANCIAL INSTRUMENTS**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.12 PENSIONS**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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.

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**1. ACCOUNTING POLICIES (continued)**

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

**1.13 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.

**1.14 OPERATING LEASES**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.15 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 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 and liability to be recognised in the Balance Sheet.

**1.16 AGENCY ARRANGEMENTS**

The Academy acts as an agent for distributing certain funds on behalf of other organisations. Payments received and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received, paid and any balances held at period end are disclosed in Note 27.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	52,533	-	52,533	49,648
<i>Total 2016</i>	-	49,648	-	49,648	

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**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	13,300	-	13,300	12,449
Consultancy and reimbursements	15,471	-	15,471	21,800
Extra curricular activities	1,851	-	1,851	5,223
	<u>30,622</u>	<u>-</u>	<u>30,622</u>	<u>39,472</u>
<i>Total 2016</i>	<u>39,472</u>	<u>-</u>	<u>39,472</u>	

**4. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	449	-	449	850
	<u>449</u>	<u>-</u>	<u>449</u>	<u>850</u>
<i>Total 2016</i>	<u>850</u>	<u>-</u>	<u>850</u>	

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
Capital Grants	-	11,695	11,695	133,343
General Annual Grant	-	2,274,084	2,274,084	2,212,163
Other DfE/ESFA grants	-	225,833	225,833	242,629
	-	2,511,612	2,511,612	2,588,135
<b>Other Government grants</b>				
High Needs	-	107,746	107,746	111,889
Other government grants non capital	-	786	786	920
	-	108,532	108,532	112,809
<b>Other funding</b>				
Sales to students	15,363	-	15,363	19,693
PFSA and PSA income	-	37,063	37,063	35,794
Other income	1,788	310	2,098	2,573
	17,151	37,373	54,524	58,060
	17,151	2,657,517	2,674,668	2,759,004
<b>Total 2016</b>	22,266	2,736,738	2,759,004	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
<b>Activities:</b>					
Direct costs	2,028,889	117,339	182,095	2,328,323	2,260,633
Support costs	521,144	85,539	169,691	776,374	783,058
	2,550,033	202,878	351,786	3,104,697	3,043,691
<b>Total 2016</b>	2,391,874	254,694	397,123	3,043,691	



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**7. DIRECT COSTS**

	2017 £	2016 £
Pension finance costs	46,000	48,000
Educational supplies	126,728	152,457
Staff development	9,367	15,501
Supply teachers	34,264	47,184
Wages and salaries	1,540,198	1,490,004
National insurance	144,653	111,801
Pension cost	309,774	275,446
Depreciation	117,339	120,240
	<u>2,328,323</u>	<u>2,260,633</u>
<i>Total 2016</i>	<u>2,260,633</u>	

**8. SUPPORT COSTS**

	2017 £	2016 £
Recruitment and support	3,219	2,885
Maintenance of premises and equipment	29,892	90,608
Cleaning	6,639	6,038
Rent and rates	29,506	23,104
Energy costs	19,502	12,801
Insurance	11,664	13,825
Security and transport	25,437	19,734
Catering	31,335	38,878
Office overheads	21,599	26,493
Professional fees	64,954	70,416
Bank interest and charges	532	154
Governance	10,951	10,683
Wages and salaries	340,514	334,061
National insurance	20,904	16,555
Pension cost	159,726	116,823
	<u>776,374</u>	<u>783,058</u>
<i>Total 2016</i>	<u>783,058</u>	

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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>117,339</b>	<b>120,240</b>
Auditors' remuneration - audit	<b>7,100</b>	<b>6,900</b>
Auditors' remuneration - other services	<b>2,040</b>	<b>1,675</b>
Operating lease rentals:		
- Plant and machinery	<b>4,635</b>	<b>9,058</b>
	<b><u>129,114</u></b>	<b><u>137,873</u></b>

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**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,879,504	1,824,065
Social security costs	165,557	128,356
Pension costs	469,500	392,269
	<u>2,514,561</u>	<u>2,344,690</u>
Restructuring costs	1,208	-
Supply teacher costs	34,264	47,184
	<u>2,550,033</u>	<u>2,391,874</u>

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

	2017 No.	2016 No.
Teachers	35	34
Teaching support	38	37
Administration and support	34	35
Management	6	6
	<u>113</u>	<u>112</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	30	30
Teaching support	30	24
Administration and support	16	15
Management	5	5
	<u>81</u>	<u>74</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

Annual employer's contributions of £21,601 (2016: £21,110) are payable to the Teachers' Pension Scheme (TPS) in respect of the above employees.

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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 £341,255 (2016: £311,600).

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 £70,000 - £75,000 (2016: £65,000 - £70,000), employers pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000), D McGrath remuneration £45,000 - £50,000 (2016: £40,000 - £45,000), employers pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000), J McGuinness remuneration £15,000 - £20,000 (2016: £15,000 - £20,000), employers pension contributions £nil - £5,000 (2016: £nil - £5,000), L Peat remuneration £40,000 - £45,000 (2016: £40,000 - £45,000), employers pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £420 (2016: £NIL) were reimbursed to 4 Trustees (2016: 0).

**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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**13. TANGIBLE FIXED ASSETS**

	Leasehold property and improvements £	Plant and equipment £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2016	5,522,567	63,826	71,925	5,658,318
Additions	9,182	2,328	1,374	12,884
At 31 August 2017	5,531,749	66,154	73,299	5,671,202
<b>DEPRECIATION</b>				
At 1 September 2016	438,308	42,016	56,249	536,573
Charge for the year	96,465	9,923	10,951	117,339
At 31 August 2017	534,773	51,939	67,200	653,912
<b>NET BOOK VALUE</b>				
At 31 August 2017	4,996,976	14,215	6,099	5,017,290
At 31 August 2016	5,084,259	21,810	15,676	5,121,745

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**

	2017 £	2016 £
Trade debtors	4,163	540
VAT recoverable	8,466	41,329
Prepayments and accrued income	48,603	100,600
	61,232	142,469

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

	2017 £	2016 £
Trade creditors	29,565	63,577
Other taxation and social security	38,258	37,500
Pension contributions payable	41,882	35,741
Other creditors	112,119	140,000
Accruals and deferred income	35,627	83,945
	257,451	360,763

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

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**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Salix loans	<b>107,239</b>	<b>107,239</b>

Included within the above are amounts falling due as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>BETWEEN TWO AND FIVE YEARS</b>		
Salix loans	<b>43,893</b>	<b>43,893</b>
<b>OVER FIVE YEARS</b>		
Salix loans	<b>63,346</b>	<b>63,346</b>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Repayable by instalments	<b>63,346</b>	<b>63,346</b>

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 (2016: £31,539) remains outstanding. The loan is unsecured and interest free. It is repayable by instalments with 7 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 (2016: £75,700) remains outstanding. The loan is unsecured and interest free. It is repayable by instalments with 7 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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**17. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	569,996	643,041
Financial assets measured at amortised cost	39,688	55,443
	<u>609,684</u>	<u>698,484</u>
Financial liabilities measured at fair value through income and expenditure	<u>(183,452)</u>	<u>(394,761)</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise accrued income.

Financial liabilities measured at fair value through income and expenditure comprise accruals and other loans.

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**18. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>UNRESTRICTED FUNDS</b>						
General funds	255,735	48,222	(47,773)	-	-	256,184
<b>RESTRICTED FUNDS</b>						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	148,507	2,319,068	(2,369,298)	(87,923)	-	10,354
SEN funding	-	63,548	(63,548)	-	-	-
Pupil premium	-	202,353	(202,353)	-	-	-
Other DfE/ESFA grants	-	23,480	(23,480)	-	-	-
Other restricted funds	-	89,906	(89,906)	-	-	-
Pension reserve	(2,133,000)	-	(191,000)	-	520,000	(1,804,000)
	(1,984,493)	2,698,355	(2,939,585)	(87,923)	520,000	(1,793,646)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed asset funds brought forward	4,273,844	-	(104,386)	-	-	4,169,458
Fixed assets purchased from GAG and other restricted funds	58,237	-	(1,353)	87,923	-	144,807
DfE/ESFA Capital grants	702,930	11,695	(11,600)	-	-	703,025
	5,035,011	11,695	(117,339)	87,923	-	5,017,290
Total restricted funds	3,050,518	2,710,050	(3,056,924)	-	520,000	3,223,644
Total of funds	3,306,253	2,758,272	(3,104,697)	-	520,000	3,479,828



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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>UNRESTRICTED FUNDS</b>						
General funds	220,578	62,588	(27,431)	-	-	255,735
	<u>220,578</u>	<u>62,588</u>	<u>(27,431)</u>	<u>-</u>	<u>-</u>	<u>255,735</u>

**RESTRICTED FUNDS**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
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/ESFA grants	5,338	31,818	(37,156)	-	-	-
	-	35,794	(35,794)	-	-	-
Other restricted funds	-	50,568	(50,568)	-	-	-
	(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>-</u>	<u>(803,000)</u>	<u>(1,984,493)</u>

**RESTRICTED FIXED ASSET FUNDS**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
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/ESFA 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>-</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>-</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>-</u>	<u>(803,000)</u>	<u>3,306,253</u>

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

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

**RESTRICTED FUNDS**

General Annual Grant - Income from the ESFA 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 ESFA 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 ESFA to cover the cost of maintenance and purchase of the Academy's assets.

Other DfE/ESFA grants include PE/Sports Grants of £9,535, Year 7 Catchup Grants of £12,511 and £10,437 of rates relief funding. PE/Sports Grants represents funding received from the ESFA 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 a combined £29,386 for Pupil Support Advisor (PSA) income and Parent Family Support Advisor (PFSA) 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.

**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/ESFA 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 2017.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	5,017,290	5,017,290
Current assets	256,184	271,352	103,692	631,228
Creditors due within one year	-	(153,759)	(103,692)	(257,451)
Creditors due in more than one year	-	(107,239)	-	(107,239)
Pension scheme liability	43,000	(1,847,000)	-	(1,804,000)
	<u>256,184</u>	<u>(1,793,646)</u>	<u>5,017,290</u>	<u>3,479,828</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

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

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(346,425)	(194,717)
<b>Adjustment for:</b>		
Depreciation charges	117,339	120,240
Interest received	(449)	(850)
Decrease/(increase) in debtors	81,237	(47,092)
Decrease in creditors	(103,312)	(88,008)
Capital grants from DfE and other capital income	(12,227)	(134,043)
Defined benefit pension scheme cost less contributions payable	146,000	94,000
Defined benefit pension scheme finance cost	45,000	48,000
<b>Net cash used in operating activities</b>	<u>(72,837)</u>	<u>(202,470)</u>

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**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash at bank and in hand	569,996	643,041
	<u>569,996</u>	<u>643,041</u>

**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 Pension Fund. 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 2016.

Contributions amounting to £41,882 were payable to the schemes at 31 August 2017 (2016: 35,741) 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.

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**23. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £207,526 (2016: £198,837).

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](http://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 2017 was £152,000 (2016: £132,000), of which employer's contributions totalled £116,000 (2016: £100,000) and employees' contributions totalled £36,000 (2016: £32,000). 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:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Expected return on scheme assets at 31 August	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.60 %	2.30 %

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**23. PENSION COMMITMENTS (continued)**

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

	2017	2016
Retiring today		
Males	23.9 years	23.8 years
Females	25.1 years	26.2 years
Retiring in 20 years		
Males	26.2 years	26.1 years
Females	27.4 years	28.5 years

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	917,000	722,000
Gilts	71,000	70,000
Other bonds	128,000	118,000
Property	116,000	106,000
Cash and other liquid assets	56,000	29,000
Total market value of assets	<u>1,288,000</u>	<u>1,045,000</u>

The actual return on scheme assets was £147,000 (2016: £140,000).

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

	2017 £	2016 £
Current service cost	(261,000)	(163,000)
Past service cost	-	(31,000)
Interest income	24,000	33,000
Interest cost	(70,000)	(81,000)
Total	<u>(307,000)</u>	<u>(242,000)</u>
Actual return on scheme assets	<u>147,000</u>	<u>140,000</u>

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**23. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening defined benefit obligation	3,178,000	1,972,000
Current service cost	261,000	163,000
Interest cost	70,000	81,000
Employee contributions	36,000	32,000
Actuarial (gains)/losses	(441,000)	909,000
Benefits paid	(12,000)	(10,000)
Past service costs	-	31,000
	<u>3,092,000</u>	<u>3,178,000</u>
Closing defined benefit obligation	<u>3,092,000</u>	<u>3,178,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,045,000	784,000
Interest income	25,000	33,000
Actuarial gains	79,000	106,000
Employer contributions	116,000	100,000
Employee contributions	36,000	32,000
Benefits paid	(12,000)	(10,000)
Administration expense	(1,000)	-
	<u>1,288,000</u>	<u>1,045,000</u>
Closing fair value of scheme assets	<u>1,288,000</u>	<u>1,045,000</u>

**24. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	9,852	11,740
Between 1 and 5 years	5,747	15,599
	<u>15,599</u>	<u>27,339</u>
Total	<u>15,599</u>	<u>27,339</u>

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**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.

J Smart, son of G Smart, a Trustee, is employed as an apprentice by the school. J Smart's appointment was made in open competition and G Smart was not involved in the decision making process. J Smart is paid within the normal pay scales.

D Hynds, son of S Hynds, a Trustee, is employed as a music teacher by the school. D Hynds' appointment was made in open competition and S Hynds was not involved in the decision making process. D Hynds is paid within the normal pay scales.

**26. CONTROLLING PARTY**

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

**27. AGENCY ARRANGEMENTS**

The Academy administers and distributes funds for the FamilyM group. In the accounting period ended 31 August 2017 the Academy received £41,352 and disbursed £32,977 from the fund. An amount of £8,375 was held in other creditors for future periods.