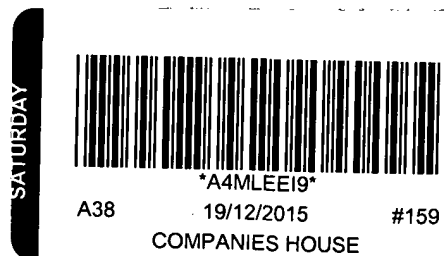


JAMES BRINDLEY SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2015



Company Limited by Guarantee
Registration Number: 07844694
(England & Wales)

CONTENTS

	Page
Reference and Administrative Information	3
Trustees' Report	4
Governance Statement	12
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17
Independent Reporting Accountant's Report on Regularity	19
Statement of Financial Activities	21
Income and Expenditure Account	22
Balance Sheet	23
Cash Flow Statement	24
Notes to the Financial Statements incorporating:	
- Statement of Accounting Policies	25
- Other Notes to the Financial Statements	28

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS, TRUSTEES AND ADVISORS

Trustees and Members	C Marshall - Chair and Community Trustee
	M Harvey - Vice Chair and Community Trustee *
	J Bradshaw - Acting Principal & Accounting Officer (from 15 September 2014)
	N Penny - Principal and Accounting Officer *
	J Brown - Community Trustee *
	C Reeves - Community Trustee
	B Bury - Staff Trustee
	K Saar - Co-opted Trustee
	K Murphy - Parent Trustee (resigned 20 April 2015) *
	A Teague - Parent Trustee (resigned 22 March 2015)
	M Yorke - Community Trustee (resigned 14 July 2015)
	A Cowen - Community Trustee (appointed 6 July 2015) *
	M Daly - Community Trustee (appointed 23 March 2015)
	H Dhinju - Community Trustee (appointed 23 March 2015)
	C Dyer - Staff Trustee (appointed 2 May 2015)
	H Mandleberg - Community Trustee (appointed 23 March 2015) *
	J Rooker - Community Trustee (appointed 23 March 2015)
	J Smith - Community Trustee (appointed 9 February 2015)
	G McMath - Staff Trustee (appointed 8 June 2015)

* = members of the Finance, Premises and Health & Safety Committee

Company Secretary A Ralphs (appointed 1 September 2014)

Senior Management Team

Principal	J Bradshaw
	N Penny *
Vice Principal	D Fountain (left 30 April 2015)
Vice Principal	D Hoban (left 30 April 2015)
Vice Principal	I Johnson (left 30 April 2015)

Strategic Business Manager M Burton (appointed 1 April 2015)

Assistant Principal	V Miller
Assistant Principal	A Mackie
Assistant Principal	M Gaynor
Assistant Principal	K O'Flynn
Assistant Principal	H Bissell
Assistant Principal	C Mace
Assistant Principal	S Blair-Burke

Principal & Registered Office James Brindley School
Bell Barn Road
Birmingham
B15 2AF

Company Registration No 07844694

Independent Auditor UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

Responsible Officer DRB Schools & Academies (Summer 15)
The Custard Factory, Gibb Street
Birmingham
B9 4AA

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2015. The company was incorporated on 11 November 2011 and the school became an academy on 1 April 2013. The trust operates an academy for children and young people aged 4 to 19 serving a catchment area in Birmingham, West Midlands, who are in hospital or unable to attend mainstream school due to their medical conditions or educational needs. The academy had pupil throughput of 3,406. The numbers of pupils on roll during the Autumn 2014, Spring 2015 and Summer 2015 were 587, 552 and 582 respectively.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The academy trust is a company limited by guarantee with no share capital (registration no: 07844694) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees for James Brindley School Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as James Brindley School.

Details of the trustees who served during the year except as noted are included in the Reference and Administrative details on page 3.

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.

Trustees' Indemnities

James Brindley School has in place directors and trustees liability insurance indemnity cover to a limit of £25,000,000.

Method of Recruitment and Appointment or Election of Directors and Trustees

There are clearly defined and approved procedures for the selection and appointment of trustees which are outlined in the Company's Standing Orders. These include application, short listing and interviewing procedures. Consideration is given to the skills of directors and trustees which would enhance the effectiveness of the trust. Parent, Community and Staff Trustees have been nominated and elected.

Policies and Procedures Adopted for the induction and Training of Trustees

During the year under review the trustees held 9 full Board meetings and several sub-committee meetings. The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal, and financial matters. All new trustees meet with the Chair of trustees and will be given a tour of the academy and the chance to meet with staff and students. 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.

Organisational Structure

The schools structure consists of four levels: the trustees, the Leadership Team, Assistant Heads of Sector and the Heads of Curriculum. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

The Leadership Team from April 2015 are currently the Principal, three Vice Principals and Strategic Business Manager. These leaders control the academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the Leadership are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to senior sector and curriculum leaders with limits above which a Trustee or Senior Leader must countersign.

Connected Organisations

As part of its operation the Academy liaises with organisations such as Local Authorities as well as with other education providers and trainers such as local schools, further education institutions and universities. The Academy also has strong links with Health Service professionals. These links are maintained in the interests of supporting good practice and information sharing and consolidate well established mutually supportive associations.

OBJECTIVES AND ACTIVITIES**Objects and Aims**

James Brindley School is a Special Academy working mainly with pupils who cannot access their mainstream schools due to their physical or mental health needs.

The principal object and activity of the charitable company is to advance for the public benefit education in the West Midlands, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The underlying purpose of the academy during the year ended 31 August 2015 was to improve the quality of teaching, learning and wellbeing for pupils and to raise standards of achievement, particularly in light of the Ofsted report, as summarised below;

- To continue to improve pupil progress, particularly in English and Mathematics, in the light of national expectations.
- To review the curriculum offered in teaching centres with a view to developing a more engaging and appropriate range of subjects and approach to learning.
- To develop a wider range of personalised programmes linked to pupils' prior attainment, baseline assessment on entry to JBS and EHCP priorities.
- To improve attendance in the teaching centres to at least the national average for all schools.
- To ensure that the coding of attendance in all settings complies with the statutory guidance.
- To effectively deploy Teaching Assistants (using/developing specialisms) to deliver interventions to 'close the gap'.
- Provide a range of stimulating, age-appropriate 'extension' activities designed to build confidence, self-esteem, resilience and emotional maturity.
- Further improve all aspects of safeguarding and enhance pupil welfare, behaviour and safety across all sites.
- Facilitating effective curriculum leadership through coaching, mentoring and focussed line-management.
- Providing outstanding staff development opportunities to improve pedagogy, knowledge about assessment and to recruit and retain quality staff.

Principal Activities

James Brindley School provides education for children and young people aged 4 - 19, who are in hospital or unable to attend mainstream school due to their medical conditions or educational needs. The length of time pupils spend in the school is dependent on their needs and varies from a short visit to a much longer stay. The school understands that this can be a worrying time for pupils and parents or carers, and recognises the importance of good educational provision and the role it plays in trying to normalise a child's life.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

Education is a partnership between school and home, and the school actively seeks to ensure parents and carers are involved in their child's learning at every stage, encouraging them to achieve and contribute fully to society.

To encourage a positive learning environment, James Brindley School has a series of guiding principles which all our teachers and staff follow to:

- respect, value and understand the individual needs of pupils;
- provide opportunities to promote pupils spiritual, moral and cultural development;
- enable each young person to return to mainstream education, training or working as soon as is practicable;
- strive to ensure equality of opportunity for all our pupils within the framework of the National Curriculum as appropriate;
- hold high expectations of young people with realistic challenges for academic achievement;
- co-operate and communicate effectively with other involved agencies;
- foster strong working relationships with pupils, parents and mainstream schools.

Objects, Strategies and Activities

The academy's main strategy is encompassed in its mission statement. To this end the activities provided include:

- education for children and young people aged 4 – 19, who are in hospital or unable to attend mainstream school due to their medical conditions or educational needs;
- recognition of the importance of good educational provision and the role it plays in trying to normalise a child's life;
- partnerships between school and home;
- ensuring parents and carers are involved in their child's learning at every stage, encouraging them to achieve and contribute fully to society whilst support pupils, parents and carers at what can be a worrying time for them;
- a range of GCSE, vocational and entry level qualifications to ensure pupils are prepared for external examinations or accreditation as appropriate to their medical condition and key stage;
- a menu of PE/leisure activities delivered by professional instructors;
- opportunities for out of hours learning for pupils and a varied menu of activities aimed at supporting pupil's emotional wellbeing as well as engaging their families;
- a broad and balanced education programme which is designed to help the pupils extend learning and reach their full potential.

Equal Opportunities Policy

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academy. The policy of the academy is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment of its older buildings and grounds where practical.

Public Benefit

The trustees have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission (on their website) in exercising their powers or duties.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

During 2014/15 the following activities relating to public benefit were undertaken:

- The education and learning of 3,406 pupils by 217 teachers and other staff;
- Improving academic performance by raising educational standards, individual achievement and progress.

These key activities were underpinned by the:

- Focus on improving attendance;
- Increased focus on the quality of teaching and learning;
- Delivery of substantial estate improvements;
- Improvements to literacy and use of ICT.

STRATEGIC REPORT**Achievements and Performance**

The academy has completed its third year of operation since becoming an academy on 1 April 2013.

In January 2015 the school was placed in to Special Measures. A follow up visit by Ofsted in April 2015 recognised that the trustees of the school had developed a robust action plan and placed themselves in a strong recovery position.

Given their starting point, most pupils make progress from the time they join us. We evidence this by comparing initial assessment results with improvement over time. Our high standards and our desire to deliver the very best education to pupils means that we do track pupils against the nationally expected rates of progress although this is a challenge for many of our young people.

There was a significant increase from 2014 to 2015 in the percentage of students obtaining GCSE grades for 5 A*-C (from 9% to 19.4%) , 5 A*-C including maths and English (from 2% to 10.4%), and 5 A*-G (from 43.3% to 88.1%). In addition, our figures compare very favourably to national averages for Hospital and Special schools with steady progress being made at James Brindley School as demonstrated by Quality Assurance procedures.

On the whole our pupils struggle more in academic subjects such as English and Maths, where missed learning can have a dramatic effect on attainment levels. However, we continue to target these subjects, have high expectations, and as a result pupils make progress. We have put a number of whole school interventions in place for both English and Maths. As a result there has been an increase of 5.4% achieving grade A*-C in English. There has also been a 8.4% increase in pupils achieving grade A*-C in Maths. Our focus for the next academic year will continue to be on English & Maths across the school and curriculum.

EYFS and KS1 have a small amount of pupils, a number of whom are only with us for a short period of time making any analysis statistically less meaningful. At the end of KS2 our pupils made good progress against mainstream measures.

Our 2014 KS3 cohort made demonstrated progress throughout the key stage (60.9% of our sole registered pupils made level 5 or above in English & 50% in Maths).

We believe reading is important for all of our pupils and we have a clear reading policy for the school. For those more able readers, we need to inspire them to explore the world of literature and critically examine the language of the world around them. A range of strategies and interventions are used to support pupils with reading e.g. dedicated reading time; Reading Recovery and Accelerated Reading programmes. As a result of reading interventions we have seen a 20% increase in pupils achieving Level 4 or above in reading at KS2 and at KS3 47% of pupils made 2 or more sub-levels of progress in their reading.

We are extremely proud of the progress demonstrated by Pupil Premium Group. Results in KS4 combined English demonstrate that they achieved at least or above the level made by their year group.

We track all pupil groups, and analyse data thoroughly. As expected, the performance of our most able outstrips that of other groups but we remain focussed on securing further improvement. We believe our success lies with staff high expectations and our ability to teach pupils 'special interests' to secure overall improvements.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

We help to prepare and support our Y11 pupils comprehensively in the transition from James Brindley School to other post 16 provision. By the end of the summer term, over 87% of our 2015 cohort received offers from local post 16 providers. Nearly 80 % of pupils have sustained a sixth form, college or training placement. Many of the pupils that did not receive an offer or sustained a place require either provision in the home or specialist provision due to their medical and emotional needs. As this depends upon specialist funding, we are continuing to support individual pupils, parents and carers in discussion with SENAR and the 14-19 Participation Team within the local authority.

Areas for Further Development

- Ensuring that the procedures for safeguarding are equally good across all sectors
- Improve quality of leadership & management, including governance
- Improve pupil's attendance
- Improve the quality of teaching and thereby the outcomes for pupils, particularly in English and Maths

To ensure that standards continually rise, the academy deploys robust monitoring and evaluation systems and extensive training to improve the quality of teaching, learning and assessment. The academy also participates in local and national programmes to improve rates of student progress.

Additionally, the academy continued to extend its activities to increasing links with its community.

Key Financial Performance Indicators

The academy trust established a financial budget at the start of the year and a Finance, Premises and Health & Safety Committee to monitor performance against budget during the period. Further financial and non-financial indicators will be introduced as the trust develops. The trustees consider that the following are key performance indicators for the academy trust:

	2015	2014
Pupil numbers	3,406	3,329
Staff costs as a percentage of EFA revenue income	99%	90%
Staff costs as a percentage of total grant income	85%	76%
Staff costs as a percentage of total costs	81%	84%
Capital expenditure per pupil	£141	£221

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**Overview**

The principal source of funding for the academy trust is the General Annual Grant. Most of the academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 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 EFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), such grants 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 expected useful life of the assets concerned.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

During the year ended 31 August 2015, total expenditure of £8,861,000 (2014: £7,946,000) was covered by recurrent grant funding from the DfE together with capital grant funding and other incoming resources. The deficit of income over expenditure for the year (excluding transfers between funds, restricted fixed asset funds and the inherited LGPS pension liability) was £300,000 (2014: £683,000 surplus).

At 31 August 2015 the net book value of fixed assets was £7,963,000 (2014: £7,757,000) 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 was admitted to the Local Government Pension Scheme (LGPS) on a fully funded basis as at 1 April 2013, with past service liabilities exceeding assets by £1,676,000 at that date.

The figures as at 31 August 2015 are based on projecting forward the estimated position at 1 September 2014 and assume that the experience over the year, apart from investment returns, has been in line with the assumptions made at the start of the year.

The estimated FRS17 liability at 31 August 2015 is £3,130,000 (2014: £2,874,000). The main reason for the increase in the liability is because of:

- lower assumed rate of salary increases;
- higher assumed rate of future deferred pension revaluation and pension increases in payment;
- the difference between employer contributions and the service cost over the year;
- asset return over the year different to assumptions;
- assets at the date of admission to the fund were on a partially funded rather than fully funded basis;
- increased longevity of retiring members.

It should be noted that the balance sheet, income and expenditure, and statement of recognised gains and losses figures will be volatile over time. This is generally because the FRS17 liabilities are largely linked to corporate bond yields whereas the scheme invests a large part of its assets in equities.

Financial and Risk Management Objectives and Policies

The trust's financial and risk management objectives are documented in its:

- Official budgets;
- Accounting Policy;
- Financial Regulations Manual;
- Principal's Delegation Statement;
- Scheme of Delegation;
- Statement of Internal Controls.

These documents are available on request, and particular items which warrant specific disclosure are noted within this annual report.

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 have determined that the appropriate level of reserves should be equivalent to 4 weeks expenditure, approximately £725,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Financial position

The academy held fund balances at 31 August 2015 of £743,000 (2014: £1,252,000) after allowing for the pension deficit of £3,130,000 (2014: £2,874,000) and fixed asset funds of £7,963,000 (2014: £7,757,000); comprising £297,000 (2014: £558,000) of restricted funds and £446,000 (2014: £694,000) of unrestricted general funds.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)**Investment Policy**

All investments are made in accordance with the policy of the trust. The trust's policies on investments are one of minimum risk with all investments being held with the trust's bankers or other banking institutions regulated by the Financial Conduct Authority. The trust will nevertheless seek to maximise interest receipts within this arrangement. This policy will be reviewed in the year ending 31 August 2016. Investments are made with regard to Charity Commission guidance in relation to investments.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has considered the risks faced by the trust throughout its normal operational business. It has sought to address the risks faced by the trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The Board considers that these arrangements have been effective throughout the period being reported.

The Board intends to build on this success by establishing a formal risk management policy, which will formally document the managerial action that is taking place, and should enable future risk management to be more systematic.

At the time of reporting, the trust's identified key risks are:

- the impact of no improvement to the School's Ofsted rating;
- the risk of pupil progress being below national expectations;
- the rate of expansion of the academy;
- being able to recruit staff of the right calibre;
- the impact of changes to funding regulations;
- loss of personal and sensitive information;
- the future financial position of the LGPS pension scheme.

Mitigating action, both current and planned, has been identified to address these risks. This is also true of all other risks that have been formally identified which have a lower level of impact and/or likelihood.

Risk Management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have maintained systems, including operation procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial control (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the following statements.

Plans for Future Periods

The deficit position of the Local Government Pension Scheme may result in an increase in employers pension contributions over a period of years. It is intended that the academy will revisit its current business plans and budgets and ascertain how the pension costs might impact on the budgets in the future.

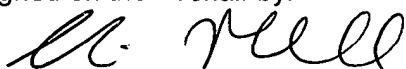
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)**Auditors**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- 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 auditor is aware of that information.

The auditors, UHY Hacker Young (Birmingham) 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 was approved by the board of trustees on the Finance, Premises and Health & Safety Resources Committee and the Full Governing Body on 30 November 2015 and signed on their behalf by:



.....
C Marshall

Chair of Trustees

30 November 2015

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015**Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between James Brindley School and the Secretary of State for Education. The Principal is 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 9 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a Possible
J Bradshaw (Principal and Accounting Officer)	9	9
C Marshall (Chair and Community Trustee)	9	9
M Harvey (Vice Chair and Community Trustee)	9	9
J Brown (Community Trustee)	8	9
B Bury (Staff Trustee)	8	9
K Murphy (Parent Trustee) - resigned 20 April 2015	6	6
C Reeves (Community Trustee)	3	9
K Saar (Staff Trustee)	7	7
A Teague (Parent Trustee) - resigned 22 March 2015	-	5
M Yorke (Community Trustee) - resigned 14 July 2015	5	9
A Cowen (Community Trustee) - appointed 6 July 2015.	2	2
M Daly (Community Trustee) - appointed 23 March 2015	3	3
H Dhinju (Community Trustee) - appointed 23 March 2015	3	3
C Dyer (Staff Trustee) - appointed 2 May 2015	2	2
H Mandleberg (Community Trustee) - appointed 23 March 2015	2	3
J Rooker (Community Trustee) - appointed 23 March 2015	3	3
J Smith (Community Trustee) - appointed 9 February 2015	6	6
G McMath (Staff Trustee) - appointed 8 June 2015	1	1

The **Finance, Premises and Health & Safety Committee** is a sub-committee of the main governing body. Its purpose is to develop the strategic direction and governance procedures on financial matters. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a Possible
J Bradshaw	5	5
M Harvey	4	5
J Brown	5	5
B Bury	3	3
H Mandleberg	2	2
K Murphy	3	3

In attendance M Burton (Strategic Business Manager).

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)**Review of Value for Money**

As accounting officer the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reducing the size of the leadership team and employing additional staff to work directly with young people. For example Pastoral Support Workers and Teaching Assistants.
- The school undertook a competitive tendering process when selecting a supplier for the construction of the new staircase extension to its Bridgeways sector.
- The school tested the market and invited alternative suppliers to quote for its broadband services to ensure best value was achieved
- The school replaced outsourced arrangements for data back up and replaced with onsite hardware which will deliver year on year savings.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in James Brindley School for the year ended 31 August 2015 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)**The Risk and Control Framework**

James Brindley School 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, Premises and Health & Safety Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and decided to appoint Schools Financial Services for the first two terms then DRB Schools & Academies for the final term as the internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Purchasing
- School Funding & Reconciliation
- Income

On a termly basis, the internal auditor will provide a report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities. During the year the internal auditor has delivered the schedule of work as planned and all material control weaknesses identified have been brought to the attention of the board of trustees for corrective action.

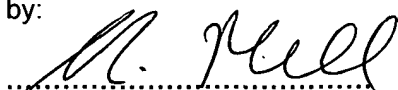
Review of Effectiveness

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

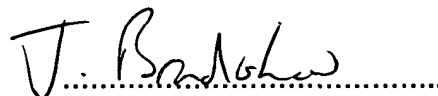
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises and Health & Safety 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 30 November 2015 and signed on its behalf by:



C Marshall
Chair of Trustees



J Bradshaw
Accounting Officer


STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of James Brindley School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 the EFA.

Approved by order of the members of the board of trustees on 30 November 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J. Bradshaw', written over a dotted line.

J Bradshaw
Principal

Accounting Officer

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2015

The trustees (who act as governors of James Brindley School 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 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:

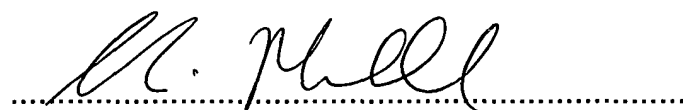
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 30 November 2015 and signed on its behalf by:



C Marshall
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JAMES BRINDLEY SCHOOL FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the financial statements of James Brindley Academy for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Income and Expenditure account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities on page 16, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

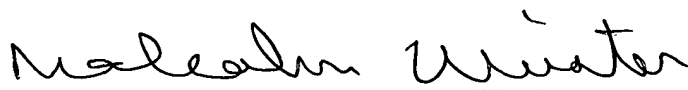
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JAMES BRINDLEY SCHOOL FOR THE YEAR ENDED 31 AUGUST 2015**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



.....
Malcolm Winston

Senior Statutory Auditor

UHY Hacker Young (Birmingham) LLP, Statutory Auditor

9-11 Vittoria Street

Birmingham

B1 3ND

30 November 2015

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JAMES BRINDLEY SCHOOL AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2015

In accordance with the terms of our engagement letter dated 10 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2014 to 31 August 2015 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 James Brindley School and the EFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 the James Brindley School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of James Brindley School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of James Brindley School funding agreement with the Secretary of State for Education dated 1 October 2010, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Summary of the work undertaken was as follows:

- Analytical review of the academy trusts general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety
- Review of the general control environment for the academy trust on financial statements and on regularity;

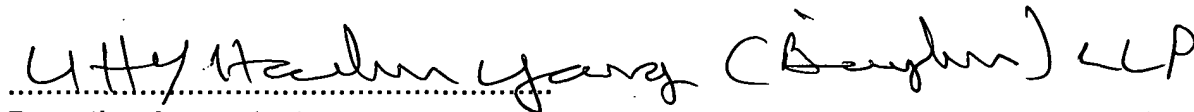
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
JAMES BRINDLEY SCHOOL AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31
AUGUST 2015 (cont'd)**

Approach (con't)

- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trusts framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/strategic business manager or trustees;
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

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 period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

UHY Hacker Young (Birmingham) LLP

9-11 Vittoria Street

Birmingham

B1 3ND

30 November 2015

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2015

(Including Statement of Total Recognised Gains and Losses)

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2015	2014
		£'000	Funds	Asset	£'000	£'000
			£'000	Funds		
Incoming resources						
<i>Incoming resources from generated funds:</i>						
- Voluntary income	3	-	-	-	-	(3)
- Activities for generating funds	4	16	-	-	16	15
Investment Income	5	4	-	-	4	2
<i>Incoming resources from charitable activities:</i>						
- Funding for the academy trust's educational operations	6	-	8,266	211	8,477	8,724
Total incoming resources		20	8,266	211	8,497	8,738
Resources expended						
<i>Cost of generating funds:</i>						
- Costs of activities for generating funds	7	-	(2)	-	(2)	(18)
<i>Charitable activities:</i>						
- Academy trust's educational operations	7	(268)	(7,995)	(275)	(8,538)	(7,802)
<i>Governance costs</i>	9	-	(321)	-	(321)	(126)
Total resources expended		(268)	(8,318)	(275)	(8,861)	(7,946)
Net incoming/(outgoing) resources before transfers		(248)	(52)	(64)	(364)	792
Gross transfers between funds	16	-	(270)	270	-	-
Net income/(deficit) for the year		(248)	(322)	206	(364)	792
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes	26	-	(195)	-	(195)	(1,186)
Net movement in funds		(248)	(517)	206	(559)	(394)
Reconciliation of Funds						
Funds brought forward at 1 September 2014		694	(2,316)	7,757	6,135	6,529
Funds carried forward at 31 August 2015	16	446	(2,833)	7,963	5,576	6,135

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Total 2015 £'000	Total 2014 £'000
Income			
DfE/EFA general annual grant (GAG)	2, 6	6,990	7,069
DfE/EFA capital grants	6	11	322
Other DfE/EFA grants	6	262	311
Other government grants	6	1,214	1,022
Interest receivable	5	4	2
Funds generation	4	-	15
Other income	3	16	(3)
Total income		8,497	8,738
Expenditure			
Staff costs	7, 10	7,177	6,644
Non pay expenditure			
- Premises	7	549	269
- Supplies and services	7	173	140
- Other	7	687	680
Depreciation	7, 13	275	213
Total expenditure	7	8,861	7,946
Net (deficit)/income for the year		(364)	792

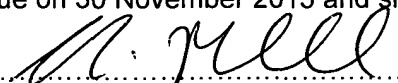
The income and expenditure account is derived from the statement of financial activities on page 21 which, together with the notes to the financial statements on pages 25 to 43 provide full information on the movements during the year on all the funds of the academy trust.

All of the academy trust's activities derived from continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	13	<u>7,963</u>	<u>7,757</u>
		<u>7,963</u>	<u>7,757</u>
Current assets			
Debtors	14	191	474
Cash at bank and in hand		<u>1,110</u>	<u>1,112</u>
		<u>1,301</u>	<u>1,586</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	<u>(558)</u>	<u>(334)</u>
Net current assets		<u>743</u>	<u>1,252</u>
Total assets less current liabilities		8,706	9,009
Net assets excluding pension liability		<u>8,706</u>	<u>9,009</u>
Pension scheme liability	26	(3,130)	(2,874)
Net assets including pension liability		<u><u>5,576</u></u>	<u><u>6,135</u></u>
Funds of the Academy:			
Restricted funds			
- Restricted fixed asset fund	16	7,963	7,757
- Restricted general fund	16	297	558
- Pension reserve	16	<u>(3,130)</u>	<u>(2,874)</u>
Total Restricted Funds		<u>5,130</u>	<u>5,441</u>
Unrestricted funds			
- General fund	16	<u>446</u>	<u>694</u>
Total Unrestricted Funds		<u>446</u>	<u>694</u>
Total		<u><u>5,576</u></u>	<u><u>6,135</u></u>

The financial statements on pages 21 to 24 were approved by the trustees and authorised for issue on 30 November 2015 and signed on their behalf by:



C Marshall
Chair of Trustees

The notes on pages 25 to 43 form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow from operating activities	20	264	1,244
Returns on investments and servicing of finance	21	4	2
Capital expenditure	22	(270)	(414)
(Decrease)/increase in cash in the year	23	(2)	832

Reconciliation of net cash flow to movement in net funds

Net funds at 1 September 2014	23	1,112	280
Net funds at 31 August 2015	23	1,110	1,112

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015**1 Statement of Accounting Policies****Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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

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

Capital grants are recognised when receivable. Unspent amounts of capital grant are reflected in the balance sheet in creditors; amounts falling due within one year in deferred income.

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt

- **Donations**

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

- **Other income**

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

- **Donated services and gifts in kind**

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

- **Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at open market value in accordance with the accounting standard FRS15 Tangible Fixed Assets every 5 years. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)**Resources Expended**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets 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. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds depreciation on such assets is charged to the unrestricted fund.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Leasehold buildings	2%
Motor vehicles	20%
Furniture and equipment	25%
Plant and Equipment	10%
Computer equipment and software	33.33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)**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.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 the Education Funding Agency/Department for Education and other 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/donor and include grants from the Education Funding Agency/Department for Education.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

2. GENERAL ANNUAL GRANT (GAG)

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 2015 (See note 16).

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
3 VOLUNTARY INCOME				
BCC fixed assets donation	-	-	-	-
BCC prior year surplus b/fwd	-	-	-	(9)
School fund	-	-	-	1
G&T Titan Partnership income	-	-	-	5
	<u>0</u>	<u>0</u>	<u>-</u>	<u>(3)</u>
4 ACTIVITIES FOR GENERATING FUNDS				
Consultancy income	-	-	-	13
Other income	16	-	16	2
	<u>16</u>	<u>-</u>	<u>16</u>	<u>15</u>
5 INVESTMENT INCOME				
Bank interest received	4	-	4	2
	<u>4</u>	<u>-</u>	<u>4</u>	<u>2</u>
6 FUNDING FOR THE ACADEMY TRUST'S OPERATIONS				
	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
DfE/EFA Capital grants				
. Devolved formula capital grant	-	11	11	11
. Academies capital maintenance	-	-	-	311
	<u>-</u>	<u>11</u>	<u>11</u>	<u>322</u>
DfE/EFA Revenue grants				
. General annual grant (GAG) (note 2)	-	6,990	6,990	7,069
. Pupil premium grant	-	112	112	114
. PE Teachers grant	-	5	5	6
. Academy bursary funding	-	-	-	3
. TS core grant	-	-	-	25
. CTG test & learn grant	-	45	45	17
. National college for school system leadership	-	1	1	1
. Fair funding grant	-	-	-	144
. NCTL NSS Bursary	-	6	6	-
. School Direct	-	62	62	-
. Post ITT SKE Grant	-	20	20	-
. DfE Infant School Meals	-	7	7	-
. Year 7 catch up grant	-	4	4	1
	<u>-</u>	<u>7,252</u>	<u>7,252</u>	<u>7,380</u>
Other Government grants				
. BCC pupil premium grant	-	0	0	2
. Fair funding grant	-	1,008	1,008	1,002
. School forum funding	-	2	2	11
. Improving school support	-	-	-	5
. BCC Capital Grant	-	200	200	-
. BCC EHC Transfer	-	4	4	-
. HMI monitoring grant	-	-	-	2
	<u>-</u>	<u>1,214</u>	<u>1,214</u>	<u>1,022</u>
	<u>-</u>	<u>8,477</u>	<u>8,477</u>	<u>8,724</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

7 RESOURCES EXPENDED

	Staff Costs	Non Pay Expenditure		Total 2015 £'000	Total 2014 £'000
		Premises	Other Costs		
	£'000	£'000	£'000	£'000	£'000
Costs of generating voluntary income	-	-	2	2	18
Academy's educational operations					
Direct costs	6,068	-	173	6,241	5,871
Allocated support costs	1,109	824	364	2,297	1,931
	<u>7,177</u>	<u>824</u>	<u>537</u>	<u>8,538</u>	<u>7,802</u>
Governance costs including allocated support costs	-	-	321	321	126
	-	-	321	321	126
	<u>7,177</u>	<u>824</u>	<u>860</u>	<u>8,861</u>	<u>7,946</u>

Incoming/outgoing resources for the year include:	£'000	£'000
Operating Leases:		
Plant and machinery	22	22
Fees payable to auditor for:		
Audit	8	8
Other services	2	2

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Total 2015 £'000	Total 2014 £'000
DIRECT COSTS		
Teaching and educational support staff costs	6,068	5,731
Materials	66	48
Examination fees	32	24
Training	38	53
Capitation including books	15	7
Educational Visits	14	8
Curriculum Support	7	-
Pupil Support	1	-
	<u>6,241</u>	<u>5,871</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS (Continued)

	Total 2015 £'000	Total 2014 £'000
ALLOCATED SUPPORT COSTS		
Support Staff Costs	1,109	897
Building Maintenance	203	1
Ground Maintenance	135	76
Equipment maintenance	25	20
Depreciation	275	213
Fixtures	20	6
Furniture	5	10
ICT - Consumables	19	19
ICT - Software	77	56
ICT - Hardware	8	21
Equipment - other	16	11
Printing, stationery and reprographics	56	96
Postage	9	10
Advertising and publicity		56
Catering and payroll costs	38	43
Licenses and subscriptions		5
Rent & hire of facilities	21	30
Cleaning and janitorial contracts	58	56
Refuse collection	13	7
Electricity	34	42
Gas	18	60
General rates	11	34
Water rates	4	7
Insurance	27	46
Telephone	22	21
Transport	62	58
Other support costs	32	27
Other		3
	2,297	1,931
Total direct and support costs	8,538	7,802
	Total 2015 £'000	Total 2014 £'000
9 GOVERNANCE COSTS		
Legal and professional fees	302	116
Audit of financial statements	8	8
Accountancy and other services	11	2
	321	126

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

10 STAFF COSTS**a Staff costs**

	2015	2014
	£'000	£'000
Staff costs during the year were:		
Wages and salaries	5,395	5,203
Social security costs	408	403
Operating costs of defined benefit pension schemes	844	764
	<u>6,647</u>	<u>6,370</u>
Supply staff costs	466	221
Staff restructuring costs	64	53
	<u>7,177</u>	<u>6,644</u>

b Staff severance payments

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £64,000 (2014 : £53,000). All of the non statutory/ non contractual payments exceeded £5,000 and these were for £20,000, £22,000 and £21,000. An additional severance payment is likely to be due in 2015/16, however this will be completely covered by insurance proceeds and so there will be no cost to the school.

c Staff numbers

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2015 expressed as full time equivalents was as follows:

	2015	2014
	No.	No.
Charitable Activities		
Teachers	120	111
Administration and support	27	61
Management	10	12
	<u>157</u>	<u>184</u>
Governance activities	-	-
	<u>157</u>	<u>184</u>

d Higher paid staff

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

	No	No
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£80,001 - £90,000	-	2
£121,001 - £130,000	1	1

1 (2014:4) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for these staff amounted to £18,000 (2014: £60,712). The other employee in 2014 participated in the Local Government Pension Scheme and these pension contributions amounted to £7,441.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

11 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff trustees receive remuneration 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 trustee's remuneration and other remuneration was as follows:

J Bradshaw (Acting Principal and Accounting Officer)

Remuneration	£115,000 - £120,000	(2014: £Nil)
Employers pension contributions	£nil	(2014: £Nil)

N Penny

Remuneration	£115,000 - £120,000	(2014: £125,000 - £130,000)
Employers pension contributions	£15,046	(2014: £18,049)

B Bury (staff trustee)

Remuneration	£40,000 - £45,000	(2014: £40,000 - £45,000)
Employers pension contributions	£5,445	(2014: £5,694)

K Saar (staff trustee)

Remuneration	£20,000 - £25,000	(2014: £25,000 - £30,000)
Employers pension contributions	£nil	(2014: £nil)

C Dyer (Staff Trustee)

Remuneration	£40,000 - £45,000	Appointed May 2015
Employers pension contributions	£5,394	

During the year ended 31 August 2015 £159 (2014: £1,034) was reimbursed to trustees in respect of travel and subsistence expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

12 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,030 (2014: £1,789).

The cost of this insurance is included in the total insurance cost.

13 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Assets Under Construction £'000	Total £'000
Cost					
At 1 September 2014	7,548	375	99	-	8,022
Additions	151	89	88	153	481
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 August 2015	<u>7,699</u>	<u>464</u>	<u>187</u>	<u>153</u>	<u>8,503</u>
Depreciation					
At 1 September 2014	179	66	20	-	265
Charged in period	136	97	42	-	275
Disposals	-	-	-	-	-
At 31 August 2015	<u>315</u>	<u>163</u>	<u>62</u>	<u>-</u>	<u>540</u>
Net book value					
At 31 August 2015	<u>7,384</u>	<u>301</u>	<u>125</u>	<u>153</u>	<u>7,963</u>
At 31 August 2014	<u>7,369</u>	<u>375</u>	<u>99</u>	<u>-</u>	<u>7,757</u>

On 1 April 2013 the academy's leasehold land and buildings were donated to the academy by Birmingham City Council (BCC) on 125 year lease at a pepper corn rent. During February 2013 a valuation was prepared by R Gulliani BSc (Hons) MRICS the Strategic Land Advisor at Solihull MBC in accordance with the requirements of the accounting standard FRS15 Tangible Fixed Assets that the leasehold land and buildings gifted had a fair open market value of £7,097,000.

	2015 £'000	2014 £'000
14 DEBTORS		
Trade debtors	-	81
VAT recoverable	59	104
Other debtors	-	133
Prepayments & accrued Income	<u>132</u>	<u>156</u>
	<u>191</u>	<u>474</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Other creditors	439	3
Accruals	<u>119</u>	<u>331</u>
	<u>558</u>	<u>334</u>

	2015 £'000
Deferred Income	
Deferred income at 1 September 2014	-
Resources deferred in the year	4
Amounts released from previous years	-
Deferred income at 31 August 2015	<u>4</u>

At the balance sheet date the academy was holding funds received in advance for 2015/16 for Infant Free School Meals £4,462 (2014: £nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

16 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2014 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
General annual grant (GAG) (note i)	544	6,990	(6,981)	(270)	283
Pupil premium grant (note ii)	-	112	(112)	-	-
P E Teachers grant (note iii)	-	5	(5)	-	-
Fair funding grant (note iv)	-	1,008	(1,008)	-	-
School funds (note v)	14	-	-	-	14
CTG test & learn grant (note vi)	-	45	(45)	-	-
Schools forum funding (note vii)	-	2	(2)	-	-
National college for school system leadership (note viii)	-	1	(1)	-	-
Year 7 catch up (note ix)	-	4	(4)	-	-
Infant Free School Meals (note x)	-	7	(7)	-	-
School Direct (note xi)	-	62	(62)	-	-
NCTL NSS Bursary (note xii)	-	6	(6)	-	-
Post ITT SKE Grant (note xiii)	-	20	(20)	-	-
BCC EHC Transfer (note xiv)	-	4	(4)	-	-
	<u>558</u>	<u>8,266</u>	<u>(8,257)</u>	<u>(270)</u>	<u>297</u>
Restricted fixed asset funds					
DfE capital grants (note xv)	332	11	(8)	-	335
BCC fixed assets donation (note xvi)	6,920	-	(125)	-	6,795
Capital expenditure from GAG (note xvii)	505	-	(141)	270	634
BCC Capital Grants (note xviii)	-	200	(1)	-	199
	<u>7,757</u>	<u>211</u>	<u>(275)</u>	<u>270</u>	<u>7,963</u>
Restricted pension scheme liability					
Pension reserve (note xix)	(2,874)	-	(61)	(195)	(3,130)
	<u>(2,874)</u>	<u>-</u>	<u>(61)</u>	<u>(195)</u>	<u>(3,130)</u>
Total restricted funds	5,441	8,477	(8,593)	(195)	5,130
Unrestricted Funds					
Unrestricted funds	694	20	(268)	-	446
Total unrestricted funds	<u>694</u>	<u>20</u>	<u>(268)</u>	<u>-</u>	<u>446</u>
Total funds	<u><u>6,135</u></u>	<u><u>8,497</u></u>	<u><u>(8,861)</u></u>	<u><u>(195)</u></u>	<u><u>5,576</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

16 FUNDS (Continued)**Notes**

- i) General Annual Grant must be used for the normal running costs of the Academy. 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 2015 (note 2).
- ii) Pupil premium grant has been used to focus interventions at vulnerable children. Children who meet the pupil premium criteria are given priority, and these include Looked After Children, Free School Meal Children and children of Armed Services personnel.
- iii) P E grant has been used to support the cost of the PE department.
- iv) Fair funding grant from Birmingham City Council provides top-up funding to support students with special educational needs.
- v) School funds are contributions received from parents which are used to support the Academy's educational activities, and other funds generated by the school for services provided to other organisations.
- vi) CTG (Closing the Gap) test and learn grant is used to manage the activities of nominated schools in randomised controlled trials of interventions that may help to close the attainment gap for disadvantaged pupils. Includes additional funding to cover the costs of assessments carried out in schools testing interventions as part of the project.
- vii) Schools forum funding is used to contribute towards the time taken by the Headteacher in leading on the Birmingham City Council Headteachers Forum.
- viii) National college for school system leadership grant is used to contribute towards the schools operation as a teaching school.
- ix) Year 7 catch up grant has been used for one to one tuition and teacher intervention to assist pupils transferring from primary to secondary school.
- x) Free School Meal funding is a government grant to provide school meals for all students up to year 2.
- xi) School Direct funding is provided for the purpose of providing initial teacher training.
- xii) The NCTL NSS Bursary is a Teaching & Leadership training bursary scheme.
- xiii) The Post ITT SKE Grant was received to develop & deliver Post ITT subject knowledge enhancement training to meet local or regional capacity needs.
- xiv) The EHC Transfer grant is money received from Birmingham City Council to support the contribution that the school has made to transfer statements of SEN to EHC plans.
- xv) Restricted fixed assets were funded by government grants.
- xvi) Birmingham City Council transferred assets valued at £7,097,000 to the school under a 125 year lease arrangement, for which a pepper corn rent is charged (note 13).
- xvii) The gross transfer from the restricted general fund to the restricted fixed asset fund of £270,000 (2014:£414,000) represents the total capital expenditure from the General Annual Grant (GAG) during the year.
- xviii) Restricted fixed assets funded by Birmingham City Council grants.
- xix) The pension reserve represents the deficit on the Local Government Pension Scheme (note 26).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2015 are represented by:

	Unrestricted	Pension	General	School Fund	Fixed Assets	Total
	Funds	Restricted	Restricted	Restricted	Restricted	
	£'000	Funds	Funds	Funds	Funds	£'000
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed	-	-	-	-	7,963	7,963
Current assets	1,004	-	283	14	-	1,301
Current liabilities	(558)	-	-	-	-	(558)
Pension scheme liability	-	(3,130)	-	-	-	(3,130)
	<u>446</u>	<u>(3,130)</u>	<u>283</u>	<u>14</u>	<u>7,963</u>	<u>5,576</u>

18 CAPITAL COMMITMENTS

	2015	2014
	£'000	£'000
Contracted for, but not provided in the financial statements	Nil	Nil
Authorised by governors, but not yet contracted	<u>Nil</u>	<u>Nil</u>

19 FINANCIAL COMMITMENTS

Operating

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	Other	Other
	£'000	£'000
Operating leases		
. Within one year	19	2
. Within two to five years	1	18
. More than five years	2	2
	<u>22</u>	<u>22</u>

20 RECONCILIATION OF NET (DEFICIT)/ INCOME TO CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£'000	£'000
Net (deficit)/income	(364)	792
Depreciation (note 13)	275	213
Fixed assets donation	-	-
Capital grants from DfE and other capital income	(211)	(322)
Interest receivable (note 5)	(4)	(2)
FRS 17 pension cost less contributions payable (note 26)	(44)	26
FRS 17 pension finance cost (note 26)	105	58
Decrease in debtors	283	399
Increase in creditors	224	80
Net cash inflow from operating activities	<u>264</u>	<u>1,244</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

	2015 £'000	2014 £'000
21 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	4	2
Net cash inflow from returns on investment and servicing of finance	4	2
22 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(481)	(736)
Capital grants from DfE/EFA	11	322
Capital funding received from sponsors and others	200	-
Net cash outflow from capital expenditure and financial investment	(270)	(414)

	At 1 Sept 2014 £'000	Cash flows £'000	At 31 Aug 2015 £'000
23 ANALYSIS OF CHANGES IN NET FUNDS			
Cash in hand and at bank	1,112	(2)	1,110
	1,112	(2)	1,110

24 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to :

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

25 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)**26 PENSION AND SIMILAR OBLIGATIONS**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by West Midlands Pension Fund. Both are defined benefit schemes.

The total pension cost to the Academy during the year ended 31 August 2015 was £844,440 (2014: £763,786) of which £537,440 (2014: £521,786) relates to the TPS and £307,000 (2014: £242,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme**Introduction**

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future 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%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (continued)

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

The pension costs paid to TPS in the period amounted to £537,440 (2014: £521,786).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2015 was £371,000 (2014:£305,977) of which employers contributions totalled £307,000 (2014:£242,000) and employees contributions totalled £64,000 (2014:£63,977). The agreed contributions for future years are 12.1% (2014:18.9%) for employers and 6.3% (2014:6.5%) for employees.

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2015 % per annum	At 31 August 2014 % per annum
Discount rate	4.00%	4.00%
CPI inflation	2.40%	2.20%
Salary increases	4.15%	3.95%
Pension increase	2.40%	2.20%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2015 £'000	At 31 August 2014 £'000
Discount rate increased by 0.1% per annum	(97)	(82)
Assumed CPI inflation increased by 0.1% per annum		84
Adjustment to pension increases and deferred revaluation +0.1%	3,876	
Life expectancy at retirement increased by 1 year	97	54

The mortality assumptions used were as follows:

	At 31 August 2015 years	At 31 August 2014 years
Longevity at age 65 retiring today		
- Men	23.0	22.9
- Women	25.2	25.5
Longevity at age 65 retiring in 20 years		
- Men	25.6	25.1
- Women	28.0	27.8

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 AUGUST 2015 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (Continued)

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities	5.9%	386	7.0%	143
Government Bonds	5.9%	48	2.9%	25
Other Bonds	5.9%	65	3.8%	33
Property	5.9%	55	6.2%	28
Cash	5.9%	32	0.5%	14
Other	5.9%	59	7.0%	75
Total assets		645		318
Present value of scheme liabilities				
- Funded		(645)		(318)
- Unfunded		(3,130)		(2,874)
Total liabilities		(3,775)		(3,192)
Deficit in the scheme		(3,130)		(2,874)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

The actual return on the scheme assets in the year was £22,000 (2014:£135,000).

Amounts recognised in the Statement of Financial Activities

	2015 £'000	2014 £'000
Current service cost	202	184
Past service cost	-	-
Total operating charge	202	184

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (Continued)

	2015	2014
	£'000	£'000
Analysis of pension finance income/costs		
Expected return on pension scheme assets	(28)	(75)
Interest on pension liabilities	133	133
Pension finance cost	105	58

The Actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £1,270,000 loss (2014:£1,075,000 loss).

	2015	2014
	£'000	£'000
Movement in deficit during the year		
Balance at 1 September 2014	2,874	1,604
Movement in year:		
- Employer service cost (net of employee contributions)	202	184
- Employer contributions	(246)	(158)
- Expected return on scheme assets	(28)	(75)
- Interest cost	133	133
- Actuarial loss/(gain)	195	1,186
Deficit in the scheme at 31 August 2015	3,130	2,874

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

	2015	2014
	£'000	£'000
Balance at 1 September 2014	3,192	2,785
Current service cost	202	184
Interest cost	133	133
Contributions by scheme participants	64	64
Benefits paid	(5)	(33)
Actuarial loss/(gain)	189	59
Scheme liabilities at 31 August 2015	3,775	3,192

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

	2015	2014
	£'000	£'000
Balance at 1 September 2014	318	1,181
Expected return on scheme assets	28	75
Actuarial (loss)/gain	(6)	(1,127)
Contributions by employer	246	158
Benefits paid	(5)	(33)
Contributions by scheme participants	64	64
Fair value of scheme assets at 31 August 2015	645	318

The estimated value of employer contributions for the year ended 31 August 2016 is £258,000 (2015:£248,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (Continued)

The 5 year history of experience adjustments is as follows:

	At 31 August 2015 £'000	At 31 August 2014 £'000	At 31 August 2013 £'000	Admission date 1 April 2013 £'000
Fair value of assets	645	318	1,181	1,080
Present value of scheme liabilities	(3,775)	(3,192)	(2,785)	(2,756)
Deficit in scheme	(3,130)	(2,874)	(1,604)	(1,676)
Experience adjustment on scheme assets	(6)	(1,127)	(21)	
Percentage of scheme assets	0.9%	354.4%	1.8%	
Experience adjustment on scheme liabilities	-	154	-	
Percentage of scheme liabilities	-	4.8%	-	
Actuarial (loss)/gain recognised in Statement of Financial Activities	(195)	(1,186)	111	
Percentage of scheme liabilities	5.2%	37.2%	4.0%	

Only three years figures are available as the charitable company was established on 11 November 2011 and the Academy was admitted to the pension scheme on 1 April 2013.

27 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account.

- *Changing Cultures & Open Theatre Company* works with people with learning disabilities to create meaningful drama experience. C Marshall (Chair of Trustees) is a director. The transactions totalled £0 (2014: £651) during the year. There were no amounts outstanding at 31 August 2015.

- *Aspire People* provides agency staff to the academy. Aspire People is a client of a trustee, C Reeves. The transactions totalled £20,301 (2014: £8,115) during the year. There were no amounts outstanding at 31 August 2015.

- *Tablet Academy Limited* delivers training services to other schools, which the academy coordinates on behalf of the company. The Director of the company M Yorke, who is also a trustee of the academy, is not charged by the academy for this service. However, free training is provided to pupils at the academy, in compensation for the service provided to the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**27 RELATED PARTY TRANSACTIONS (Cont'd)**

-*Titan Partnership Limited* is a registered charity to advance the education of children through teacher training and mentoring. N Penny (Principal) was a trustee of Titan Partnership Limited up to 3 September 2013. The transactions totalled £Nil (2014: £2,000) during the year. A donation was also received from Titan Partnership Limited for £Nil (2014:£5,000). There were no amounts outstanding at 31 August 2015

- *VIP contracts limited* is a coach and minibus company which provides minibus storage, cleaning and service costs to James Brindley. VIP contracts limited is a client of K Saar. The transactions totalled £9,792 for the year. There were no amounts outstanding at 31st August 2015.

In entering into all the transactions the trust made the purchases at cost and has complied with the requirements of the EFA's Academies Financial Handbook.

28 EVENTS AFTER THE BALANCE SHEET DATE

There are no material adjusting or non adjusting events arising after the balance sheet date.

29 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £9,560 and disbursed £9,560 from the fund.