

Registered number: 09141452

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

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PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Trustees' responsibilities statement	14
Independent auditors' report	15 - 16
Independent reporting accountant's assurance report on regularity	17 - 18
Statement of financial activities	19
Balance sheet	20
Cash flow statement	21
Notes to the financial statements	22 - 40

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2015**

Members	Mr J Roberts, Chair of Trustees (appointed 22 July 2014) Mrs H Thain, Vice Chair (appointed 22 July 2014) Miss S Wise (appointed 16 September 2015) Mr M Jones (appointed 22 July 2014, resigned 30 September 2014) Mrs M Hardie (appointed 22 July 2014, resigned 31 August 2015)
Trustees	Mr J Roberts, Chair of Trustees (appointed 22 July 2014) Mrs H Thain (appointed 22 July 2014) Mrs C Peden, Head Teacher (appointed 22 July 2014) Mrs C Stratton (appointed 22 July 2014) Miss L Roberts, Staff Trustee (appointed 22 July 2014) Mrs P Robinson, Staff Trustee (appointed 5 November 2014) Mrs W Beckett (appointed 16 September 2015) Mrs J Gallagher (appointed 16 September 2015) Mr P Jones (appointed 16 September 2015) Mrs J Howland (appointed 22 July 2014, resigned 31 August 2015) Mrs B Noble (appointed 22 July 2014, resigned 5 January 2015) Mr M Jones (appointed 22 July 2014, resigned 30 September 2014) Mrs M Hardie (appointed 22 July 2014, resigned 31 August 2015) Miss S Wise (appointed 16 September 2015)
Chief executive officer	Mrs C Peden (appointed 22 July 2014)
Senior management team	Mrs C Peden, Headteacher (appointed 22 July 2014) Miss L Roberts, Deputy Headteacher (appointed 22 July 2014) Mrs R Arnould, Assistant Headteacher (appointed 22 July 2014) Mrs J Haigh, Inclusion Manager (appointed 22 July 2014)
Company registered number	09141452
Principal and registered office	Trotters Road Harlow Essex CM18 7BY
Independent auditors	Haslers Chartered Accountants Statutory Auditor Old Station Road Loughton Essex IG10 4PL
Bankers	Lloyds Bank PLC Harlow Essex CM20 1LD

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS**
FOR THE PERIOD ENDED 31 AUGUST 2015

Administrative details (continued)

Solicitors Wilsons Law
 4 Lincoln's Inn Field
 London
 WC2A 3AA

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Pear Tree Mead Academy (the academy) for the period ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Principal object of the academy is to provide education to boys and girls between the ages of 2 and 11, without prejudice, be establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set down in the company's Memorandum and Articles of Association.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and was set up by a Trust deed. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Pear Tree Mead Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Pear Tree Mead Academy.

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

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The makeup of the governing body is outlined in the academy's articles of association and state the members may appoint up to 5 governors with the principal as an ex-officio governor.

- Staff governors, who are appointed through a ballot process, ensuring that the total number of staff governors does not exceed one third of the total number of governors.
- Parent governors, who are elected by the parent of registered pupils at the academy.
- In addition the academy trust may also co-opt governors from the community.

In certain circumstances the secretary of state may appoint additional governors.

All governors have a term to office of four years, excluding the principal. Any governor may be re-appointed or re-elected after this term, providing they remain under the terms set out in the articles.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The school provides all new governors with an induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the academy.

e. ORGANISATIONAL STRUCTURE

The full governing body meets once a term to discuss the management and strategic running of the academy. It is their responsibility to oversee the academy is effectively managed and delivering the academy's aims and objectives as set out in the vision statement and school policies.

As well as the full governing body meeting, the governing body is split into two committees, one for discussing finance, premises and audit. This committee look to make sure the resources and finances are being used in the most efficient ways and to promote the vision of the school. The other is for personnel, curriculum and community, this committee are overseeing that the standard of teaching and learning at the academy are effective and ensuring pupils are making the required progress and achievement. In addition to this the governing body are able to ensure that the academy is setting a useful and successful curriculum to support pupils' further learning. The governors also have other responsibilities such as safeguarding, health and safety, subject leader monitoring, pupil premium, SEND, pay committee etc.

The Headteacher working with the senior leadership team is responsible for overseeing the day to day operational procedures within the academy, under the instruction of the Governing Body. There is a clear delegation plan which is reviewed annually. This includes implementing the polices agreed and set by the Governing Body and ensuring high levels of teaching and learning are met to ensure that the academy is working to achieve the best possible results for pupils. Efficient management of resources round the school is shared between staff. Effective management of resources ensures that the academy is not wasteful and is making the most of everything that is owned and purchased by the academy.

f. RISK STRUCTURE

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

No related party transactions took place in the period of account.

Objectives and Activities

a. OBJECTS AND AIMS

The Principal object and aim of the academy is to provide education to boys and girls between the ages of 2 and 11, without prejudice, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set down in the company's Memorandum and Articles of Association.

Our overarching priority is to raise standards and increase the rate of progress in English, Maths and Science to expected or better, with particular focus on vulnerable groups whilst ensure a broad and balanced curriculum.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

During the year the school has worked towards achieving these aims by:

- Raising the standard of educational achievement and progress of all pupils.
- Ensuring that every child enjoys the same high quality education in terms of resourcing, teaching and care.
- Providing value for money for expenditure.
- Complying with all statutory curriculum and child care requirements.
- Continuously reviewing procedures and policies to make sure that these are compliant and helping support the effectiveness of the school.
- Conducting the school's business in accordance with the highest standard of integrity.
- Looking at the effectiveness and training needs of the governing body.
- Maintaining relationships with outside agencies, services and parents to support our most vulnerable children.
- Monitoring data and groups of children to ensure that all children achieve their full potential.

At Pear Tree Mead we empower every individual to aim high and reach further. Together we work in partnership with our community to help every individual develop the skills needed to face their future and to help them become terrific citizens.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

- Regular review of policies through our governing body.
- Performance Management targets set to help groups of children make expected progress and gaps to close.
- A robust school development plan with actions matched to school priorities helps the school keep focused on achieving its priorities.
- Professional development and training is given to all members of staff across the school.
- Support is bought in to help staff (e.g. HR, legal, finance, teaching and learning, assessment.)
- All new government initiatives are implemented with training and policy changes (SEND, assessment, national curriculum, Universal free school meals.)
- The governors receive regular information to enable them to monitor the performance of the school and the financial budgets. They also monitor the spending of the funding and how this supports the children's progress and narrowing the gap.

d. PUBLIC BENEFIT

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Achievements and performance

a. ACHIEVEMENT AND PERFORMANCE

A Summary of the school achievements since opening as an Academy in September 2015:

- Successful conversion to Single Academy Status.
- Opening of the school Pre-school for FEEE2 children.
- Successful expansion consultation from 1.5 FE to 2 FE.
- Gold School games Sainsbury's Award.
- Leading Parent Partnership Award received.
- Continued increasing numbers of children wanting to attend Pear Tree Mead. Record number of appeals and waiting lists numbers.

The school now has its achievement broadly in line with national expectations at EFS, Yr1 Phonics, KS1 and KS2 SATs. This looks like (see next page):

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

GLD

2014 School	2014 National	2015 School	2015 National
64%	60%	72%	60%

Yr 1 Phonics

2014 School	2014 National	2015 School	2015 National
58%	74%	78%	77%

KS1

	2014			2015		
	R	W	M	R	W	M
2C	84.4	71.1	88.9	93.3	91.1	97.8
2B	68.9	46.7	64.4	88.9	77.8	86.7
3C	26.7	4.4	20.0	31.1	11.1	26.7

KS2

	2014				2015			
	R	W	M	GPS	R	W	M	GPS
4C	97.6	80.5	100.0	85.4	86.7	77.8	86.7	75.6
4B	92.7	65.9	100.0	82.9	86.7	57.8	77.8	68.9
5C	75.6	24.4	65.9	63.4	60.0	13.3	42.2	51.1

	2014			2015		
	R	W	M	R	W	M
2 levels progress	100	100	100	93.3	91.1	93.3
3 levels progress	74.4	38.5	69.2	66.7	33.3	44.4

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

The school has recently split year 1 and 2 classes from 3 classes into 4. This is to help support the year 2 children with their workload and preparation for their KS1 SATs .

Every phase across the school has an intervention TA to help support the children to reach their full potential and to make the expected progress. Classes receive intervention and booster sessions. The school uses pupil premium and sports funding to support children and this is having a year on year improvement.

To raise children's expectation in all subjects we no longer stream for maths, we have also introduced challenges so that learning is now capped and children's marking and feedback supports children making progress and understanding and their next steps.

b. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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.

Financial review

a. INVESTMENT POLICY AND PERFORMANCE

The academy has a policy of investing cash balances with a view to maximising returns, while ensuring that there is no risk to the capital, and that the funds are available when needed in line with cash flow projections.

b. RESERVES POLICY

The Governing Body regularly monitors the reserves to ensure sufficient funds are maintained to meet anticipated future needs whilst avoiding long term accumulation of excessive funds.

At 31 August 2015, the Academy had funds in deficit of £27,032. This was due partly to an inherited deficit of £14,650 (as below) and deferment of income to the following year.

The total surplus inherited on conversion from the local authority was £88,347 . However, this was made up of restricted funds of Pupil Premium and Universal Free School Meals of £102,997. As this is greater than the actual amount that came over there is an unrestricted deficit of £14,650 which contributes to the overall restricted deficit position.

c. PRINCIPAL FUNDING

Pear Tree Mead Academy started operating as an Academy on 1 September 2014.

The majority of the Academy's income is derived from the Educational Funding Agency (EFA). The income is in the form of recurrent grants, of which the use is restricted for particular purposes. These grants and associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants from the local authority for nursery funding, pre-school funding and SEN. All these grants are shown as restricted income.

Funding has continued to support key objectives of raising teaching and learning standards.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

Plans for future periods

a. FUTURE DEVELOPMENTS

The school is in the process of expanding from a 1.5 FE to a 2 FE. We are currently in the process of a planning application for a new building. The new building will join the current infant and junior building with a corridor and will incorporate four new classrooms, a new library and 2 group rooms. This facility should be ready in Autumn 2016. We are currently completing a bid to the CIF for a new roof for the school. The roof is leaking in many sections and has been repaired many times. A new roof is now needed in most areas of the school.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of trustees on 7 December 2015 and signed on the board's behalf by:



J Roberts
Chair of Trustees

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Pear Tree Mead Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Roberts, Chair of Trustees	3	3
Mrs H Thain	3	3
Mrs C Peden, Head Teacher	3	3
Mrs C Stratton	2	3
Miss L Roberts, Staff Trustee	3	3
Mrs P Robinson, Staff Trustee	3	3
Mrs W Beckett	1	3
Mrs J Gallagher	1	3
Mr P Jones	1	3
Mrs J Howland	3	3
Mrs B Noble	1	3
Mr M Jones	0	3
Mrs M Hardie, Former Chair of Trustees	3	3
Miss S Wise	3	3

Governance reviews:

At every meeting the governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way the can be monitored and to help the school improve.

The Finance, Premises and Audit committee is a sub-committee of the main board of trustees. Its purpose is to oversee the Academy's financial matters, risk management and internal audit function and matters relating to the Statutory Audit. During the current year the Finance, Premises and Audit committee were responsible for the appointment of Harlow Education consortium as internal auditors and Haslers Ltd as external auditors.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs J Howland, Chair	1	3
Mrs C Peden, Head Teacher	3	3
Mrs M Hardie, Vice Chair	3	3
Miss L Roberts	2	3
Mrs B Noble	1	3
Mr J Roberts	2	3
Mr M Jones	0	3

The Personnel, Curriculum and Community are also a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs H Thain, Chair	3	3
Mrs C Peden, Head Teacher	3	3
Mrs M Hardie, Vice Chair	3	3
Mrs C Stratton	1	3
Miss S Wise	3	3
Mrs P Robinson	2	3

REVIEW OF VALUE FOR MONEY

As accounting officer, the Chief Executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The use of Higher Level Teaching Assistant to cover short-term staff absences. This ensures quality of provision and continuity for the pupils.
- The allocations of resources to best promote the aims and values of the school.
- The targeting of resources to best improve standards and the quality of provision.
- The use of resources to best support the various educational needs of all pupils.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact they should be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Pear Tree Mead Academy for the period 22 July 2014 to August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

significant risks that has been in place for the period 22 July 2014 to 31 August 2015 and up to the date of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint as internal auditor for this year Harlow Education Consortium. This role has now however been taken over by Essex County Council ICE team.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year under review, weaknesses have been observed and modified procedures have been implemented to address all of the weaknesses identified.

REVIEW OF EFFECTIVENESS

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises and Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 7 December 2015 and signed on its behalf, by:



J Roberts
Chair of Trustees



C Peden
Accounting Officer

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Pear Tree Mead Academy Trust I have considered my responsibility to notify the academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

- Insufficient internal scrutiny procedures, as outlined in the Academies Financial Handbook, took place during the year. A review of the Academy's Financial Regulation Manual was undertaken by the external auditors as a one off exercise and a single internal scrutiny visit in August 2015 was made by HEC. Essex County Council ICE team have now been appointed to conduct internal scrutiny visits going forward.



Mrs C Peden
Accounting Officer

Date: 7 December 2015.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 7 December 2015 and signed on its behalf by:



J Roberts
Chair of Trustees

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEAR TREE MEAD ACADEMY

We have audited the financial statements of Pear Tree Mead Academy for the period ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEAR TREE MEAD ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Laura A Ambrose (Senior statutory auditor)

for and on behalf of

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

7 December 2015

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PEAR TREE MEAD ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pear Tree Mead Academy during the period 22 July 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Pear Tree Mead Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Pear Tree Mead Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pear Tree Mead Academy and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF PEAR TREE MEAD ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Pear Tree Mead Academy's funding agreement with the Secretary of State for Education dated [enter date here], and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 22 July 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PEAR TREE
MEAD ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw to our conclusion includes:

- Review of governance procedures including inspection of Trustee and relevant Board minutes
- A review of Financial Controls Procedures and related records
- Discussions with the Accounting Officer and the Business Manager
- Reviewing the procedures for identifying and declaring related parties and other business interests
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity
- Perform sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised
- Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
- Obtaining formal representation from the Trustees and accounting officer acknowledging their responsibilities
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries

CONCLUSION

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 22 July 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Insufficient internal scrutiny procedures, as outlined in the Academies Financial Handbook, took place during the year. A review of the Academy's Financial Regulation Manual was undertaken by the external auditors as a one off exercise and a single internal scrutiny visit in August 2015 was made by HEC. Essex County Council ICE team have now been appointed to conduct internal scrutiny visits going forward.



Laura A Ambrose (Reporting Accountant)

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

7 December 2015

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	(7,391)	(558,003)	5,871,000	5,305,606
Activities for generating funds	3	14,954	35,173	-	50,127
Investment income	4	147	-	-	147
Incoming resources from charitable activities:					
Funding for academy trust's educational operations	5	-	1,560,491	-	1,560,491
Other incoming resources from charitable activities		-	-	150,917	150,917
TOTAL INCOMING RESOURCES		7,710	1,037,661	6,021,917	7,067,288
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income		-	15,702	-	15,702
Charitable activities:					
Academy trust educational operations	7	-	1,613,600	63,363	1,676,963
Governance costs	8	-	73,991	-	73,991
TOTAL RESOURCES EXPENDED	6	-	1,703,293	63,363	1,766,656
NET INCOMING / (OUTGOING)					
RESOURCES BEFORE TRANSFERS		7,710	(665,632)	5,958,554	5,300,632
Transfers between Funds	16	(7,710)	(80,400)	88,110	-
NET MOVEMENT IN FUNDS FOR THE PERIOD		-	(746,032)	6,046,664	5,300,632
<i>Total funds at 22 July 2014</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2015		-	(746,032)	6,046,664	5,300,632

All of the academy trust's activities derive from continuing operations during the above period.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 22 to 40 form part of these financial statements.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)
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BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £
FIXED ASSETS			
Tangible assets	13		6,046,665
CURRENT ASSETS			
Debtors	14	18,273	
Cash at bank		79,164	
		97,437	
CREDITORS: amounts falling due within one year	15	(124,470)	
NET CURRENT LIABILITIES			(27,032)
TOTAL ASSETS LESS CURRENT LIABILITIES			6,019,632
Defined benefit pension scheme liability	22		(719,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			5,300,632
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	16	(27,032)	
Restricted fixed asset funds	16	6,046,664	
		6,019,632	
Pension reserve		(719,000)	
Total restricted funds			5,300,632
TOTAL FUNDS			5,300,632

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2015 and are signed on their behalf, by:



J Roberts
Chair of Trustees



C Peden
Accounting Officer

The notes on pages 22 to 40 form part of these financial statements.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	2015 £
Net cash flow from operating activities	18	229,695
Returns on investments and servicing of finance	19	148
Capital expenditure and financial investment	19	(239,026)
Cash transferred on conversion to an academy trust	25	88,347
INCREASE IN CASH IN THE PERIOD		<u>79,164</u>

All of the cash flows are derived from acquisitions in the current financial period.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2015

Increase in cash in the period	79,164
MOVEMENT IN NET FUNDS IN THE PERIOD	<u>79,164</u>
NET FUNDS AT 31 AUGUST 2015	<u>79,164</u>

The notes on pages 22 to 40 form part of these financial statements.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

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

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

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

A review for impairment of all other fixed assets 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line / 10% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.6 Taxation

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Pensions

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

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.8 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.9 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Pear Tree Mead Primary and Nursery School to an academy trust have been valued at their fair value. Their 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 the Statement of Financial Activities analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Donations	7,259	-	7,259
Fixed asset transfer from local authority on conversion (Note 25)	-	5,871,000	5,871,000
Transfer from local authority on conversion (Note 25)	(14,650)	(558,003)	(572,653)
	<u>(7,391)</u>	<u>5,312,997</u>	<u>5,305,606</u>
Voluntary income	<u>(7,391)</u>	<u>5,312,997</u>	<u>5,305,606</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Catering income	-	15,506	15,506
Trip income	-	13,298	13,298
Hire of facilities	176	-	176
Other income self generated	14,778	6,369	21,147
	<u>14,954</u>	<u>35,173</u>	<u>50,127</u>
	<u>14,954</u>	<u>35,173</u>	<u>50,127</u>

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Bank interest	147	-	147
	<u>147</u>	<u>-</u>	<u>147</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2015 £	Total funds 2015 £
DfE/EFA grants		
General annual grant (GAG)	1,284,070	1,284,070
Capital grants	18,479	18,479
Other DfE/EFA grants	145,302	145,302
	<u>1,447,851</u>	<u>1,447,851</u>
Other government grants		
Local authority grants	131,119	131,119
Capital grants	132,438	132,438
	<u>263,557</u>	<u>263,557</u>
	<u>1,711,408</u>	<u>1,711,408</u>

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

6. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total
	2015	2015	2015	2015
	£	£	£	£
Costs of activities for generating funds:				
Trips & other related activities	-	-	15,702	15,702
Academy's educational operations:				
Direct costs	1,047,468	-	86,916	1,134,384
Allocated support costs	220,245	172,771	149,563	542,579
Governance costs including allocated support costs	58,000	-	15,991	73,991
	<hr/>	<hr/>	<hr/>	<hr/>
	1,325,713	172,771	268,172	1,766,656
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

7. CHARITABLE ACTIVITIES

	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	890,568
National insurance	46,253
Pension cost	81,592
Depreciation	3,589
Educational supplies	6,991
Technology costs	26,141
Staff development	15,403
Educational support staff costs	29,054
Other direct costs	1,325
Educational consultancy	33,468
	<hr/>
	1,134,384
SUPPORT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	148,469
National insurance	7,776
Pension cost	64,000
Depreciation	59,774
Technology costs	15,504
Catering	64,834
Maintenance of premises and equipment	60,183
Cleaning	8,173
Energy costs	25,214
Transport costs	1,260
Rent and rates	19,427
Other costs	17,389
Legal and professional fees	21,713
Insurance	23,310
Recruitment and support	5,553
	<hr/>
	542,579
	<hr/>
	1,676,963
	<hr/> <hr/>

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Auditors' remuneration	-	7,550	7,550
Auditors' non audit fees	-	8,441	8,441
Staff support costs	-	58,000	58,000
	-	73,991	73,991
	-	73,991	73,991

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £
Depreciation of tangible fixed assets:	
- owned by the charity	63,363
Auditors' remuneration	7,550
Auditors' remuneration - non-audit	8,441
Operating lease rentals:	
- other operating leases	19,383
	19,383

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £
Wages and salaries	1,039,037
Social security costs	54,030
Other pension costs (Note 22)	203,592
	1,296,659
Supply teacher costs	29,054
	1,325,713

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

10. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows:

	2015 No.
Teachers	15
Admin and Support Staff	27
Management	2
	<hr/>
	44
	<hr/> <hr/>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in the period.

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2015 £
Mrs C Peden (Headteacher and trustee)	55,000-60,000
Employers pension contribution	5,000-10,000
Miss L Roberts (Deputy Headteacher and trustee)	45,000-50,000
Employers pension contribution	5,000-10,000
Mrs P Robinson (Staff trustee)	10,000-15,000

During the period, no Trustees received any reimbursement of expenses.

Other related party transactions involving the trustees are set out in note 24.

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	191,788	31,048	16,191	239,027
Transferred on conversion	5,871,001	-	-	5,871,001
At 31 August 2015	<u>6,062,789</u>	<u>31,048</u>	<u>16,191</u>	<u>6,110,028</u>
Depreciation				
At 22 July 2014	-	-	-	-
Charge for the period	59,774	2,698	891	63,363
At 31 August 2015	<u>59,774</u>	<u>2,698</u>	<u>891</u>	<u>63,363</u>
Net book value				
At 31 August 2015	<u>6,003,015</u>	<u>28,350</u>	<u>15,300</u>	<u>6,046,665</u>

Included in land and buildings is freehold land at valuation of £3,397,000 which is not depreciated.

The trust's transactions relating to land and buildings included:

The land and building inherited on conversion represents the school building and associated land acquired from the Local Authority on a long lease and was valued by professional valuers, Lambert Smith Hampton, on 10 September 2014 for the purposes of inclusion in these financial statements.

The leasehold land and building is regarding the former Pear Tree Mead Primary and Nursery School site and is leased for 125 years.

14. DEBTORS

	2015 £
Trade debtors	29
VAT recoverable	18,244
	<u>18,273</u>

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

15. CREDITORS:
Amounts falling due within one year

	2015 £
Trade creditors	10,226
Other taxation and social security	15,699
Other creditors	18,350
Accruals and deferred income	80,195
	124,470
	£
Deferred income	
Resources deferred during the year	67,042
	£

At the balance sheet date the academy trust was holding funds received in advance for Pupil Premium and Universal infant free school meals for the autumn term 2015.

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Unrestricted funds					
General Funds - all funds	-	7,710	-	(7,710)	-
	-	7,710	-	(7,710)	-
Restricted funds					
General Annual Grant (GAG)	-	1,284,070	(1,233,242)	(77,860)	(27,032)
Other DfE/ EFA grants	-	145,302	(145,302)	-	-
Local authority grants	-	131,119	(131,119)	-	-
Other restricted funds	-	138,170	(135,630)	(2,540)	-
Pension reserve	-	(661,000)	(58,000)	-	(719,000)
	-	1,037,661	(1,703,293)	(80,400)	(746,032)
	-	1,037,661	(1,703,293)	(80,400)	(746,032)
Restricted fixed asset funds					
Assets donated on conversion	-	5,871,000	(59,774)	-	5,811,226
Capital expenditure from grants	-	150,917	(3,589)	88,110	235,438
	-	6,021,917	(63,363)	88,110	6,046,664
	-	6,021,917	(63,363)	88,110	6,046,664
Total restricted funds	-	7,059,578	(1,766,656)	7,710	5,300,632
	-	7,059,578	(1,766,656)	7,710	5,300,632
Total of funds	-	7,067,288	(1,766,656)	-	5,300,632
	-	7,067,288	(1,766,656)	-	5,300,632

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

16. STATEMENT OF FUNDS (continued)

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

General Annual Grant (GAG) grant fund - Funds received from the EFA under the General Annual Grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Other DfE/ EFA grants - Other government grants received for restricted educational purposes not forming part of General Annual Grant.

Local authority grants - Grants received from the local authority received for restricted educational purposes.

Pension reserve - The pension reserve recognises the deficit of the local government pension scheme.

Other restricted funds - General monies received for restricted educational purposes not forming part of General Annual Grant or other DfE/EFA grants. Other restricted funds also include funds received in advance prior to conversion.

Restricted Fixed Asset Fund - The purpose of the Restricted Fixed Asset Fund is to hold the Academy's fixed assets recorded net or depreciation.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Tangible fixed assets	-	-	6,046,664	6,046,664
Current assets	-	97,438	-	97,438
Creditors due within one year	-	(124,470)	-	(124,470)
Provisions for liabilities and charges	-	(719,000)	-	(719,000)
	<u>-</u>	<u>(746,032)</u>	<u>6,046,664</u>	<u>5,300,632</u>

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £
Net incoming resources before revaluations	5,300,632
Returns on investments and servicing of finance	(148)
Budget surplus on Local authority funds	(88,347)
Depreciation of tangible fixed assets	63,363
Asset transferred on conversion to an academy trust	(5,871,000)
Pension deficit transferred on conversion	661,000
(Increase) in debtors	(18,275)
Increase in creditors	124,470
FRS 17 adjustments	58,000
Net cash inflow from operations	229,695

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £
Returns on investments and servicing of finance	
Interest received	148
	148
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(239,026)
	(239,026)

20. ANALYSIS OF CHANGES IN NET FUNDS

	22 July 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	-	79,164	-	79,164
Net funds	-	79,164	-	79,164

21. MEMBERS' LIABILITY

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

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

22. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales' (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are defined benefit schemes.

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

Contributions amounting to £18,247 were payable to the scheme at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

22. PENSION COMMITMENTS (continued)

The pension costs paid to TPS in the period amounted to £81,234.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £85,000, of which employer's contributions totalled £64,000 and employees' contributions totalled £21,000. The agreed contribution rates for future years are 12% for employers and 5.5-7.5% for employees.

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

As described in note 25 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

22. PENSION COMMITMENTS (continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £
Equities	5.30	77,000
Gilts	5.30	5,000
Other bonds	5.30	11,000
Property	5.30	14,000
Cash	5.30	3,000
Alternative assets	5.30	8,000
Total market value of assets		<u>118,000</u>
Present value of scheme liabilities		<u>(837,000)</u>
(Deficit)/surplus in the scheme		<u><u>(719,000)</u></u>

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate. For the year to 31 August 2015, the expected return was 5.3% per annum, which has been used to determine the profit and loss charge for the year ended 31 August 2015.

The amounts recognised in the Balance sheet are as follows:

	2015 £
Present value of funded obligations	(837,000)
Fair value of scheme assets	118,000
Net liability	<u><u>(719,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows:

	2015 £
Current service cost	(96,000)
Interest on obligation	(30,000)
Expected return on scheme assets	4,000
Total	<u><u>(122,000)</u></u>
Actual return on scheme assets	<u><u>4,000</u></u>

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

22. PENSION COMMITMENTS (continued)

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

	2015 £
Opening defined benefit obligation	690,000
Current service cost	96,000
Contributions by scheme participants	21,000
Interest on obligation	30,000
	<hr/>
Closing defined benefit obligation	837,000
	<hr/> <hr/>

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

	2015 £
Opening fair value of scheme assets	29,000
Expected return on assets	4,000
Contributions by employer	64,000
Contributions by employees	21,000
	<hr/>
	118,000
	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £Nil.

The academy expects to contribute £66,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015
Equities	65.00 %
Gilts	4.00 %
Other bonds	10.00 %
Cash	2.00 %
Property	12.00 %
Alternative assets	7.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015
Discount rate for scheme liabilities	4.00 %
Rate of increase in salaries	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %
Inflation assumption (CPI)	2.70 %
RPI increases	3.60 %

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

22. PENSION COMMITMENTS (continued)

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

	2015
Retiring today	
Males	22.8
Females	25.2
Retiring in 20 years	
Males	25.1
Females	27.6

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015
	£
Defined benefit obligation	(837,000)
Scheme assets	118,000
Deficit	<u>(719,000)</u>

23. OPERATING LEASE COMMITMENTS

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

	2015
	£
Expiry date:	
Between 2 and 5 years	<u>16,960</u>

24. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

25. CONVERSION TO AN ACADEMY TRUST

On 1 September 2014 Pear Tree Mead Primary and Nursery School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Pear Tree Mead Academy from Essex County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	5,871,000	5,871,000
Budget surplus on Local authority funds	(14,650)	102,997	-	88,347
LGPS pension surplus/(deficit)	-	(661,000)	-	(661,000)
Net assets/(liabilities)	<u>(14,650)</u>	<u>(558,003)</u>	<u>5,871,000</u>	<u>5,298,347</u>

The above net assets include £88,347 that were transferred as cash.