

Company Registration No. 08537140 (England and Wales)

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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COMPANIES HOUSE

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr C Garner
Mr P Clarke
Ms M Johnson
Ms H Tait
MR R Gohil

Trustees

Dr J Tedds (Chair) (Appointed 28 September 2015)
Mr P Clarke (Resigned 27 June 2016)
Ms M Johnson (Resigned 27 June 2016)
Mr P Merry (Executive Headteacher and Accounting Officer)
Mrs V Pankhania (Appointed 28 September 2015 and resigned 27 June 2016)
Mrs F Weston (Appointed 28 September 2015)
Ms N Wilkie
Miss J Bromell (Resigned 5 October 2015)
Mr C Garner (Appointed 30 November 2015 and resigned 14 January 2016)
Mr C Hill (Resigned 5 October 2015)
Mrs C McGorum (Appointed 27 June 2016 and resigned 5 October 2015)
Mrs E Redfern (Resigned 5 October 2015)
Mr M Taunton (Resigned 5 October 2015)
Mr M Thornton (Resigned 5 October 2015)
Mr M Elton (Appointed 30 November 2015)
Mrs A Goodman (Appointed 27 June 2016)
Mrs M James (Appointed 27 June 2016)
Mr S Mallon (Appointed 30 November 2015)

Senior management team

- CEO/Executive Headteacher	Mr P M Merry
- Head of School	Mrs H Bonser
- Head of School	Mrs S Conlon
- Headteacher of School	Mrs V Pankhania
- Finance	Ms K Biddles
- HR	Ms K McClaren

Company registration number 08537140 (England and Wales)

Principal address Langmoor Primary School
Kenilworth Drive
Oadby
Leicester
LE2 5HS

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

Langmoor Primary School
Kenilworth Drive
Oadby
Leicester
LE2 5HS

Academies operated

Glenmere Primary School
Langmoor Primary School
Little Hill Primary School
Fernvale Primary School

Location

Wigston
Oadby
Wigston
Thurnby

Principal

Mrs S Conlon
Mrs H Bonser
Mrs V Pankhania
Miss N Hackett

Independent auditor

RSM UK Audit LLP
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

Bankers

Lloyds Bank plc
54-56 Chestnut Ave
Oadby
Leicester
LE2 5JG

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operated three primary schools for pupils aged 4 to 10 years old in Leicestershire during the year under review. The Academy Trust has a combined pupil capacity of 788 and had a roll of 810 in the school census dated 1 October 2016. A fourth school has joined the trust on September 1st 2016 increasing overall capacity to 1050, including year 6 in two of our schools in the trust. The other two schools will also be retaining year 6 from 1st September 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors act as Trustees for the charitable activities of Oadby, Wigston and Leicestershire Schools Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Oadby, Wigston and Leicestershire Schools Academy Trust. The articles of association require the members of the charitable company to appoint at least four Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy Trust.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

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

Method of recruitment and appointment or election of trustees

Governors are appointed through nomination and election (Staff and Parent Governor Positions) and Community Governors were appointed or re-appointed at the inception of the Academy. Terms of office for a governor are based upon four years.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors which will be made available online through The Learning Platform or documents will be sent as appropriate. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

A unified management structure is utilised to run each of the Academies. The structure now consists of two levels: the Governors and The Head Teacher/Senior Managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and approving the annual budget, monitoring each Academy by the use of budgets and making major decisions about the direction of the Academies, capital expenditure and staff appointments. Specific responsibilities of the committees are outlined below in the relevant terms of reference.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key management staff is set out in Academies pay policy for Teachers which is annually reviewed and ratified by Trustees. The pay policy sets out the framework for making decisions on all teachers' pay including key management staff. The policy has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been consulted on with staff and/or the recognised trade unions. The pay policy underpin the Academies Performance Management Policy which provides the opportunity for all staff to discuss their performance and development needs in relation to their job role and pay progression. Where eligible for pay progression, the recommendation made by the appraiser is based on the assessment of their performance against the agreed objectives. The final decision lies with the pay committee, made up of Trustees, and is based on the statutory criteria and guidance set out in the STPCD and the relevant teacher standards. No remuneration payments are made to Trustees.

Related parties and co-operation with other organisations

The Academy Trust is a Multi Academy Trust ("MAT") which included three primary schools during the year under review: Glenmere Primary School, Langmoor Primary School and Little Hill Primary School. The latter school converted to Academy status and joined the MAT on 1 September 2015. Post year end, a further school, Fernvale Primary School has converted to Academy status and joined the MAT.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object of the charitable company is the operation of Oadby, Wigston and Leicestershire Schools Academy Trust which provides education for pupils of different abilities between the ages of 4 and 10. Two of the schools now have year six: Glenmere and Little Hill.

The main objectives of The Trust are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The Trust's main strategy is encompassed in its mission statements which is 'Living Learning Laughing Together'.

At Oadby, Wigston and Leicestershire Schools Academy Trust we aim to provide a safe, happy and stimulating learning environment which enables each child to reach his/her full potential by:

- Working as a team comprising children, staff, parents, Governors, outside agencies and visitors;
- Valuing the contribution of each individual within that team;
- Providing a broad varied curriculum planned to suit the individual child yet within the 'Desirable Outcomes' and the National Curriculum framework.
- Promoting justice and good standards of behaviour and discipline;
- Showing and encouraging respect and tolerance for the school community as well as each other;
- Promoting equality of opportunity regardless of race, religion, gender, social background or ability;
- Promoting links with other schools as well as the local and wider community.
- Recognising the needs and nurturing strengths.

Objectives, strategies and activities

As a result of such an environment we hope our children will:

- be confident and at ease with themselves and others;
- become independent, self-disciplined and self-motivated;
- have respect for themselves, each other and the environment;
- be keen to learn and able to set, and achieve, realistic goals of a high standard;
- be valued as an individual and as a member of the community, both within the school and beyond;
- become literate, numerate, communicative, creative and co-operative.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Public benefit

In settling our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit. In line with the Academy Trust's charitable objectives there is a wide use of the schools facilities by the local community.

STRATEGIC REPORT

Financial review

The vast majority of the Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets from the DfE and such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Trust held fund balances at 31 August 2016 of £2,565,080 (2015: £1,318,625) comprising £3,470,123 (2015: £1,543,945) of restricted funds, which is mainly the fixed asset restricted fund, £432,957 (2015: £299,680) of unrestricted general funds and a pension reserve deficit of £1,338,000 (2015: £525,000). One of the main factors in the increase in the fund balance is the transfer on conversion of Little Hill Primary School during the year that had a net increase in the funds of £1,797,377; further details are given in note 26 of the notes to financial statements.

Financial and risk management objectives and policies

The risks faced by the Trust are outlined in the Risk Register and although there is an annual assessment undertaken, the Governors are continually aware and are monitoring any financial risks and related financial procedures within the Trust.

The Trust's main source of funding is from the Education Funding Agency and as such this minimises the Trust's exposure to cash flow or liquidity issues. Cash flow is managed on a monthly basis to reflect the profile of income received and expenditure requirements of the Trust.

Reserves policy

The Academy Trust's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Academy Trust has or can make available to spend for any or all of the Academy Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy Trust which is to be spent at the Trustees' discretion in furtherance of any of the Academy Trust's objects but which is not yet spent, committed or designated.

The Governors review the reserve levels of the Academy Trust in Finance Committee meetings which take place four - six times per year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, budgeted under contingency at all schools within the trust. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £432,957 (2015: £299,680) which is adequate.

The Academy Trust has restricted fixed assets fund, with a balance of £3,426,534 which is in respect of fixed assets and capital expenditure of the Academy Trust, which is not available for general purpose of the trust and will only be realised by disposing of the tangible assets.

The Academy Trust currently has immediate plans that any reserves as at 31 August 2016 shall be allocated to funding building expansion to accommodate the age expansion to include Year 6 children from September 2016. A reserves policy will be developed and combined with our current investment policy during the coming year in anticipation for future years.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Investment policy

At present, the Academy Trust does not hold significant funding to warrant additional investment. Currently, the balance outlined above is held within our main school bank account and the balance is planned for development of our school buildings.

Key performance indicators

The Trustees at Oadby, Wigston and Leicestershire Schools Academy Trust review financial performance indicators through six budget monitoring exercises per year where the current financial position is scrutinised. This in turn is presented to Trustees and Governors at least three times a year plus a commentary.

The main key performance indicators are stated below:

Teaching and learning

- Children to achieve to their full potential i.e. 100 to achieve expected progress in reading, writing, and maths by end of KS2
- Phonics screening check 80% and above
- 80% of children to attain age related standards by end of KS1 within Reading, Writing and Maths.
- 80% of children to attain age related standards by end of KS2 within Reading, Writing and Maths.
- 75% of children to achieve combined KS2 related standards across trust.
- 100% of teaching and learning to be good or better
- no inadequate teaching

Welfare, behaviour and safeguarding

- School attendance to be above national average (96%)
- To secure a safe, secure, stimulating environment
- All children to have access to opportunities beyond the curriculum, e.g. residential, school visits, theatre trips etc

Leadership and management

- All vacancies to be filled with at least good quality teachers
- To ensure appropriate CPD to grow and nurture own staff for succession planning
- Staff retention to be at 80%
- Staff attendance maintained at 95% plus
- All schools to be good or better in two years as categorised by Ofsted

Governance

- 100% of skills coverage within Trustees
- Financial probity: no red flags
- Robust financial parameters maintained in all schools

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Achievements and performance - Glenmere Primary School

Glenmere Year 2 Strategic report 2016

Cohort Targets Year 2 Number in cohort: 29 SEND REGISTER: 6.7% (2 children)

Band 2 Ave 2w+	Points	Reading target	AUT	spr	sum	Writing target	AUT	spr	sum	Maths target	AUT	spr	sum
S+	48	32%			10.3%	8%			3.4%	20%			10.3
S	47	20%			20.7%	20%			13.8%	36%			17.2
W +85%	46	32%		23.3%	48.3%	56%			51.7%	32%		3.3%	51.7
W	45			6.7%	6.9%	4%		20%	17.2%	4%		13.3%	17.2
B+	44			13.3%	3.4%	4%		3.3%	3.4%	4%		26.7%	3.4
B	43	12%	17.9%	16.7%		4%	3.6%	20%		4%	21.4%	16.7%	
Below Band 2		4%	82.1%	37.7%	10.2%	4%	96.4%	56.7%	10.2%		78.6%	40%	10.2

% at 1w+ at end of year1 2015 R=65%,W=43.4%,M=73.9%

2016 results-2W+ and above=R=79.3%,W=69%,M=79.3%

YEAR 2	NOR/%	READING		WRITING		MATHS	
		% at ARE	% above ARE	% at ARE	% above ARE	% at ARE	% above ARE
OVERALL	29	48.3%	31%	51.7%	17.2%	51.7%	27.5%
GIRLS	55.2%	43.8%	31.3%	50%	18.8%	56.3%	25.1%
BOYS	44.8%	53.8%	30.8%	53.8%	15.4%	46.2%	30.8%
FSM	0%	NA	NA	NA	NA	NA	NA
NON FSM	100%	48.3%	31%	51.7%	17.2%	51.7%	27.5%
PP	10.3%	66.7%	0%	0%	0%	66.7%	0%
NON PP	89.7%	46.2%	34.6%	57.7%	19.2%	50%	30.7%
SEN	10.3%	33%	0%	0%	0%	33.3%	0%
NON SEN	89.7%	50%	34.6%	57.7%	19.2%	53.8%	30.7%
EAL	13.8%	75%	0%	50%	25%	75%	0%
NON EAL	55.2%	44%	9%	52%	4%	48%	8%
CLA	0%	NA	NA	NA	NA	NA	NA
NON CLA	100%	48.3%	31%	51.7%	17.2%	51.7%	27.5%

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

KS1 SATS

Glenmere's 2013 -2015 key stage one SATS results

subject	Glenmere and national results	% of pupils achieving level 2 and above 2013	% of pupils achieving level 3 2013	% of pupils achieving level 2 and above 2014	% of pupils achieving level 3 2014	% of pupils achieving level 2 and above 2015	% of pupils achieving level 3 2015
Reading	Glenmere	88%	23%	100%	22%	87%	20%
	National	89%	29%	91.3%	31%	90%	32%
Writing	Glenmere	88%	19%	100%	11%	93%	17%
	National	85%	15%	88%	16%	88%	18%
Math's	Glenmere	96%	15%	100%	15%	100%	30%
	National	91%	23%	92.9%	24%	93%	26%
Speaking and listening	Glenmere	92%	23%	96.3%	19%	97%	30%
	National	89%	23%	91.2%	24%		
Science	Glenmere	88%	27%	100%	15%	100%	30%
	National	90%	22%	92.6%	24%		

2015/16 SATS data

Level entered on SIMS 2016	Reading	Writing	Maths
GDS	17.2%	10.3%	24.1%
EXS	62%	65.5%	55%
WTS	10.3%	13.7%	10.3%
PKF	3.4%	3.4%	3.4%
D	6.8%	6.8%	6.8%

% of pupils working at expected level or above =R=79.2%,W=75.8%,M=79%

Achievements and performance - Langmoor Primary School

Cohort Targets Year 2 Number in cohort: 29 SEND REGISTER: 3.3% (1 child)

Band 2	Points	Read	AUT	SPR	SUM	Wri	AUT	SPR	SUM	Math	AUT	SPR	SUM
S+	48	17%			17%	10%			14%	13%			17%
S	47	30%		3.3%	24%	33%			28%	47%			38%
W +85%	46	37%		20%	38%	40%			41%	30%			28%
W	45	10%	13.8%	33%	17%	10%	10.3%	47%	10%	7%	27%	60%	14%
B+	44	7%	10.3%	30%	-	7%	20.7%	33%	7%	3%	53%	30%	-
B	43	-	27.6%	10%	-	-	27.6%	10%	-	-	17%	6.7%	3%
Below Band 2			48.3%	3.3%	3.3%		41.1%	10%	3%			3.3%	-
Ave Lev 2W+	46												

JUNE 2016 R w+ = 79% W w+ = 83% M w+ = 83%

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

YEAR 2	NOR/%	READING		WRITING		MATHS	
		% at ARE	% above ARE	% at ARE	% above ARE	% at ARE	% above ARE
OVERALL	29	40%	40%	43.3%	40%	30%	53.4%
GIRLS	53%	25%	50%	37.5%	50%	31.3%	43.8%
BOYS	47%	57.1%	28.5%	50%	28.6%	28.6%	64.3%
FSM	10%	100%	NA	66.6%	33%	33.3%	66.6%
NON FSM	90%	33.3%	44.4%	40.7%	40.7%	29.6%	51.8%
PP	10%	100%	NA	66%	33%	33.3%	66.6%
NON PP	90%	33.3%	44.4%	40.7%	40.7%	29.6%	51.8%
SEN	3.3%	0%	0%	0%	0%	0%	0%
NON SEN	96.7%	41.4%	41.3%	44.8%	41.4%	31%	55.1%
EAL	33%	50%	33.3%	50%	33.4%	16.7%	66%
NON EAL	67%	37.5%	41.7%	41.7%	41.7%	33.3%	50%
CLA	0%	NA	NA	NA	NA	NA	NA
NON CLA	100%	40%	40%	43.3%	40%	30%	53.4%

KS1 SATS

Langmoor's 2013 -2015 key stage one SATS results

Subject	Glenmere and national results	% of pupils achieving level 2 and above 2013	% of pupils achieving level 3 2013	% of pupils achieving level 2 and above 2014	% of pupils achieving level 3 2014	% of pupils achieving level 2 and above 2015	% of pupils achieving level 3 2015
Reading	Langmoor	87%	17%	100%	23%	97%	26%
	National	89%	29%	91.3%	31%	90%	32%
Writing	Langmoor	80%	3%	100%	0%	94%	9%
	National	85%	15%	88%	16%	88%	18%
Math's	Langmoor	97%	10%	100%	23%	97%	17%
	National	91%	23%	92.9%	24%	93%	26%

2015/16 SATS data

Level entered on SIMS 2016	Reading	Writing	Maths
GDS (Greater depth)	13.3%	13.3%	16.6%
EXS (expected)	66.6%	63.3%	66.6%
WTS (Working towards)	16.6%	20%	13.3%
PKF (Pre Key Stage expectations)	3.3%	3.3%	3.3%

% of pupils working at expected level or above =R=80%,W=77%,M=83%

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Achievements and performance - Little Hill Primary School

Cohort Targets Year 2 Number in cohort: 59 SEND REGISTER: 11.9%

Band 2 Ave 2w+	Points	AUT	spr	sum	AUT	spr	sum	AUT	spr	sum
S+	48	1.7	8.5	30.5			13.6			25.4
S	47		5.1	28.8		1.7	10.2			25.4
W+85%	46		11.9	20.3		6.8	42.3		13.6	16.9
W	45	5.1	15.3		1.7	13.6	8.5		22	10.2
B+	44	3.4	13.6	5.1		28.8	5.1		23.7	5.1
B	43	8.5	5.1	3.4	11.9	23.7	3.4	35.6	6.8	5.1
Below Band 2		81.4	25.4	13.6	86.4	25.4	16.9	64.4	33.9	11.8

% at 1w+ at end of year1 2015 R=71.2%,W=66.1%,M=62.7%

2016 results-2W+ and above=R=78%,W=66.1%,M=67.8%

YEAR 2	NOR/%	READING		WRITING		MATHS	
		% at ARE	% above ARE	% at ARE	% above ARE	% at ARE	% above ARE
OVERALL	59	47.5	30.5	52.5	13.6	42.4	25.4
GIRLS	39%	52.2	26.1	52.2	8.7	34.8	17.4
BOYS	61%	44.4	33.3	52.8	16.7	47.2	30.6
FSM	10.2%	66.7	16.7	83.3	0	50	16.7
NON FSM	89.8%	45.3	32.1	49.1	15.1	41.5	26.4
PP	15.3%	55.6	33.3	77.8	0	55.6	22.2
NON PP	84.7%	46	30	48	16	40	26
SEN	15.3%	20	0	20	0	20	0
NON SEN	84.7%	50	34.6	55.8	15.4	46.2	22.8
EAL	0.07%	50	0	50	0	25	0
NON EAL	99.93%	47.3	32.7	52.7	14.5	43.6	27.3
CLA	0	N/A	N/A	N/A	N/A	N/A	N/A
NON CLA	100%	N/A	N/A	N/A	N/A	N/A	N/A

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

KS1 SATS

2015-2016 Data Key Performance Indicators

<u>Indicator</u>	<u>Little Hill Primary School</u>	<u>Leicestershire</u>	<u>National</u>
Good Level of Development	74%	67.5%	69%
Y1 Phonics	90%	80.3%	80.5%
KS1 Reading at expected standard +	78%	73.3%	74.1%
KS1 Writing at expected standard +	66.1%	64%	65.5%
KS1 Maths at expected standard +	67.8%	71.7%	72.7%
KS1 Science at expected standard +	79.4%	84.5%	N/A
KS1 Reading, Writing and Maths combined at expected standard +	62.7%	58.4%	60.3%
KS1 Reading at greater depth	30.5%	24.6%	23.6%
KS1 Writing at greater depth	13.6%	14.1%	13.3%
KS1 Maths at greater depth	27.1%	18.6%	17.8%
KS1 Reading, Writing and Maths combined at greater depth	11.9%	9.3%	8.9%

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note.

Plans for future periods

The Academy Trust will continue striving to improve the levels of performance of its students at all levels. The individual Academies will also increase its age-range from 1 September 2016 and 1 September 2017 to include pupils of year 6 age-range in accordance with the confirmation from Ministerial decision and the DfE that our application and business plan relating to the age-phase change had been accepted.

Principal risks and uncertainties

The principal risks and uncertainties that face the School are:

Financial - The Trust relies very heavily on continued Government funding through the EFA. In the financial year 2015/16 nearly all of the income is through Government funding. This opens the Trust up to significant risk from variation in funding levels, as has been the case with virtual pupil numbers.

Safeguarding and child protection - the Trustees and Governors continue to ensure that the highest standards are maintained in the areas of selection, recruitment, and monitoring of staff, the operation of child protection policies and procedures, health and safety, and risk assessment of these critical areas. This continues to be of the highest priority.

Staffing - the success of each academy is dependent on the quality of its staff. Trustees and Governors monitor and review policies and processes to ensure that continued development of staff is maintained. Performance Management procedures are robust in ensuring that all staff meet the very highest standards in relation to all aspects of school performance and operational management.

Fraud and management of funds – each academy has appointed a Reviewer to carry out audit and compliance checks on financial systems, records and controls. This is coordinated through the CEO and CFO of the Trust. Finance staff receive training to keep them up-to-date with final practice requirements and to support them in the development of their skills in this area of risk.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian trustee on behalf of others.

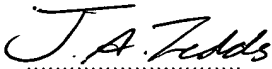
AUDITOR

RSM UK Audit LLP indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 7.12.16 and signed on its behalf by:



Dr J Tedds
Chair

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees and Governors, we acknowledge we have overall responsibility for ensuring that Oadby, Wigston and Leicestershire Schools Academy Trust have 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 Trustees and governing bodies have delegated the day-to-day responsibility to the 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 Oadby, Wigston and Leicestershire Schools Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met seven times during the period. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Dr J Tedds (Chair) (Appointed 28 September 2015)	7	7
Mr P Clarke (Resigned 27 June 2016)	6	6
Ms M Johnson (Resigned 27 June 2016)	4	7
Mr P Merry (Executive Headteacher and Accounting Officer)	7	7
Mrs V Pankhania (Appointed 28 September 2015 and resigned 27 June 2016)	7	7
Mrs F Weston (Appointed 28 September 2015)	5	7
Ms N Wilkie	6	7
Miss J Bromell (Resigned 5 October 2015)	1	1
Mr C Garner (Appointed 30 November 2015 and resigned 14 January 2016)	1	1
Mr C Hill (Resigned 5 October 2015)	1	1
Mrs C McGorum (Appointed 27 June 2016 and resigned 5 October 2015)	1	1
Mrs E Redfern (Resigned 5 October 2015)	1	1
Mr M Taunton (Resigned 5 October 2015)	0	1
Mr M Thornton (Resigned 5 October 2015)	0	1
Mr M Elton (Appointed 30 November 2015)	2	6
Mrs A Goodman (Appointed 27 June 2016)	1	1
Mrs M James (Appointed 27 June 2016)	0	1
Mr S Mallon (Appointed 30 November 2015)	4	6

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The Academy Trust carries out an annual review of its Governance, the latest review took place on the 5th October 2016. Changes to the structure of the Trustees and governing bodies and format of meetings were reviewed and planned for the year 2016/17.

The governing bodies can be seen below:

Governors' names and contacts as of September 2016

List of Governors

No	Type	Glenmere & Langmoor	Little Hill	Fernvale
1	Parent	Sam Pole	Stephen Mallon	Sally Shields
2	Parent	Chris Hill	Rohit Gohil	Michelle Allen
3	Parent	Martin Satchwell	James Blacklaws	Craig Sands
4	Parent	Shanine Hlali	Vacancy	Priscailla Clark
1	Co-opted	Phil Clarke	Jonathan Tedds	Ann Fox
2	Co-opted	Nicola Wilkie	Andy Wilkinson	Radha Kumari
3	Co-opted	Claire McGorum	Fiona Weston	Bharat Keshwala
4	Co-opted	Miriam Johnson	Margaret James	Alison Goodman
5			Vacancy	Leona Smith
6			Vacancy	
1	Staff	Helen Bonser	Helen Cartledge-Splitt	Rebecca Johnson
2	Staff	Sam Conlon	Michelle Upex	Natalie Hackett
3	Staff	Emma Houghton	Vina Pankhania	
4	Staff	Peter Merry		

Review of value for money

As accounting officer the CEO/ 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.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

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:

- The Academy Trust continually reviews the progress of all their pupils throughout the year. This progress is audited throughout the year in conjunction with our Teaching School alliance – the process involves identifying the progress of classes and groups within them such as Pupil Premium Pupils, ethnic groups, etc. Any areas for concern are identified and an action plan is agreed with each of the Academy's Senior Leadership Team. The partner produces written reports to all Academy governors and reports to the MAT trustees.
- The individual academies annually review their staffing as part of the budget setting process. Where schools are growing additional staff has been deployed. The quality of teaching is monitored by the School leadership team and discussed with an OFSTED trained inspector.
- The CEO / Executive Headteacher and Head teachers / Head of School work very closely together to support and challenge each other.
- The trust use reviewed services for areas such as payroll and HR. They discussed this with other local academies before choosing to a preferred provider.
- The trust has worked to procure a financial software package to monitor the trusts funding. By working together they will be able to make considerable savings for individual academies in the trusts.
- Bursars from the trust attend/feed into the Trust meetings to give updates on financial management. It is a standing item for all the meetings.
- The Trust employs a firm of accountants to provide support for the bursars and for the Accounting Officers.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Oadby, Wigston and Leicestershire Schools Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal 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 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Trustees 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.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The Trustees considered the need to have in place a process for independent checking of financial controls, systems, transactions and risks. In fulfilment of this requirement the decision was taken to appoint Leicestershire County Council as Internal Auditors for a period of 3 years from the date of conversion. During this time the academy will benefit from one 2-day visit and two 1-day visits, during which the internal auditors will give advice on financial matters and perform a range of checks on the academy trust's financial systems. Following each visit the internal auditors will provide a report for the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

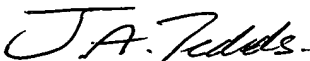
Review of effectiveness

As accounting officer, the CEO/Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Trustees and any necessary actions required are planned to be carried out and monitored.

Approved by order of the board of trustees on 7/12/16 and signed on its behalf by:



Dr J Tedds
Chair



Mr P Merry
Executive Headteacher and Accounting Officer

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Oadby, Wigston and Leicestershire Schools Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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.

Mr P Merry
Accounting Officer



7/12/16.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Oadby, Wigston and Leicestershire Schools Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 7/12/16 and signed on its behalf by:



Dr J Tedds
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of Oadby, Wigston and Leicestershire Schools Academy Trust for the year ended 31 August 2016 set out on pages 21 to 45. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies Accounts Direction 2015/6 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the trustees' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OADBY, WIGSTON AND
LEICESTERSHIRE SCHOOLS ACADEMY TRUST (CONTINUED)**

YEAR ENDED 31 AUGUST 2016

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:

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

RSM UK Audit LLP

Gareth Jones (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

Dated: *13/12/16*

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	4	-	209,408	8,070	217,478	221,100
Donations - transfer from local authority on conversion	27	268,201	(437,000)	1,966,176	1,797,377	-
Charitable activities:						
- Funding for educational operations	5	-	3,163,024	-	3,163,024	1,473,308
Other trading activities	6	206,831	-	-	206,831	119,662
Investments	7	1,367	-	-	1,367	686
Total income and endowments		<u>476,399</u>	<u>2,935,432</u>	<u>1,974,246</u>	<u>5,386,077</u>	<u>1,814,756</u>
Expenditure on:						
Raising funds	8	110,496	-	-	110,496	75,126
Charitable activities:						
- Educational operations	9	-	3,631,962	88,164	3,720,126	1,545,274
Total expenditure	8	<u>110,496</u>	<u>3,631,962</u>	<u>88,164</u>	<u>3,830,622</u>	<u>1,620,400</u>
Net income/(expenditure)		365,903	(696,530)	1,886,082	1,555,455	194,356
Transfers between funds	19	(232,626)	135,998	96,628	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(309,000)	-	(309,000)	(10,000)
Net movement in funds		<u>133,277</u>	<u>(869,532)</u>	<u>1,982,710</u>	<u>1,246,455</u>	<u>184,356</u>
Reconciliation of funds						
Total funds brought forward		<u>299,680</u>	<u>(424,879)</u>	<u>1,443,824</u>	<u>1,318,625</u>	<u>1,134,269</u>
Total funds carried forward		<u>432,957</u>	<u>(1,294,411)</u>	<u>3,426,534</u>	<u>2,565,080</u>	<u>1,318,625</u>

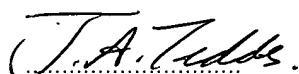
OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	13		3,426,534		1,234,324
Current assets					
Debtors	14	89,640		24,586	
Cash at bank and in hand		942,080		689,232	
			<u>1,031,720</u>		<u>713,818</u>
Current liabilities					
Creditors: amounts falling due within one year	15	(538,083)		(104,517)	
Net current assets			<u>493,637</u>		<u>609,301</u>
Total assets less current liabilities			<u>3,920,171</u>		<u>1,843,625</u>
Creditors: amounts falling due after more than one year	16		(17,091)		-
Net assets excluding pension liability			<u>3,903,080</u>		<u>1,843,625</u>
Defined benefit pension liability	24		(1,338,000)		(525,000)
Net assets			<u><u>2,565,080</u></u>		<u><u>1,318,625</u></u>
Funds of the academy trust:					
Restricted funds	19				
- Restricted fixed asset funds			3,426,534		1,443,824
- Restricted general funds			43,589		100,121
- Pension reserve			(1,338,000)		(525,000)
Total restricted funds			<u>2,132,123</u>		<u>1,018,945</u>
Unrestricted income funds	19		<u>432,957</u>		<u>299,680</u>
Total funds			<u><u>2,565,080</u></u>		<u><u>1,318,625</u></u>

The financial statements set out on pages 21 to 45 were approved by the board of trustees and authorised for issue on 7/12/16 and are signed on its behalf by:



Dr J Tedds
Chair

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	22		61,770		61,616
Cash funds transferred on conversion			268,201		-
			<u>329,971</u>		<u>61,616</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1,367		686	
Capital grants from DfE and EFA		217,478		221,100	
Payments to acquire tangible fixed assets		(314,198)		(24,347)	
			<u>(95,353)</u>		<u>197,439</u>
Cash flows from financing activities					
Repayment of other loan		18,230		-	
			<u>18,230</u>		<u>-</u>
Change in cash and cash equivalents in the reporting period			<u>252,848</u>		<u>259,055</u>
Cash and cash equivalents at beginning of the year			689,232		430,177
Cash and cash equivalents at end of the year			<u><u>942,080</u></u>		<u><u>689,232</u></u>

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

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

1 Accounting policies

Oadby, Wigston and Leicestershire Schools Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

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

Oadby, Wigston and Leicestershire Schools Academy Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

These financial statements are the first financial statements of Oadby, Wigston and Leicestershire Schools Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Oadby, Wigston and Leicestershire Schools Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 28.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Little Hill Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Income

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

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

Donated goods, facilities and services

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Charitable activities

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

Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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

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:

Long leasehold buildings	50 years or 10 years
Computer equipment	4 years
Fixtures, fittings and equipment	4 years

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.

Liabilities

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

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

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.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Financial instruments

The Academy Trust has chosen to adopt Section 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and liabilities are recognised when the academy becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instruments contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Short-term employment benefits

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render services to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to the income statement based on the useful economic life selected, which requires an estimation of the period and profile over which the Company expects to consume the future economic benefits embodied in the assets.

Critical areas of judgement

The judgements (apart from those involving estimation) that have the most significant effect on the amounts recognised in the financial statements are disclosed below:

Leasing

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee, or the lessee, whether the company is a lessor.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

3 Comparative year information

Year ended 31 August 2015	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2015
	£	£	£	£
Income and endowments from:				
Donations and capital grants	-	-	221,100	221,100
Charitable activities:				
- Funding for educational operations	-	1,473,308	-	1,473,308
Other trading activities	119,662	-	-	119,662
Investments	686	-	-	686
Total income and endowments	120,348	1,473,308	221,100	1,814,756
Expenditure on:				
Raising funds	75,126	-	-	75,126
Charitable activities:				
- Educational operations	-	1,513,310	31,964	1,545,274
Total expenditure	75,126	1,513,310	31,964	1,620,400
Net income/(expenditure)	45,222	(40,002)	189,136	194,356
Transfers between funds	(12,747)	-	12,747	-
Other recognised gains and losses				
Actuarial gains/(losses) on defined benefit pension schemes	-	(10,000)	-	(10,000)
Net movement in funds	32,475	(50,002)	201,883	184,356

4 Donations and capital grants

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Capital grants	-	217,478	217,478	221,100

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	2,788,986	2,788,986	1,274,113
Other DfE / EFA grants	-	345,486	345,486	189,270
	-	3,134,472	3,134,472	1,463,383
Other government grants				
Local authority grants	-	28,552	28,552	9,925
Total funding	-	3,163,024	3,163,024	1,473,308

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	46,857	-	46,857	14,875
Educational outsourcing	36,286	-	36,286	22,762
Educational operations	123,688	-	123,688	82,025
	206,831	-	206,831	119,662

7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	1,367	-	1,367	686

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds	6,447	-	104,049	110,496	75,126
Academy's educational operations					
- Direct costs	2,027,138	-	125,353	2,152,491	1,004,153
- Allocated support costs	434,411	749,227	383,997	1,567,635	541,121
Total expenditure	2,467,996	749,227	613,399	3,830,622	1,620,400

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor		
- Audit	17,300	10,250
- Other services	3,985	3,625
Operating lease rentals	2,751	3,144
Net interest on defined benefit pension liability	36,000	18,000
Depreciation of tangible fixed assets	88,164	31,964

Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

9 Charitable activities

	2016 £	2015 £
All from restricted funds:		
Direct costs - educational operations	2,152,491	1,004,153
Support costs - educational operations	1,567,635	541,121
	3,720,126	1,545,274
	2016 £	2015 £
Analysis of support costs		
Support staff costs	434,411	196,208
Depreciation and amortisation	88,164	31,964
Premises costs	661,063	136,995
Other support costs	337,983	161,654
Governance costs	46,014	14,300
	1,567,635	541,121

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

10 Staff costs

	2016 £	2015 £
Wages and salaries	1,892,243	863,814
Social security costs	141,431	55,450
Other pension costs	366,829	162,229
	<hr/>	<hr/>
Total staff costs	2,400,503	1,081,493
Supply staff costs	51,021	31,520
Staff development and other staff costs	16,472	6,895
	<hr/>	<hr/>
	<u>2,467,996</u>	<u>1,119,908</u>

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2016 Number	2015 Number
Teachers	35	16
Administration and support	69	42
Management	3	3
	<hr/>	<hr/>
	107	61
	<hr/>	<hr/>

Higher paid staff

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

	2016 Number	2015 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<hr/>	<hr/>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £383,963 (2015 - £202,152).

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

11 Trustees' remuneration and expenses

Head teacher and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

P Merry, the Head teacher, received remuneration of £82,505 in 2015 (2015 - £73,304) and is accruing benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £13,597 (2015 - £9,494).

J Bromell (staff trustee) received remuneration of £681 (2015 - £20,921) and resigned as a trustee on 5 October 2015. The Staff trustee was accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the period amounted to £nil (2015 - £3,096).

E Redfern (staff trustee) received remuneration of £1,306 (2015 - £18,013) and resigned as a trustee on 5 October 2015. The staff trustee was accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the period amounted to £nil (2015 - £2,529).

During the year ended 31 August 2016, travel and subsistence expenses of £28 were reimbursed to Trustees (2015: £Nil).

Other related party transactions involving the Trustees are set out in note 25.

12 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £3,000,000 (2015: £3,000,000) on any one claim and the cost for the year ended 31 August 2016 was £852 (2015: £1,360).

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

13 Tangible fixed assets

	Long leasehold buildings £	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 September 2015	1,271,460	17,752	8,387	1,297,599
Transfer on conversion	1,930,900	26,590	8,686	1,966,176
Additions	292,343	1,403	20,452	314,198
At 31 August 2016	3,494,703	45,745	37,525	3,577,973
Depreciation				
At 1 September 2015	54,771	6,407	2,097	63,275
Charge for the year	71,642	11,437	5,085	88,164
At 31 August 2016	126,413	17,844	7,182	151,439
Net book value				
At 31 August 2016	3,368,290	27,901	30,343	3,426,534
At 31 August 2015	1,216,689	11,345	6,290	1,234,324

During the year the Academy Trust spent £268,500 on new mobile classrooms and a canopy to attach this to the main building.

14 Debtors

	2016 £	2015 £
Trade debtors	1,696	1,413
VAT recoverable	16,848	9,395
Prepayments and accrued income	71,096	13,778
	89,640	24,586

15 Creditors: amounts falling due within one year

	2016 £	2015 £
Other loans	1,139	-
Trade creditors	18,411	-
Other taxation and social security	82,968	33,261
Accruals and deferred income	435,565	71,256
	538,083	104,517

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

16 Creditors: amounts falling due after more than one year	2016 £	2015 £
Other loans	17,091	-
	<u>17,091</u>	<u>-</u>
Analysis of loans		
Not wholly repayable within five years by instalments	7,979	-
Wholly repayable within five years	10,251	-
	<u>18,230</u>	<u>-</u>
Less: included in current liabilities	(1,139)	-
	<u>17,091</u>	<u>-</u>
Amounts included above	<u>17,091</u>	<u>-</u>
Instalments not due within five years	<u>7,979</u>	<u>-</u>
	<u>7,979</u>	<u>-</u>
Loan maturity		
Debt due in one year or less	1,139	-
Due in more than one year but not more than two years	2,278	-
Due in more than two years but not more than five years	6,834	-
Due in more than five years	7,979	-
	<u>18,230</u>	<u>-</u>
	<u>18,230</u>	<u>-</u>

Included within other loans is an interest free Salix energy efficiency loan. The loan is repayable over 8 years and the repayments will be made 6 monthly in instalments of £1,139 by way of a reduction in the monthly General Annual Grant payments issued by the Education Funding Agency.

17 Deferred income	2016 £	2015 £
Deferred income is included within:		
Creditors due within one year	80,611	49,305
	<u>80,611</u>	<u>49,305</u>
Deferred income at 1 September 2015	49,305	31,371
Released from previous years	(49,305)	(31,371)
Amounts deferred in the year	80,611	49,305
	<u>80,611</u>	<u>49,305</u>
Deferred income at 31 August 2016	<u>80,611</u>	<u>49,305</u>

At 31 August 2016 £74,437 (2015: £48,354) of deferred income related to grants received in advance, £3,536 (2015: £nil) related to trip income received in advance and £2,638 (2015: £951) related to other sundry income received in advance.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	47,667	10,808
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	(391,565)	(21,951)

19 Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses & transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	100,121	2,788,986	(3,025,105)	135,998	-
Other DfE / EFA grants	-	554,894	(511,305)	-	43,589
Other government grants	-	28,552	(28,552)	-	-
Funds excluding pensions	100,121	3,372,432	(3,564,962)	135,998	43,589
Pension reserve	(525,000)	(437,000)	(67,000)	(309,000)	(1,338,000)
	(424,879)	2,935,432	(3,631,962)	(173,002)	(1,294,411)
Restricted fixed asset funds					
DfE / EFA capital grants	240,816	8,070	(11,166)	-	237,720
Inherited funds	1,203,008	1,966,176	(72,587)	-	3,096,597
Capital expenditure from GAG	-	-	(4,411)	96,628	92,217
	1,443,824	1,974,246	(88,164)	96,628	3,426,534
Total restricted funds	1,018,945	4,909,678	(3,720,126)	(76,374)	2,132,123
Unrestricted funds					
General funds	299,680	476,399	(110,496)	(232,626)	432,957
Total funds	1,318,625	5,386,077	(3,830,622)	(309,000)	2,565,080

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

19 Funds (Continued)

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

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

Restricted general funds

This fund represents grants received from the academy's operational activities and development. This includes the pension reserve which represents the potential liabilities due by the academy at the year end.

Restricted other funds

From time to time, additional funds are applied as set out above for specific purposes laid down by the grant provider and to be used in the short term.

Fixed asset fund

This fund represents the net book value of fixed assets that the academy have purchased out of grants received and have been transferred on conversion.

Unrestricted funds

Unrestricted funds represent other incoming resources to the Trust applied for the general purposes of the Trust at the discretion of the Trustees.

Total funds analysis by academy

	Total £
Fund balances at 31 August 2016 were allocated as follows:	
Glenmere Primary School	176,098
Langmoor Primary School	246,544
Little Hill Primary School	53,904
	<hr/>
Total before fixed assets fund and pension reserve	476,546
Restricted fixed asset fund	3,426,534
Pension reserve	(1,338,000)
	<hr/>
Total funds	2,565,080
	<hr/> <hr/>

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

19 Funds (Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Glenmere Primary School	598,341	13,327	27,185	330,287	969,140
Langmoor Primary School	653,499	786	22,978	268,833	946,096
Little Hill Primary School	1,216,156	228	19,520	591,318	1,827,222
	<u>2,467,996</u>	<u>14,341</u>	<u>69,683</u>	<u>1,190,438</u>	<u>3,742,458</u>

20 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	3,426,534	3,426,534
Current assets	432,957	598,763	-	1,031,720
Creditors falling due within one year	-	(538,083)	-	(538,083)
Creditors falling due after one year	-	(17,091)	-	(17,091)
Defined benefit pension liability	-	(1,338,000)	-	(1,338,000)
	<u>432,957</u>	<u>(1,294,411)</u>	<u>3,426,534</u>	<u>2,565,080</u>

21 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	3,455	2,999
Amounts due between one and five years	5,362	3,544
	<u>8,817</u>	<u>6,543</u>

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

22 Reconciliation of net income to net cash flows from operating activities

	2016 £	2015 £
Net income for the reporting period	1,555,455	194,356
Adjusted for:		
Net deficit/(surplus) transferred on conversion	(1,797,377)	-
Capital grants from DfE/EFA and other capital income	(217,478)	(221,100)
Interest receivable	(1,367)	(686)
Defined benefit pension scheme cost less contributions payable	31,000	16,000
Defined benefit pension scheme finance cost/(income)	36,000	18,000
Depreciation of tangible fixed assets	88,164	31,964
(Increase)/decrease in debtors	(65,054)	4,743
Increase/(decrease) in creditors	432,427	18,339
Net cash provided by operating activities	<u>61,770</u>	<u>61,616</u>

23 Members' liability

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

24 Pensions and similar obligations

The academy trust'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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

Included within creditors at 31 August 2016 is an amount of £28,570 (2015: £11,615) relating to pension contributions payable.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014.

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.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

24 Pensions and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £302,309 (2015: £77,394).

The TPS is a multi-employer pension scheme and there is insufficient information to account for the scheme as a defined benefit scheme so it is accounted for as a defined contribution scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % for employees. The estimated value of employer contributions for the forthcoming year is £145,000.

The LGPS obligation relates to the employees of the academy trust including employees transferred as part of the conversion from the maintained school (as described in note 27) together with new employees who joined 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.

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.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Pensions and similar obligations (Continued)

Total contributions made	2016	2015
	£	£
Employer's contributions	136,000	110,000
Employees' contributions	38,000	17,000
	<u>174,000</u>	<u>127,000</u>
Total contributions	<u><u>174,000</u></u>	<u><u>127,000</u></u>

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2016 by a qualified independent actuary.

Principal actuarial assumptions	2016	2015
	%	%
Rate of increases in salaries	3.1	4.5
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7
	<u>2.0</u>	<u>3.7</u>

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

	2016	2015
	Years	Years
Retiring today		
- Males	22.2	22.2
- Females	24.3	24.3
Retiring in 20 years		
- Males	24.2	24.2
- Females	26.6	26.6
	<u>26.6</u>	<u>26.6</u>

The academy trust's share of the assets in the scheme

	2016	2015
	Fair value	Fair value
	£	£
Equities	924,000	382,000
Bonds	231,000	122,000
Property	116,000	64,000
Other assets	13,000	12,000
	<u>1,284,000</u>	<u>580,000</u>
Total fair value of assets	<u><u>1,284,000</u></u>	<u><u>580,000</u></u>
Actual return on scheme assets - gain/(loss)	216,000	(20,000)
	<u>216,000</u>	<u>(20,000)</u>

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

24 Pensions and similar obligations (Continued)

Amounts recognised in the statement of financial activities	2016 £	2015 £
Current service cost	167,000	78,000
Net interest cost	36,000	18,000
Plan introductions, benefit changes, curtailments and settlements	-	48,000
	<hr/>	<hr/>
Total operating charge	203,000	144,000
	<hr/> <hr/>	<hr/> <hr/>

Changes in the present value of defined benefit obligations	2016 £
Obligations at 1 September 2015	1,105,000
Obligations acquired on conversion	751,000
Current service cost	167,000
Interest cost	72,000
Employee contributions	38,000
Actuarial loss	489,000
	<hr/>
At 31 August 2016	2,622,000
	<hr/> <hr/>

Changes in the fair value of the academy trust's share of scheme assets	2016 £
Assets at 1 September 2015	580,000
Assets acquired on conversion	314,000
Interest income	36,000
Return on plan assets (excluding net interest on the net defined pension liability)	180,000
Employer contributions	136,000
Employee contributions	38,000
	<hr/>
At 31 August 2016	1,284,000
	<hr/> <hr/>

25 Related party transactions

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

No related party transactions took place in the year, other than certain trustees' remuneration and expenses already disclosed in note 10. Key management personnel disclosures are included in note 8.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

26 Post balance sheet events

After the year end, the following school converted to academy trust status and joined Oadby, Wigston and Leicestershire Schools Academy Trust.

On 1 September 2016 the Fernvale Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Oadby, Wigston and Leicestershire Schools Academy Trust from the Leicestershire County Council Local Authority for £nil consideration.

Academy	Location	Date of conversion
Fernvale Primary School	Thurnby	1 September 2016

27 Conversion to an academy

On 1 September 2015 the Little Hill Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Oadby, Wigston and Leicestershire Schools Academy Trust from the Leicestershire County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Little Hill Primary School	Wigston	1 September 2015

	2016 £
Net assets transferred:	
Leasehold land and buildings	1,930,900
Other tangible fixed assets	35,276
Cash	268,201
LGPS pension surplus/(deficit)	(437,000)
	<u>1,797,377</u>

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

27 Conversion to an academy (Continued)

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2016
	£	£	£	£
Fixed assets funds	-	-	1,966,176	1,966,176
LA budget funds	268,201	-	-	268,201
LGPS pension funds	-	(437,000)	-	(437,000)
	<u>268,201</u>	<u>(437,000)</u>	<u>1,966,176</u>	<u>1,797,377</u>

The lease term of the land and buildings was agreed upon transfer to be 125 years.

28 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds at the transition date and the comparative year end and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	<u>1,134,269</u>	<u>1,318,625</u>

Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income as reported under previous UK GAAP		203,356
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost		(9,000)
Net income reported under FRS 102		<u>194,356</u>

Notes to reconciliations on adoption of FRS 102

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expense. Under FRS102 a net interest expense, based in the net defined benefit liability using the discount rate applied to the defined benefit obligation, is recognised in expense. There has been no change in the the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £9,000 and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.