

Company Limited by Guarantee
Registration number: 08142572 (England and Wales)

**NEWBURY ACADEMY TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

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NEWBURY ACADEMY TRUST
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**NEWBURY ACADEMY TRUST
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees and Members

Mrs S Loy
Mr N Cornish
Mr P G Dick

Directors

Mrs S Loy (Chair)
Mr N Cornish
Mr P G Dick
Mrs C Wilson
Mr N Awbery
Mrs A Creed
Mr J Rigby
Mr C Arlott (Resigned Sept 2014)
Mr M Lewis (Resigned Sept 2014)
Mrs Dove

Local Governing Body - Trinity

Mrs S Loy
Mr N Cornish
Mrs A Creed
Mrs C Rees
Mrs L Lewis
Mr J Rigby
Mr E Collett
Mrs C Wilson

Local Governing Body – Fir Tree

Mr N Awbery
Mrs K Dougal
Mrs Dove
Mrs K Adams
Mr G Whiteford
Mrs C Wilson

Company Secretary

Mrs S Pryor

Registered Office

Newbury Academy Trust
Trinity School
Love Lane
Shaw
Newbury
Berkshire
RG14 2DU

Company Registration Number

08142572

Auditors

Crowe Clark Whitehill LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Bankers

HSBC Bank Plc
6 Northbrook Street
Newbury
RG14 1 DJ

NEWBURY ACADEMY TRUST
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2015

The members of the Newbury Academy Trust Governing Body present their Annual Report for the year ended 31 August 2015 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

The financial statements have been prepared in accordance with the accounting policies on pages 24-27 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities," (SORP 2005), and the Academies Accounts Direction (May 2013).

Newbury Academy Trust is an academy for pupils aged 4 to 18 serving a catchment area in Newbury

Structure, Governance and Management

Constitution

Newbury Academy Trust (NAT) is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 13th July 2012 and NAT converted to an Academy on 1st August 2012.

There are three trustees who act as Directors of the Charitable Company for the purposes of Company law. There are five further Directors of the Trust. The Charitable Company is incorporated as Newbury Academy Trust.

Details of the trustees and directors who served Newbury Academy Trust throughout 2012/13 are included in the Reference and Administrative Details on page 1.

Trustees' Liability

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

Trustees ('Directors') Indemnities

As disclosed in note 10, professional indemnity insurance is paid on behalf of the directors of the Academy.

Method of Recruitment and Appointment or Election of Trustees/ Directors

The Academy's Board of Directors is subject to retirement by rotation. Directors are eligible for re-election at the meeting at which they retire. The directors to retire are those who have served the longest in office since their appointment or re-election. New directors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors.' The term of office for any director is 4 years, although this time limit does not apply to the Headteacher.

The Board of Directors who were in office on 31 August 2014 and served since 1st September 2013, the period of these accounts, are listed on Page 1.

NEWBURY ACADEMY TRUST

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2015

Policies and Procedures Adopted for the Induction and Training of Governors

The Trust is a member of the National Governors Association, receiving up to date information and guidance. It buys into West Berkshire Council Governor Support services as and when required. Additional training from other providers is also accessed as required based on individual or collective need. External advice and support is commissioned where necessary.

Principal Activities

Newbury Academy Trust is a Trust incorporating two schools: Trinity School a Converter Academy and Fir Tree School a Sponsored Academy. Trinity School is an 11-18 Comprehensive School graded Good by Ofsted in 2014. Fir Tree is a Primary School and Nursery located on a separate site it was graded Good by Ofsted in September 2014. Both schools have undergone significant improvements over the last 5 years resulting in excellent results and securing outstanding achievement for all. We are committed to improving the life chances of everyone in our community, preparing them for adult life and demanding that they be the very best they can be.

The object of Newbury Academy Trust is set out in the Company's Articles of Association, namely "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining and carrying on, managing and developing a school offering a broad and balanced curriculum".

Objects and Aims of the Trust

As described, the object of Newbury Academy Trust is set out in the Company's Articles of Association.

Each Governing Body continues to set the Schools' strategic aims through the School Development Plans. These aims are monitored closely by the Governing Body by way of Headteacher and Senior Leadership Team Reports and through the work of the sub-committees.

The aims and objectives for the Trust are derived from the Trust's motto which is 'Inspiring Futures, Realising Ambitions'

Organisation Structure

The structure of the Trust consists of four senior levels: the Trustees, the Board of Directors, Governing Bodies for each individual school, the Headteacher of Trinity, who is the Executive Headteacher over the Trust, an additional Headteacher at Fir Tree and the broader Senior Leadership Team in each school. An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in the decision making process at all levels.

The Trustees and Board of Directors are responsible for setting the NAT policies, adopting the budgets and monitoring performance. The Governing Bodies are responsible for individual school policies adopting the School Development Plans, setting and monitoring the budgets against these plans. The Governing Bodies make major decisions about the direction of the Schools including the curriculum, the achievement and welfare of students, and staffing.

The Executive Headteacher and Senior Leadership Teams control the Schools at an executive level, implementing the policies set by the NAT and the Governing Bodies and reporting back to them.

NEWBURY ACADEMY TRUST
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2015

Organisation Structure (continued)

Trinity's Governing Body has two sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Executive Headteacher (The Accounting Officer) and to the Senior Management Team. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Directors annually. The terms of reference for the Finance Sub-Committees detail each Schools' authorised spending limits.

The sub-committees of the Trinity Governing Bodies are the;

- Finance and Staffing Committee
- Curriculum and Pastoral Committee

Groups of directors or governors may be formally organised outside of the sub-committee structure to support the School as required, to consider:

- Headteacher recruitment.
- Performance management of the Headteacher of Trinity School
- Pupil Discipline
- Staff Discipline
- Complaints

Following a review of Governance carried out in August 2014 Fir Tree has a Local Management Board (LMB) consisting of 6 Governors including the Executive Headteacher and Headteacher of Fir Tree. There are no sub committees. The LMB has its own terms of reference detailing the responsibilities discharged to the LMB, to the Executive Headteacher (The Accounting Officer) and to the Senior Management Team. The terms of reference and meeting frequency is reviewed and approved by the Board of Directors annually.

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FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

MISSION STATEMENT

The Trust's mission is to provide education and experiences to enable children and students to be the very best they can be and prepare them for successful futures.

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES

Each school has a School Development Plan (SDP) that is a result of staff, student and parent review. Both schools have the same framework which is as follows:

Aim	Objective
Every learner an outstanding learner	Secure excellent quality outcomes for all students
	Encourage students to have high aspirations and clear plans post Trinity
	Secure excellent behaviour for learning within and beyond the school
	Independent learning further improved within and beyond school
	Ensure a smooth transition to the new SEND code of practice to secure excellent outcomes for all
Every teacher an outstanding teacher	Provide regular and effective staff training and provide a successful and comprehensive teacher training programme
	Ensure all staff are confident in developing students' literacy skills
	Staff use ICT to support and enhance learning
Every student feels valued and supported within their learning environment	Increased parental engagement, cooperation and support
	Develop a proactive and effective student voice
	Ensure secure and effective transitions at different key stages
Every opportunity taken to develop excellence	Increase the number of students regularly taking part in extra-curricular activities and representing the school
	To develop an excellent learning environment and site
	To work with Governors to develop a robust and effective Self Evaluation programme

NEWBURY ACADEMY TRUST

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2015

Achievements and Performance

Newbury Academy Trust was legally formed on midnight of the 13th July 2012. The following provides a summary of each school's performance in the Summer 2015 examination season and highlights the achievements of the Academic Year 2014-15.

The Trust is part of the Schools Direct Programme, working in partnership with Reading University to train teachers on a one year course.

Trinity School

As described, the School was rated as Good by Ofsted in January 2014.

There were 863 students on roll, (including 112 in the sixth form), on 31st August 2014. The roll is increasing as Trinity is becoming the school of choice for families in the catchment.

The school was awarded the anti-bullying accreditation in 2012.

The school works with a core group of feeder primary schools as part of the Excel group to enhance provision and provide a range of opportunities for all young people in the community including music, dance, drama and PE provision.

The school partakes in a wide range of external events and enjoys success particularly in the areas of Public Speaking, Enterprise and Dance.

GCSE Results

- 52% of students gained 5 A*-C including English and Maths,
- **66%** of all grades achieved were at least C grades
- Almost **two-thirds** of students gained C+ in English
- Almost **two-thirds** of students gained C+ in Maths
- **14** students gained at least 5 A* and A grades

Provisional Results	2015	2014	Pupil P	Non PP	Low	Med	High
Cohort	130		32	98	25	57	31
Attainment							
% 5+ A*- C incl E & M	52	62	34	56	12	54	87
% 5+ A*- C	63	71	50	67	20	70	90
% 5+ A*- G	99	96	100	99	96	100	100
Ebacc	19	10					
Avg total points per pupil	376	369	330	392	258	383	484
Avg capped points per pupil	316	312	284	326	235	322	379
Progress							
%3+ LP Eng	77	88	62	82	80	70	84
%3+ LP Maths	69	71	55	74	32	81	74
%4+ LP Eng	33	47	31	33	36	28	39
%4+ LP Maths	27	34	14	32	20	25	39

- The Pupil Premium Gap for The Pupil Premium Gap for 2015 for %5A*-C inc E&M was 22%.

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AS Results

The Pass rate is much improved on 2014, as are A and A*-C grades. The ALPS grade has improved by 2 from grade 7 last year to grade 5.

Grades	Number	Cumulative (%)					
		%	2015	2014	2013	2012	2011
A	16	9.8	16.1	9.8	14.5		
B	25	15.2	31.2	25.0	30.3	40.0	25.5
C	43	26.2	54.3	51.2	47.4	63.1	48.2
D	35	21.3	73.9	72.6	63.8		
E	23	14.0	87.4	86.6	77.6	86.9	85.4
U	22	13.4	100	100	100		

A2 Results

The A2 results were not as pleasing despite all students going on to university. The ALPs grade is a grade 8.

	2014/15	2013/14	2012/13
Overall Pass Rate - (A*-A)%	25.6	34.7	9.8
Overall Pass Rate - (A*-B)%	43.8	52	15.2
Overall Pass Rate - (A*-C)%	68.8	75.3	26.2
Overall Pass Rate - (A*-E)%	96.9	100	21.3

Attendance

Our attendance continues to be outstanding, with an achievement of 95.2 against a target of 95%. The school's attendance officer works very closely with the Pastoral Deputy, the EWO, the Heads of House, SENCO and tutors to achieve the highest possible levels of attendance.

NEWBURY ACADEMY TRUST

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2015

Fir Tree School

As described, the School was rated as Good by Ofsted in September 2014.

There were 208 students on roll, with waiting lists for numerous year groups (31st August 2014). The roll is increasing as Fir Tree is becoming the school of choice for families in the catchment.

The school works closely with Trinity to enhance provision and provide a range of opportunities for the children including music, dance, drama and PE provision.

The school partakes in a wide range of external events and is developing its reputation for high quality outcomes in the local community.

Key Performance Indicators

Examination results

The Foundation Stage

EYFS

Literacy	% exp or exc 2014 school	% exp or exc 2014 LA	% exp or exc 2015 school
Reading	82.1	81.0	73.1
Writing	75.0	71.3	69.2

Maths	% exp or exc 2014 school	% exp or exc 2014 LA	% exp or exc 2015 school
Number	85.7	80.6	77
SSM	100.0	86.3	88.5

	APS all	APS boys	APS girls	GLD all	GLD boys	GLD girls
Fir Tree 2014	36.1	21.3	62.8	64.3%	61.1%	70.0%
LA 2014	35.2	33.9	36.5	65.4%	58.1%	73.4%
Fir Tree 2015	36.2	34.9	38.2	69.2%	62.5%	80%

Girls have performed better than the boys again this year. The APS and Good Level of Development (GLD) is higher this year and still above the LA average.

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KS1

Maths

Level	Sch % 2014	National % 2014	Sch % 2015		Average APS progress	Average sub level progress	Average sub level
2c+	88.5	92	90				
2b+	80.8	80	86.2				
3	19.2	24	31				
% exceeding ARE			51.7				
APS	15.6		16.2		5	2.5	2b

Reading

Level	Sch % 2014	National % 2014	Sch % 2015		Average APS progress	Average sub level progress	Average sub level
2c+	88.5	90	90				
2b+	88.5	81	86.2				
3	23.1	31	31				
% exceeding ARE			58.6				
APS	16.2		16.3		3.44	1.7	2b

Writing

Level	Sch % 2014	National % 2014	Sch % 2015		Average APS progress	Average sub level progress	Average sub level
2+	88.5	86	90				
2b+	76.9	70	79.3				
3	15.4	16	31				
% exceeding ARE			62.1				
APS	15.3		16.2		5.14	2.6	2b

These results are pleasing. Our target to pitch lessons high and challenge all children is working as many of our children in each year group are working above ARE. This also fits in nicely with the new mastery level way of teaching.

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KS2 SATs

Area	Percentage
Combined score for English and Maths L4	72
Reading	92
Writing	80
Maths	84
2 Levels of progress	
Maths	87.5
Writing	100
Reading	100

Results for Pupil premium children are in line or above that of others and Fir Tree is very proud that there are little if any differences in the results of disadvantaged children compared to their peers.

Attendance

Attendance for 2014-2015 was 95.7%

Public Benefit

In setting objectives and planning the Trust's activities, the Board of Directors confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to pay due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

NEWBURY ACADEMY TRUST
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Going Concern

After consideration of the Trusts financial position and its financial plans, the Board of Trustees have a reasonable expectation that the Trust has and will continue to have adequate resources to enable it to be a sustainable going concern in 2015/16 and for the foreseeable future. For this reason the Trust continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.

Financial Review

Newbury Academy Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 2014/15:

Restricted General Fund

The majority of the Trust's income was received through Education Funding Agency (EFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Trust's charitable activities, its educational operations. These revenue grants and the associated revenue expenditure made against them are detailed in the SOFA. General Restricted Fund income for the period was £5,880,547 (2014: £5,862,495); expenditure against the fund was £5,802,938 (2014: £6,393,047), resulting in a surplus of £77,609 (2014: deficit £530,552) before transfers to the Restricted Fixed Fund and accounting for the pension deficit.

Unrestricted Funds

Income received into the Unrestricted Fund was £182,590 (2014: £168,913). This was attributable to lettings income and fundraising. Expenditure against the fund was £92,266 (2014: £80,117) for the period resulting in surplus of £90,324 (2014: £88,796).

Restricted Fixed Asset (Capital) Fund

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's depreciation policy.

Income received into the fund Academies Capital Maintenance Funding and Formula Capital Funding of £814,955 (2014: £971,614).

The SOFA details a £633,139 (2014: £94,437) Restricted Fixed Asset Fund period end surplus after transfers between funds. This is detailed in note 17 to the accounts.

Summary of Financial Performance

Fund balances as at 31 August 2015 totalled £12,421,387 (2014: £11,634,079). This is comprised of £346,442 (2014: £256,118) of Unrestricted Funds, Deficit of £420,967 (2014: deficit £484,812) in Restricted General Funds (after accounting for pension deficit of £24,000 (2014: £153,000)), £12,495,912 (2014: £11,862,773) of Restricted Fixed Asset Funds and £18,057 (2014: £20,857) of Restricted Other Funds.

Balance Sheet

The Trust's assets were predominantly used for providing education to school students. Some assets were let to the local community, predominately for sports activities and a holiday activity club.

The net book value of the Trust's tangible fixed assets was £11,709,854 (2014: £11,782,589) as at 31st August 2015. The movement in this account is detailed in note 13. Cash in hand at 31st August 2015 was £1,829,979 (2014: £714,950). The Reserves and Investment Policies are detailed below.

NEWBURY ACADEMY TRUST
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Reserves Policy

The Board of Directors reviews the Trust's Reserve Policy annually. The Board of Directors have determined that the appropriate level of free reserves should be a minimum of 2.5% of total funding. The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA. The Trust's free reserves as at 31st August 2015 were £346,442 (2013: £256,118). The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review.

Defined Benefit Pension Scheme

The valuation of the defined benefit pension scheme is a liability of £997,000 (2014: £864,000) on the balance sheet, this is offset by the Trust's reserves.

In respect of any surplus or deficit recognised in relation to the Trust's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employer's pension contributions over a number of years. This period a deficit of £997,000 (2014: £864,000) has been recognised as a liability in the accounts; this does not present an immediately repayable debt.

Funds held as Custodian Trustee on behalf of others

Neither Newbury Academy Trust nor the Board of Directors/Trustees are acting as third party custodial trustees.

Investment Policy

The Trust has invested the sum of £1,738,074 (2014: £593,460) on deposit with HSBC which is low risk. The Trust does not have any endowment funds.

Plans for Future Periods

Newbury Academy Trust strives to continually provide quality lifelong education for all its learners, preparing them for their next steps at every stage. Ultimately preparing them to be well rounded people with the skills to be the very best they can be in whatever they choose to do.

We will continually review our working practices to ensure our learners receive the best opportunities by providing a balanced curriculum with opportunities for enrichment and challenge. We will provide high quality teaching to enable all to learn and make progress from whatever their starting points.

Our plans to continually develop will see the Trust looking at areas of curriculum design and building projects to further develop the learning environment on both sites with a new ASD unit being built at Fir Tree and new classroom blocked planned for Trinity.

NEWBURY ACADEMY TRUST
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Principal Risks and Uncertainties

The Board of Directors has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The Board of Directors have implemented a number of systems to assess and reduce risks that the School faces, especially in operational areas in relation to teaching, health and safety, (including school trips), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk.

Adequate insurance has been arranged where significant financial risk remains. The School has an effective system of internal financial control as explained in the Statement on Internal Control.

Financial and Risk Management Objectives and Policies

The objective of the Trust's Risk Management procedure is to identify the principal risks facing the Trust so that existing controls may be considered and further action taken if required, including external insurance.

The Board of Directors has a comprehensive risk management process to identify and monitor the risks faced by the Trust.

The financial risks considered include: economic /financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial/statutory requirements.

**NEWBURY ACADEMY TRUST
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2015**

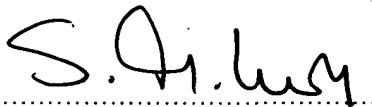
Auditor

In so far as the directors are aware:

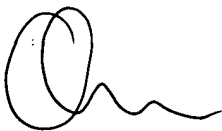
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, Crowe Clark Whitehill LLP who were appointed during the period, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Report of the Governors has been prepared under the Charities Act 2011 and the Companies Act 2006, and was approved by the Directors of Newbury Academy Trust on the date below, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



.....
Mrs S Loy
Chair of Directors



.....
Mrs C Wilson
Accounting Officer

.....
9th December 2015

NEWBURY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of Responsibility

- As directors, we acknowledge we have overall responsibility for ensuring that the Newbury Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.
- The directors has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Newbury Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the trustees any material weaknesses or breakdowns in internal control.

Governance

- The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The Directors board and local governing bodies between them have met formally fifteen times during the period covered by these accounts.
- Following a review of Governance carried out in August 2014 Fir Tree has a Local Management Board (LMB) consisting of 6 Governors including the Executive Headteacher and Headteacher of Fir Tree. There are no sub committees. The LMB has its own terms of reference detailing the responsibilities discharged to the LMB, to the Executive Headteacher (The Accounting Officer) and to the Senior Management Team. The terms of reference and meeting frequency is reviewed and approved by the Board of Directors annually.
- Attendance during the period at meetings of the Directors Board and local governing bodies was as follows:

Newbury Academy Trust Board of Directors

Director	Meetings attended	Out of a possible
Mrs S Loy	2	3
Mr N Cornish	3	3
Mr P G Dick	2	3
Mrs C Wilson	3	3
Mr N Awbery	3	3
Mrs A Creed	2	3
Mr J Rigby	3	3
Mrs Dove	3	3
Mr C Arlott (Resigned 14/09/2014)	0	1
Mr M Lewis (Resigned 14/09/2014)	0	1

Trinity School Local Governing Body

Governor	Meetings attended	Out of a possible
Mrs S Loy	5	5
Mr N Cornish	4	5
Mrs A Creed	4	5
Mrs C Rees	4	5
Mrs L Lewis	5	5
Mr J Rigby	1	5
Mr E Collett	3	5
Mrs C Wilson	5	5

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GOVERNANCE STATEMENT
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Fir Tree Local Management Board:

Governor	Meetings attended	Out of a possible
Mr N Awbery	4	4
Mrs K Dougal	4	4
Mrs L Dove	4	4
Mrs K Adams	3	4
Mr G Whiteford	4	4
Mrs C Wilson	4	4

All appointments to the LMB were made on the 10th November 2014.

The Finance Committee is a sub-committee of the Trinity Governing Body. Their purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the local governing bodies' responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity. During the period, the committees have focused on ensuring good financial practice and policy is established in the Trust's first year.

Trinity School Finance Committee

Governor	Meetings attended	Out of a possible
Mrs C Wilson	3	4
Mrs L Lewis	3	4
Mrs S Loy	2	4
Mr J Rigby	3	4
Mr N Cornish	0	4

Review of Value for Money

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

The accounting officer considers how the 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:

1. Attainment and achievement across both schools continue to be strong with progress measures putting both schools in the top 25% of all schools for adding value to learners education from their starting points.

**NEWBURY ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

Review of Value for Money (continued)

2. In both schools the rolls have continued to grow across the academic year. This is down to positive marketing and the growing reputations of both schools. Fir Tree had an Ofsted Inspection in the last academic year and achieved a 'Good' grade with 'Good' in all areas.

These good outcomes have been achieved by:

- Reviewing the curriculum in both schools to ensure it matches the needs of our learners.
- The staffing structure is regularly reviewed to ensure staff are efficiently deployed and are appropriately qualified.
- Where relevant, staff expertise is shared between the two schools to moderate work and support learning. Staff are held to account through a robust performance management structure ensuring progression through pay scales is subject to review and scrutiny. Analysis will show such progression is not automatic.
- Constant monitoring of performance is undertaken through a programme of senior team lesson observations and reviews in both schools. Staff are supported and coached to secure outstanding teaching and learning outcomes where necessary and best practice is shared throughout the Trust.
- Tracking systems ensure each learner is tracked at key points throughout the year to ensure all learners are making at least expected progress. Intervention programmes are deployed as and when necessary using a toolkit of interventions which include holiday and after school boosters, targeted one to one, withdrawal from lessons, outside agency support and mentoring.
- Pupil Premium spending is monitored and evaluated to avoid spending funding on activities that have little impact on achievement. Funding is spent in ways known to be most effective for learners to maximise attainment in school and reach their potential.

In both schools, refurbishment and building projects are delivered within budget to ensure the learning environment is constantly updated to ensure we provide the very best for our learners. In this Academic Year these projects include the new shelter at Fir Tree and the ASD unit at Trinity.

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 on-going 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 Newbury Academy Trust for the period ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Directors' Board 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 Directors' Board is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors' Board.

NEWBURY ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Risk and Control Framework

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

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

The Directors' Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Crowe Clark Whitehill, the external auditor, to perform additional checks. The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, checks carried out in the current period included:

- EFA Income
- Staff expenses
- Reporting to Governors and the EFA
- Review of the risk register
- Other income
- Capital contracts/projects
- Journals
- Credit card expenses
- Payroll and payroll outsourcing

On a termly basis, the reviewer reports to the Bursar on the operation of the systems of control and on the discharge of the Directors' Board financial responsibilities. During the period, no material control issues have been identified requiring remedial action.

**NEWBURY ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

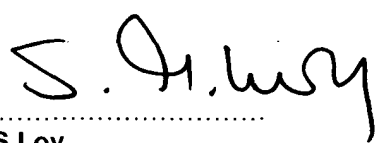
Review of Effectiveness


As Accounting Officer, the Executive Head Teacher 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 reviewer;
- The Academies Financial Handbook;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the School Bursar within the academy trust who has 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 Committees and the Responsible Officer and is pleased to report that no weaknesses have been identified. A programme of further review will however ensure continuous development of the system is in place.

Approved by order of the members of the Directors' Board on 9th December 2015 and signed on its behalf by:


.....
Mrs S Loy
Chair of Directors

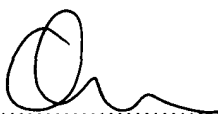

.....
Mrs C Wilson
Accounting Officer

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

As Accounting Officer of Newbury Academy Trust I have considered my responsibility to notify the academy trust Directors' Board 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 are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



.....
Mrs C Wilson
Accounting Officer

9th December..... 2015

NEWBURY ACADEMY TRUST
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors (some of whom who are also directors of Newbury Academy Trust for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirement 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 Directors 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 Directors' Board on 9/12/ 2015 and signed on its behalf by:


.....
Mrs S Loy
Chair of Directors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWBURY ACADEMY TRUST

We have audited the financial statements of Newbury Academy Trust for the period ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 27.

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 Annual Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (some of whom are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report and Strategic 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWBURY ACADEMY TRUST (CONTINUED)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors Report for the financial period 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Alastair Lyon
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

14 December 2015

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF NEWBURY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 July 2012 and amended on 3 October 2012) and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain 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 the governing body and the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Newbury Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of Newbury Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Newbury Academy Trust's funding agreement with the Secretary of State of Education dated 16 June 2011 and the Academies Financial Handbook, extant from 1 September 2012, 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. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING
BODY OF NEWBURY ACADEMY TRUST AND THE EDUCATION FUNDING
AGENCY**

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.

Crowe Clark Whitehill &

Crowe Clark Whitehill LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

14 December 2015

NEWBURY ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015

(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Notes	Un- restricted Funds £	Restricted Funds General £	Restricted Fixed Asset Funds £	2015 Total £	2014 Total £
Incoming resources						
Donations	2	-	71,871	-	71,871	25,693
<i>Incoming resources from generated funds:</i>						
Activities for generating funds	3	180,605	-	-	180,605	165,892
Investment income	4	1,985	-	-	1,985	3,021
<i>Incoming resources from Charitable activities:</i>						
Funding for the Academy's educational operations	5	-	5,971,439	814,955	6,786,394	6,845,178
Total incoming resources		<u>182,590</u>	<u>6,043,310</u>	<u>814,955</u>	<u>7,040,855</u>	<u>7,039,784</u>
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		92,266	7,537	-	99,803	103,724
<i>Charitable activities:</i>						
Academy's educational operations	8	-	5,871,714	243,780	6,115,494	6,636,290
Governance costs	12	-	14,250	-	14,250	13,750
Total resources expended	6	<u>92,266</u>	<u>5,893,501</u>	<u>243,780</u>	<u>6,229,547</u>	<u>6,753,764</u>
Net incoming/(outgoing) resources before transfers		90,324	149,809	571,175	811,308	286,020
Gross transfers between funds	17	-	(61,964)	61,964	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		<u>90,324</u>	<u>87,845</u>	<u>633,139</u>	<u>811,308</u>	<u>286,020</u>
Other recognised gains and losses						
Pension scheme deficit brought forward on conversion						-
Actuarial (losses) on defined benefit pension schemes	27	-	(24,000)	-	(24,000)	(153,000)
Net movement in funds		90,324	63,845	633,139	787,308	133,020
Funds brought forward at 1 September 2014		<u>256,118</u>	<u>(484,812)</u>	<u>11,862,773</u>	<u>11,634,079</u>	<u>11,501,059</u>
Funds carried forward at 31 August 2015		<u>346,442</u>	<u>(420,967)</u>	<u>12,495,912</u>	<u>12,421,387</u>	<u>11,634,079</u>

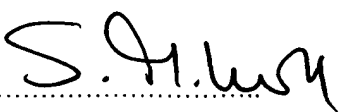
All the Academy's activities are derived from acquisitions and continuing operations in the current financial period.

The notes on pages 29 – 50 form part of these financial statements

COMPANY NUMBER: 7661205
NEWBURY ACADEMY TRUST
BALANCE SHEET
31 AUGUST 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	13	<u>11,709,854</u>	<u>11,782,859</u>
Current assets			
Debtors	14	213,436	331,358
Cash at bank and in hand		<u>1,829,979</u>	<u>714,950</u>
		<u>2,043,415</u>	<u>1,046,308</u>
Current liabilities			
CREDITORS: amounts falling due within one year	15	<u>(334,882)</u>	<u>(331,088)</u>
Net current assets		<u>1,708,533</u>	<u>715,220</u>
Total assets less current liabilities		<u>13,418,387</u>	<u>12,498,079</u>
Net assets excluding pension liability			
Pension scheme liability	27	<u>(997,000)</u>	<u>(864,000)</u>
Net assets including pension liability		<u>12,421,387</u>	<u>11,634,079</u>
Restricted funds			
General fund		557,976	379,188
Pension deficit		(997,000)	(864,000)
Fixed asset fund		12,495,912	11,862,773
Restricted other		<u>18,057</u>	<u>-</u>
Total restricted funds	18	<u>12,074,945</u>	<u>11,377,961</u>
Unrestricted funds			
General funds	18	<u>346,442</u>	<u>256,118</u>
Total funds		<u>12,421,387</u>	<u>11,634,079</u>

The financial statements were approved by the Directors and authorised for issue on 9 December 15
and are signed on their behalf by


.....
Mrs S Loy
Chair of Directors

NEWBURY ACADEMY TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cashflow from operating activities	23	393,864	(432,459)
Cash transferred on conversion to an academy trust		-	-
Returns on investments and servicing of finance	24	1,985	3,021
Capital expenditure	25	719,180	541,771
Increase in cash before use of liquid resources		<u>1,115,029</u>	<u>112,333</u>
Management of liquid resources			
Transfer to short-term deposits		-	-
Increase in cash in the period		<u>1,115,029</u>	<u>112,333</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash		<u>1,115,029</u>	<u>112,333</u>
Change in net funds		1,115,029	112,333
<i>Net funds at 1 September 2014</i>		<u>714,950</u>	<u>602,617</u>
Net funds at 31 August 2015		<u>1,829,979</u>	<u>714,950</u>
Analysis of changes in net funds			
		At 31 August 2015	At 31 August 2014
Cash in hand and at bank		<u>1,829,979</u>	<u>714,950</u>
Net funds		1,829,979	714,950

All the Academy's cashflows are derived from acquisitions and continuing operations in the current financial period.

The notes on pages 29 – 50 form part of these financial statements

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

a) 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 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.

b) Going Concern

The governors 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 Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

c) Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Newbury Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of specific elements of the transaction are set out in the accounting policies below.

d) 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 certainty.

Grants Receivable

Grants receivable 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.

General Annual Grant

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

Capital Grants

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

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

d) Incoming resources (continued)

Sponsorship Income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

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.

Interest receivable is included within the statement of financial activities on a receivable basis.

Donated Services and gifts in kind

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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 the Academy's policies.

In respect of buildings transferred to the Academy from its previous form as a Maintained School, the open market value of this has been included within voluntary income under the Restricted Fixed Asset Fund. The cost of the building is depreciated over 50 years.

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

e) Resources expended

All 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 a particular heading 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/Directors' costs

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

All resources expended are inclusive of irrecoverable VAT.

f) Tangible Fixed Assets

Assets costing £1,000 or more, which have been acquired since the Academy was established, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Freehold Land and Buildings that were acquired when the Academy was established are now valued at depreciated replacement cost. The governors are not expecting to revalue the property in the future.

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 the 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. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Freehold land and buildings	2%
Fixtures and fittings	20%
Motor Vehicles	20%
Plant and machinery	20%
Computer equipment	33%

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

f) Tangible Fixed Assets (continued)

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.

g) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in trading profit.

h) Operating Leases

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

i) 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.

j) Teachers' Pension Scheme

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, 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.

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

k) Local Government Pension Scheme

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.

l) Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Directors.

Restricted funds comprise grants from the EFA and other donors which are to be used for specific purposes.

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME (INCLUDING INCOME TRANSFERRED FROM LOCAL AUTHORITY ON CONVERSION)

	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Donations	-	71,871	71,871	25,693
	<u>-</u>	<u>71,871</u>	<u>71,871</u>	<u>25,693</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Hire of facilities and lettings	82,232	-	82,232	87,041
Sales materials	26,297	-	26,297	10,588
Examination fees	2,104	-	2,104	984
Other income	69,972	-	69,972	67,279
	<u>180,605</u>	<u>-</u>	<u>180,605</u>	<u>165,892</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Bank interest	1,985	-	1,985	3,021
	<u>1,985</u>	<u>-</u>	<u>1,985</u>	<u>3,021</u>

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Capital grants				
Devolved formula capital grant	-	-	-	-
Academies capital maintenance fund	-	814,955	814,955	971,614
DfE / EFA revenue grants				
General Annual Grant (GAG)	-	4,568,998	4,568,998	4,117,071
Other DfE / EFA grants	-	1,059,330	1,059,330	1,380,553
Other Government grants				
Local authority	-	144,844	144,844	151,866
Other grants	-	182,375	182,375	213,005
Total grants	-	6,770,502	6,770,502	6,834,109
Trip income	-	15,892	15,892	11,069
Total	-	6,786,394	6,786,394	6,845,178

6. RESOURCES EXPENDED

	Staff costs £	Premises £	Other costs £	2015 Total £	2014 Total £
Costs of generating voluntary income	-	-	99,803	99,803	103,724
Academy's educational operations					
Direct costs	3,948,465	-	675,996	4,624,461	4,577,336
Allocated support costs	749,163	420,122	321,748	1,491,033	2,058,954
Governance costs Including allocated support costs	-	-	14,250	14,250	13,750
Total	4,697,628	420,122	1,111,797	6,229,547	6,753,764

The method used for the apportionment of support costs is disclosed in the accounting policies (note 1).

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

7. SURPLUS FOR THE PERIOD

Surplus for the period is stated after charging:-

	2015 £	2014 £
Operating leases - other	7,431	36,625
Depreciation	243,780	236,799
Loss on disposal of fixed assets	-	23,364
Auditor's remuneration for audit services	<u>14,250</u>	<u>13,750</u>

8. ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	3,948,465	3,948,465	3,955,695
Depreciation	-	243,780	243,780	236,799
Educational supplies	-	72,515	72,515	92,786
Examination fees	-	69,332	69,332	72,270
Staff development	-	-	-	-
Other direct costs	<u>-</u>	<u>290,369</u>	<u>290,369</u>	<u>219,786</u>
	<u>-</u>	<u>4,624,461</u>	<u>4,624,461</u>	<u>4,577,336</u>
Allocated support costs				
Support staff costs	-	749,163	749,163	714,916
Recruitment and support	-	19,217	19,217	26,599
Marketing and advertising	-	14,921	14,921	13,189
Maintenance of premises and equipment	-	244,398	244,398	234,078
Cleaning	-	113,297	113,297	115,482
Rent & rates	-	39,993	39,993	40,844
Insurance	-	42,197	42,197	47,053
Security and transport	-	12,210	12,210	50,475
Professional and consultancy	-	23,255	23,255	658,804
Postage	-	7,825	7,825	7,047
Catering	-	76,312	76,312	56,720
School trips	-	83,026	83,026	20,194
Other support costs	<u>-</u>	<u>65,219</u>	<u>65,219</u>	<u>73,553</u>
	<u>-</u>	<u>1,491,033</u>	<u>1,491,033</u>	<u>2,058,954</u>
	<u>-</u>	<u>6,115,494</u>	<u>6,115,494</u>	<u>6,636,290</u>

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

9. STAFF

Staff costs

	2015 £	2014 £
Staff costs during the period were:		
Wages and salaries	3,955,817	3,942,283
Social security costs	277,222	277,701
Pension costs	<u>464,589</u>	<u>450,627</u>
	<u>4,697,628</u>	<u>4,670,611</u>

	2015 No.	2014 No.
Charitable Activities		
Teachers	77	77
Administration and support	<u>59</u>	<u>56</u>
	<u>136</u>	<u>133</u>

	2015 No.	2014 No.
* The number of employees whose emoluments fell within the following bands was:		
£80,001 - £90,000	1	-
£70,001 - £80,000	-	1
£60,001 - £70,000	2	2

There are 3 (2014: 3) employees who participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for these members of staff amounted to £29,615 (2014: £18,900).

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

10. GOVERNORS' REMUNERATION AND EXPENSES

The Executive Headteacher, Fir Tree Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher, Headteacher and staff and not in respect of their services as governors.

The value of the Executive Headteacher's remuneration was £70,000 to £80,000. Employer's pension contributions were £10,000 to £15,000.

The value of the Fir Tree Headteacher's remuneration was £55,000 to £60,000. Employer's pension contributions were £5,000 to £10,000.

In accordance with the Accounts Direction 2013 no disclosure has been given in respect of Staff Governors as they are not trustees of the charitable company.

During the period ended 31 August 2015, travel and subsistence expenses totalling £300 (2014: £275) were reimbursed to 3 governors.

Related party transactions involving governors are set out in note 26.

11. DIRECTORS', GOVERNORS' AND OFFICERS' INSURANCE

The Academy has entered a voluntary Risk Protection Arrangement (RPA) with the Department for Education. The RPA is not an insurance scheme but is a mechanism through which the cost of risks that materialise will be covered by government funds. This arrangement includes Governors' liability and professional indemnity. There is no separately identifiable charge for this insurance cover.

12. GOVERNANCE COSTS

	2015 £	2014 £
Auditors remuneration:		
Audit of financial statements	14,250	13,750
Non-audit services	<u>3,572</u>	<u>2,685</u>
	<u><u>17,822</u></u>	<u><u>16,435</u></u>

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

13. TANGIBLE FIXED ASSETS

	Freehold Buildings £	Freehold Land £	Assets in the course of construction £	Furniture fittings and equipment £	Computer Equipment £	Motor Vehicles £	2015 Total £
Cost							
Brought forward	9,095,235	2,930,000	-	42,165	116,374	40,290	12,224,064
Additions	76,110	-	67,879	1,987	24,799	-	170,775
Disposals	-	-	-	-	-	-	-
At 31 August 2015	<u>9,171,345</u>	<u>2,930,000</u>	<u>67,879</u>	<u>44,152</u>	<u>141,173</u>	<u>40,290</u>	<u>12,394,839</u>
Depreciation							
Brought forward	358,525	-	-	16,899	60,007	10,774	441,205
Charged in period	183,304	-	-	5,831	46,587	8,058	243,780
Disposals	-	-	-	-	-	-	-
At 31 August 2015	<u>536,829</u>	<u>-</u>	<u>-</u>	<u>22,730</u>	<u>106,594</u>	<u>18,882</u>	<u>684,985</u>
Net book value							
At 31 August 2015	<u>8,634,516</u>	<u>2,930,000</u>	<u>67,879</u>	<u>21,422</u>	<u>34,579</u>	<u>21,458</u>	<u>11,709,854</u>
Net book value							
At 31 August 2014	<u>8,741,710</u>	<u>2,930,000</u>	<u>-</u>	<u>25,266</u>	<u>56,367</u>	<u>29,516</u>	<u>11,782,859</u>

The trusts transactions relating to freehold buildings included building improvements to the 6th form, Fir Trees and the library.

Reconciliation of fixed assets to the restricted fixed asset fund:

	£
Value per fixed assets (note 13)	11,709,854
Add: Capital grants received but not yet invested	786,058
Balance per restricted fixed asset fund (note 17)	<u>12,495,912</u>

Included within Fixed Assets is recognition of the value of the land and buildings transferred to the Academy from its predecessor form as a Maintained School. The Academy has used the site valuation provided by West Berkshire Council at the date of conversion.

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

14. DEBTORS

	2015 £	2014 £
Other debtors	44,358	133,790
Prepayments	<u>169,078</u>	<u>197,568</u>
	<u>213,436</u>	<u>331,358</u>

15. CREDITORS: amounts falling due within one year

	2015 £	2014 £
Trade creditors	-	-
Other taxation and social security	82,537	82,012
Other creditors	-	-
Accruals and deferred income	<u>252,345</u>	<u>249,076</u>
	<u>334,882</u>	<u>331,088</u>

Deferred Income

	2015 £	2014 £
Deferred income at 1 September 2014	40,002	12,818
Resources deferred in the year	53,254	40,002
Amounts released from previous years	<u>(40,002)</u>	<u>(12,818)</u>
Deferred income at 31 August 2015	<u>53,254</u>	<u>40,002</u>

16. CENTRAL SERVICES

The academy trust has provided the following central services to its academy during the year:

	2015 £	2014 £
Financial services	13,050	19,340
Educational support services	<u>75,000</u>	<u>79,330</u>
	<u>88,050</u>	<u>98,670</u>

The actual amount charged during the year to Fir Tree academy for the above services amounted to £88,050 (2014: £98,670) which is based on 10% of income.

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS

	<i>Balance at 31 August 2014 £</i>	<i>Incoming Resources £</i>	<i>Resources expended £</i>	<i>Gains, Losses and Transfers £</i>	<i>Balance at 31 August 2015 £</i>
Restricted General Funds					
General Annual Grant	160,102	5,628,328	(5,386,700)	(61,964)	339,766
Cash received on conversion	-	-	-	-	-
Pension reserve	(864,000)	-	(109,000)	(24,000)	(997,000)
Other EFA grants	198,229	327,219	(307,238)	-	218,210
School Fund	20,857	87,763	(90,563)	-	18,057
	<u>(484,812)</u>	<u>6,043,310</u>	<u>(5,893,501)</u>	<u>(85,964)</u>	<u>(420,967)</u>
Restricted Fixed Asset Fund					
Donated on conversion	11,782,859	-	(243,780)	170,775	11,709,854
DfE/EFA capital grants	79,914	814,955	-	(108,811)	786,058
	<u>11,862,773</u>	<u>814,955</u>	<u>(243,780)</u>	<u>61,964</u>	<u>12,495,912</u>
Unrestricted Funds					
Unrestricted funds	256,118	182,590	(92,266)	-	346,442
Total funds	<u>11,634,079</u>	<u>7,040,855</u>	<u>(6,229,547)</u>	<u>(24,000)</u>	<u>12,421,387</u>

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

Restricted General Funds - EFA grants (including GAG), which must be used to meet the cost of running Newbury Academy Trust.

Restricted Other Funds - represents donations and fundraising income generated by the school, which is for restricted use as stipulated by the donor.

Unrestricted Funds - represents income generated by the school (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Directors' Board.

The transfer of £13,036 from the restricted fixed asset fund to the restricted general fund represents capital grants that have been utilised for refurbishment and maintenance projects during the year.

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS (continued)

Fund balances at 31 August 2014 were allocated as follows:

	2015 £	2014 £
Trinity School	10,772,025	9,869,135
Fir Tree Primary	<u>1,649,362</u>	<u>1,764,944</u>
Total	<u>12,421,387</u>	<u>11,634,079</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Other Restricted Fund £	Total £
Tangible fixed assets	-	-	11,709,854		11,709,854
Current assets	346,442	892,858	786,058	18,057	2,043,415
Current liabilities	-	(334,882)	-	-	(334,882)
Pension scheme liability	<u>-</u>	<u>(997,000)</u>	<u>-</u>	<u>-</u>	<u>(997,000)</u>
	<u>346,442</u>	<u>(439,024)</u>	<u>12,495,912</u>	<u>18,057</u>	<u>12,421,387</u>

19. CAPITAL COMMITMENTS

At 31 August 2015 there were capital commitments of £271,599 (2014: £294,895) in respect of future building works.

20. FINANCIAL COMMITMENTS

Operating leases

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

	2015 £	2014 £
Other		
Expiring within one year	9,345	410
Expiring within two and five years inclusive	<u>10,398</u>	<u>26,418</u>
	<u>19,743</u>	<u>26,828</u>

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

21. 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 reinvest the proceeds or to repay to the Secretary of State 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:-

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

22. MEMBERS' LIABILITIES

Every member of the charitable company undertakes to contribute such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one year after he or she ceases to be a member, for the payment of the Trust's debts and liabilities before he or she ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of contributions amongst themselves.

23. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net income	787,308	133,020
Depreciation	243,780	236,799
Loss on disposal of fixed assets	-	23,364
Capital grant received	(889,955)	(971,614)
Movement in FRS 17 liability	133,000	239,000
Interest received	(1,985)	(3,021)
(Increase) in debtors	117,922	(198,262)
Increase in creditors	<u>3,794</u>	<u>108,255</u>
Net cash inflow from operating activities	<u>393,864</u>	<u>(432,459)</u>

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

24. RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2015 £	2014 £
Interest received	<u>1,985</u>	<u>3,021</u>
Net cash inflow from returns on investment and servicing of finance	<u><u>1,985</u></u>	<u><u>3,021</u></u>

25. CAPITAL EXPENDITURE

	2015 £	2014 £
Purchase of tangible fixed assets	(170,775)	(429,843)
Capital grants received	<u>889,955</u>	<u>971,614</u>
Net cash inflow from capital expenditure	<u><u>719,180</u></u>	<u><u>541,771</u></u>

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Directors being linked to local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Directors or a Governor may have an interest. All transactions involving such organisations are conducted at arms length and in accordance with the trust's financial regulations and normal procurement procedures.

There were no related party transactions in the period ended 31 August 2015 (2014: £nil).

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

27. PENSIONS 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 the Royal County of Berkshire Pension Scheme. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was March 2004 and the LGPS, 31 March 2013.

Contributions amounting to £6,528 (2014: £6,565) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

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

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

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

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £142,000, of which employer's contributions totalled £103,000 and employees' contributions totalled £39,000. The agreed contribution rates for future years are 18.3 per cent for employers and from 5.5 to 7.5 per cent for employees depending on salary.

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

Principal actuarial assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.5%	4.5%
Rate of increase of pensions in payment / inflation	2.7%	2.7%
Discount rate for scheme liabilities	4.0%	4.0%
Inflation Assumption (CPI)	2.7%	2.7%

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

	At 31 August 2015	At 31 August 2014
Retiring today - males	22.8	22.7
Retiring today - females	26.1	26.0
Retiring in 20 years - males	25.1	24.9
Retiring in 20 years - females	28.4	28.3

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The academy trust's (combining Trinity School and Fir Tree Primary) share of the assets and liabilities in the scheme and the expected rates 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	45%	(205)	43%	(161)
Gilts	1%	-	1%	-
Other bonds	13%		15%	
Property	14%	(205)	12%	(161)
Cash	5%		3%	
Alternative assets	n/a%		n/a%	
Target Return Portfolio	18%		17%	
Commodities	4%		9%	26
Infrastructure	4%	(64)	4%	(54)
Longevity Insurance	-4%		-4%	-
Total market value of assets		779		601
Present value of scheme liabilities				
- Funded		(1,776)		(1,465)
Deficit in the scheme		(997)		(864)

The actual return on scheme assets was £16,000.

The amounts included within the Statement of Financial Activities would be as follows:

	2015 £'000	2014 £'000
Current service cost	(205)	(161)
Past service gain	-	-
Total operating charge	(205)	(161)
Analysis of pension finance income / (costs)		
Expected return on scheme assets	41	26
Interest on pension liabilities	(64)	(54)
Pension finance (costs)	(23)	(28)

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Newbury Academy Trust expects to contribute £129,000 to its defined benefit pension scheme in 2016. The actuarial gains and losses for the current period (£24,000 loss) is recognised in the statement of financial activities. The cumulative amount of gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £335,000 loss.

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

	2015 £'000	2014 £'000
Opening defined benefit obligation	1,465	1,055
Current service cost	205	161
Interest cost	64	54
Estimated benefits paid (net of transfers in)	(1)	(4)
Employee contributions	44	39
Actuarial loss (gain)	<u>(1)</u>	<u>160</u>
At 31 August 2014	<u>1,776</u>	<u>1,465</u>

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

	2015 £'000	2014 £'000
Opening balance	601	430
Expected return on assets	41	26
Actuarial gain (loss)	(25)	7
Estimated benefits paid (net of transfers in)	(1)	(4)
Employer contributions	119	103
Employee contributions	<u>44</u>	<u>39</u>
At 31 August 2014	<u>779</u>	<u>601</u>

NEWBURY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The history of experience adjustments is as follows:

	2015 £'000	2014 £'000
Present value of defined benefit obligations	(1,776)	(1,465)
Fair value of share of scheme assets	<u>779</u>	<u>601</u>
Deficit in the scheme	<u>(997)</u>	<u>(864)</u>
Experience adjustments on share of scheme assets		
Amount £'000	<u>(25)</u>	<u>7</u>
Experience adjustments on scheme liabilities:		
Amount £'000	<u>-</u>	<u>(163)</u>

As described above the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.