

Registered number: 09141452

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

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PEAR TREE MEAD ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members	Mr J Roberts Mrs H Thain Miss S Wise
Trustees	Mrs W Beckett, (appointed as Chair of Trustees 16 September 2016) Mr J Roberts, (resigned as Chair of Trustees 16 September 2016) Mrs H Thain Miss S Wise, Vice Chair (appointed 16 September 2015) Miss L Roberts, Staff Trustee (resigned 13 September 2016) Mrs C Peden, Staff Trustee Mrs C Stratton (resigned 31 December 2015) Mrs P Robinson, Staff Trustee (resigned 7 July 2016) Mrs J Gallagher (appointed 16 September 2015) Mr P Jones (appointed 16 September 2015, resigned 1 July 2016) Mrs J Haigh, Staff Trustee (appointed 14 September 2016) Mrs L Blackburn (appointed 14 September 2016) Mr C Hawkins, Staff Trustee (appointed 23 September 2016) Mr J Hewett (appointed 9 November 2016)
Company registered number	09141452
Company name	Pear Tree Mead Academy
Principal and registered office	Trotters Road Harlow Essex CM18 7BY
Chief executive officer	Mrs C Peden
Senior management team	Mrs C Peden, Headteacher Miss L Roberts, Deputy Headteacher Mrs R Arnould, Assistant Headteacher Mrs J Haigh, Inclusion Manager
Independent auditors	Haslers Chartered Accountants Statutory Auditor Old Station Road Loughton Essex IG10 4PL
Bankers	Lloyds Bank PLC Harlow Essex CM20 1LD

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Solicitors	Wilsons Law 4 Lincoln's Inn Field London WC2A 3AA
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PEAR TREE MEAD ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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 Trust (the academy) for the period 1 September 2015 to 31 August 2016. 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 charities issued in March 2005. The annual report services the purpose of both a trustees' report and a directors report under company law.

The principal object of the academy is to provide education of 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 a 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 Trust Limited 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.

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.

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 £10.00, 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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.

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, phase 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 policies 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. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The governors of the Academy have a Headteacher performance management committee and they set the Performance management targets with the Headteacher yearly with an external support partner from HEP to support them with the process. They all oversee the targets for the year and review them at the end of the year. The Headteacher Performance management committee make a recommendation to the pay committee with regards to pay increases. The Performance management target setting and cycle for the other senior management is delegated to the Headteacher. The pay committee meet once a year to review the pay and the Headteacher recommendation for pay increases for all staff. All performance management follows the schools performance management policy. All pay decisions follow the criteria set out in the schools pay policy.

g. RISK STRUCTURE

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.

PEAR TREE MEAD ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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.

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 educations 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 schools 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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.

Achievements and performance

a. ACHIEVEMENT AND PERFORMANCE

A Summary of the school achievements since September 2015:

School began an Academy in September 2014.

Maintaining the schools Pre-school for FEEE2 children.

Successful expansion continues from 1.5 FE to 2 FE.

Gold School games Sainsbury's Award.

Continued increasing numbers of children wanting to attend Pear Tree Mead. Record number of appeals and waiting lists numbers.

Expansion building work for the school. Including 4 new classrooms, group rooms and a new library space.

Increasing numbers on role for Nursery provision due to large waiting lists.

Letters from LA and RSC regarding excellent SATs results for both KS1 and KS2

The school now has its achievement broadly in line or above national expectation at EYFS, Yr1 Phonics, KS1 and KS2 SATs.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

This looks like

GLD

2014 School	2014 National	2015 School	2015 National	2016 School	2016 National
64%	60%	72%	66%	68%	69%

Yr 1 Phonics

2014 School	2014 National	2015 School	2015 National	2016 School	2016 National
58%	74%	78%	77%	85%	81%

KS1

KS1 2016 results				
National Expectation	Reading	Writing	Maths	RWM
School At least expected	87	82	91	71
National At least expected	74	66	73	60
School Greater Depth	20	9	22	9
National Greater Depth	24	13	18	9

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

	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

<u>KS2 2016 results</u>					
National Expectation	Reading	Writing	Maths	GPS	RWM
School At least expected	76	82	73	80	62
National At least expected	60	74	70	72	53
School Greater Depth	27	4	13	22	4
National Greater Depth	19	15	17	23	5

Progress KS2 2016	School	Essex
Reading	3.69	-0.22
Writing	2.41	0.41
Maths	3.65	-0.04

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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

The school uses pupil premium and sports funding to support children and this is having a year on year improvement.

We also use challenges so that learning is not capped and children's marking and feedback supports children making progress and understanding and their next steps.

Rigorous pupil standards meetings discuss individual children and targets are set. Strategies to reach these targets are discussed and put in place. Targets and data are reviewed regularly.

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. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Companies Act 2006 requires disclosure of the principal risks and uncertainties facing a company. The academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

b. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. PRINCIPAL RISKS AND UNCERTAINTIES

As an Academy school the level of financial risk is low. Cash flow can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this relatively stable with contingencies in place to cover such items as sickness and maternity.

The governors assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy has considerable reliance on continued Government funding through the EFA and local authority and there is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same term.
- Failures in governance and/or management. The risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation and statutory returns. The governors continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational – the continuing success of the Academy is dependent on continuing to attract pupils in sufficient number of by maintaining the highest educational standards. To mitigate this risk Governors ensure that pupil success and achievement are closely monitored and reviewed.
- Staffing – the success of the Academy is reliant on the quality of its staff and so the governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds – The Academy has appointed Essex County Council to carry out internal controls checks of the finance systems and records as required by the Academy Financial Handbook.

d. 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 2016, the Academy had funds of £6,578,030.

e. 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.

f. MATERIAL INVESTMENTS POLICY

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 have recently had completed a new building. The new building joins the old infant and junior building with a corridor and incorporates four new classrooms, a new library and 2 group rooms. This facility was ready in November 2016.

We have recently completed a CIF bid for a new roof for the school. A new roof is now be fitted in most areas of the school. This should be finished by the end of the month. We are currently investigating our next CIF bid. The local Authority has asked us to take more Nursery children. We will be taking more children from January 2017. We are currently investigating the 30 hours provision for September 2017 and how we can offer this.

b. PAY POLICY FOR KEY MANAGEMENT PERSONNEL


The governors of the Academy have a Headteacher performance management committee and they set the Performance management targets with the Headteacher yearly with an external support partner from HEP to support them with the process. They all oversee the targets for the year and review them at the end of the year. The Headteacher Performance management committee make a recommendation to the pay committee with regards to pay increases. The Performance management target setting and cycle for the other senior management is delegated to the Headteacher. The pay committee meet once a year to review the pay and the Headteacher recommendation for pay increases for all staff. All performance management follows the schools performance management policy. All pay decisions follow the criteria set out in the schools pay policy.

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 as the company directors, on 15 December 2016 and signed on its behalf by:



Mrs W Beckett
Chair of Trustees

PEAR TREE MEAD ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, 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 Statement of Trustees' responsibilities. 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, (Resigned as Chair of Trustees on 16/09/2016)	4	5
Mrs H Thain	5	5
Miss S Wise, Vice Chair of Trustees	5	5
Miss L Roberts, Staff Trustee	5	5
Mrs C Peden, Staff Trustee	5	5
Mrs C Stratton	0	5
Mrs P Robinson, Staff Trustee	3	5
Mrs W Beckett, (Appointed as Chair of Trustees on 16/09/2016)	5	5
Mrs J Gallagher	3	5
Mr P Jones	2	5
Mrs J Haigh, Staff Trustee	0	0
Mrs L Blackburn	0	0
Mr C Hawkins, Staff Trustee	0	0
Mr J Hewett	0	0

Governance review:

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.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs C Peden, Headteacher	3	3
Miss L Roberts	2	3
Mr J Roberts	3	3
Mrs W Beckett, Vice Chair	2	3
Mr S Wise, Chair	3	3
Mrs L Blackburn	0	0
Mr C Hawkins	0	0

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 C Stratton	0	3
Mr J Roberts	3	3
Mrs P Robinson	3	3
Mrs J Haigh	0	0
Mrs J Gallagher	3	3

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year 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
- 3 quotes for work to be completed are gathered to get best value when needed.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Pear Tree Mead Academy for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval 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 Essex County Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the internal auditor 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.

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GOVERNANCE STATEMENT (continued)

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 15 December 2016 and signed on their behalf, by:



Mrs W Beckett
Chair of Trustees



C Peden
Accounting Officer

PEAR TREE MEAD ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Pear Tree Mead Academy 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 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.



C Peden
Accounting Officer

Date: 15 December 2016

PEAR TREE MEAD ACADEMY
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Pear Tree Mead Academy 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:

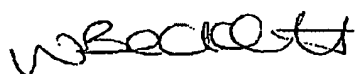
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 15 December 2016 and signed on its behalf by:



Mrs W Beckett
Chair of Trustees

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

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

We have audited the financial statements of Pear Tree Mead Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 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 charitable company 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 Statement of Trustees' responsibilities, 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 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAR
TREE MEAD ACADEMY**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or 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.



Laura A Ambrose (Senior statutory auditor)

for and on behalf of

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL
15 December 2016

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 2015 to 2016, 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 year 1 September 2015 to 31 August 2016 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 the 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 the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pear Tree Mead Academy and the 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 7 May 2014, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

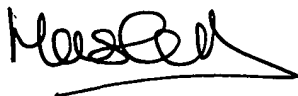
**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PEAR TREE
MEAD ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

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, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

15 December 2016

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

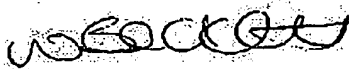
	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	6,897	-	-	6,897	5,305,606
Charitable activities	5	-	1,772,706	1,634,388	3,407,094	1,773,135
Other trading activities	3	71,143	-	-	71,143	58,471
Investments	4	241	-	-	241	147
TOTAL INCOME		78,281	1,772,706	1,634,388	3,485,375	7,137,359
EXPENDITURE ON:						
Raising funds		11,800	-	-	11,800	15,702
Charitable activities		62,105	1,718,245	80,897	1,861,247	1,750,955
TOTAL EXPENDITURE	6	73,905	1,718,245	80,897	1,873,047	1,766,657
NET INCOME BEFORE TRANSFERS		4,376	54,461	1,553,491	1,612,328	5,370,702
Transfers between Funds	16	-	(77,538)	77,538	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		4,376	(23,077)	1,631,029	1,612,328	5,370,702
Actuarial losses on defined benefit pension schemes	21	-	(405,000)	-	(405,000)	-
NET MOVEMENT IN FUNDS		4,376	(428,077)	1,631,029	1,207,328	5,370,702
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	(746,032)	6,046,664	5,300,632	-
Prior year adjustment (Note 15)		-	70,070	-	70,070	-
TOTAL FUNDS CARRIED FORWARD		4,376	(1,104,039)	7,677,693	6,578,030	5,370,702


PEAR TREE MEAD ACADEMY
(A company limited by guarantee)
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BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	As restated 2015 £
FIXED ASSETS					
Tangible assets	12		7,471,110		6,046,665
CURRENT ASSETS					
Debtors	13	165,068		45,773	
Cash at bank and in hand		374,909		79,164	
			<u>539,977</u>	<u>124,937</u>	
CREDITORS: amounts falling due within one year	14	(247,057)		(81,900)	
NET CURRENT ASSETS			<u>292,920</u>		43,037
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,764,030</u>		6,089,702
Defined benefit pension scheme liability	21		<u>(1,186,000)</u>		(719,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>6,578,030</u>		5,370,702
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	81,961		43,038	
Restricted fixed asset funds	16	7,677,693		6,046,664	
			<u>7,759,654</u>	<u>6,089,702</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,186,000)		(719,000)	
			<u>6,573,654</u>		5,370,702
Total restricted income funds					
Unrestricted income funds	16		<u>4,376</u>		-
TOTAL FUNDS			<u>6,578,030</u>		5,370,702

The financial statements were approved by the Trustees, and authorised for issue, on 15 December 2016 and are signed on their behalf, by:


Mrs W Beckett
Chair of Trustees


C Peden
Accounting Officer

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

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>166,459</u>	<u>78,779</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		241	148
Purchase of tangible fixed assets		(1,505,342)	(239,027)
Capital grants from DfE/EFA		344,485	18,479
Capital grants from Local Authority		1,289,902	132,438
Cash transferred on conversion to an academy trust		-	88,347
Net cash provided by investing activities		<u>129,286</u>	<u>385</u>
Change in cash and cash equivalents in the year		295,745	79,164
Cash and cash equivalents brought forward		<u>79,164</u>	<u>-</u>
Cash and cash equivalents carried forward	19	<u><u>374,909</u></u>	<u><u>79,164</u></u>

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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.

1.1 Basis of preparation of financial statements

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

Pear Tree Mead Academy constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Pear Tree Mead Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Pear Tree Mead Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

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 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..

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised 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 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.

1.4 Expenditure

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

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

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

All resources expended are inclusive of irrecoverable VAT.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. 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 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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed 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
Assets under construction	-	No depreciation charged

1.6 Operating leases

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

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 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.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 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 quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses

1.10 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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Critical accounting estimates and areas of judgement

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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Donations	6,897	-	-	6,897	7,259
Fixed asset transfer from local authority on conversion	-	-	-	-	5,871,000
Transfer from local authority on conversion	-	-	-	-	(572,653)
Total donations and capital grants	6,897	-	-	6,897	5,305,606

In 2015, of the total income from donations and capital grants, £(7,391) was to unrestricted funds and £5,312,997 was to restricted funds

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Catering income	20,158	-	20,158	15,506
Trip income	11,541	-	11,541	13,298
Hire of facilities	136	-	136	176
Other income self generated	39,308	-	39,308	29,491
Total	71,143	-	71,143	58,471

In 2015, of the total income from other trading activities, £23,298 was to unrestricted funds and £35,173 was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Bank interest	241	-	241	147

In 2015, of the total investment income, £ 147 was to unrestricted funds and £ NIL was to restricted funds.

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
DfE/EFA grants			
General annual grant	1,388,136	1,388,136	1,293,394
Capital grants	344,486	344,486	18,479
Other DfE/EFA grants	221,266	221,266	184,177
	<u>1,953,888</u>	<u>1,953,888</u>	<u>1,496,050</u>
Other government grants			
Local Authority grants	1,453,206	1,453,206	277,085
	<u>1,453,206</u>	<u>1,453,206</u>	<u>277,085</u>
	<u><u>3,407,094</u></u>	<u><u>3,407,094</u></u>	<u><u>1,773,135</u></u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £1,773,135 was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	-	-	11,800	11,800	15,702
Educational operation:					
Direct costs	1,094,233	13,864	87,005	1,195,102	1,134,384
Support costs	264,693	-	401,452	666,145	616,570
	<u>1,358,926</u>	<u>13,864</u>	<u>500,257</u>	<u>1,873,047</u>	<u>1,766,656</u>

PEAR TREE MEAD ACADEMY
(A company limited by guarantee)

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

7. CHARITABLE ACTIVITIES

	Total funds 2016 £	<i>As restated Total funds 2015 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	922,426	890,568
National insurance	56,022	46,253
Pension cost	98,582	81,592
Depreciation	15,210	3,589
Educational supplies	7,344	6,991
Technology costs	24,632	26,141
Staff development	16,590	15,403
Educational support staff costs	17,203	29,054
Other direct costs	1,565	1,325
Educational consultancy	35,528	33,469
	<u>1,195,102</u>	<u>1,134,385</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	155,961	148,469
National insurance	7,732	7,776
Pension cost	101,000	96,000
Depreciation	65,687	59,774
Pension finance expense	28,000	26,000
Technology costs	20,600	15,504
Catering	70,185	64,834
Maintenance of premises and equipment	67,630	60,183
Cleaning	6,518	8,173
Energy costs	24,344	25,214
Transport costs	1,395	1,260
Rates	29,074	19,427
Other costs	18,854	17,389
Legal and professional fees	22,085	21,713
Insurance	29,889	23,310
Recruitment and support	2,988	5,553
Examination fees	1,500	-
Governance costs	12,703	15,991
	<u>666,145</u>	<u>616,570</u>
	<u><u>1,861,247</u></u>	<u><u>1,750,955</u></u>

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8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	80,897	63,363
Auditors' remuneration - audit	7,250	7,550
Auditors' remuneration - other services	5,453	8,441
Operating lease rentals	16,960	19,383
	<u>109,560</u>	<u>98,737</u>

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,078,387	1,039,037
Social security costs	63,754	54,030
Operating costs of defined benefit pension schemes	199,582	177,592
	<u>1,341,723</u>	<u>1,270,659</u>
Supply teacher costs	17,203	29,054
	<u>1,358,926</u>	<u>1,299,713</u>

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

	2016 No.	2015 No.
Teachers	14	16
Admin and Support Staff	75	77
Management	3	3
	<u>92</u>	<u>96</u>

No employee received remuneration amounting to more than £60,000 in either year.

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 £202,669 (2015: £207,490).

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10. 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:

		2016	2015
		£	£
Mrs C Peden (Headteacher and trustee)	Remuneration	55,000-60,000	<i>55,000-60,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
Mrs R Arnould (Deputy Headteacher and trustee)	Remuneration	20,000-25,000	
	Pension contributions paid	0-5,000	
Miss L Roberts (Deputy Headteacher and trustee)	Remuneration	45,000-50,000	<i>45,000-50,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
Mrs J Haigh (Inclusion Manager and trustee)	Remuneration	40,000-45,000	
	Pension contributions paid	5,000-10,000	
Mrs P Robinson (Staff trustee)	Remuneration	10,000-15,000	<i>10,000-15,000</i>
	Pension contributions paid	Nil	<i>Nil</i>
Mr Clive Hawkins (Staff trustee)	Remuneration	20,000-25,000	
	Pension contributions paid	0-5,000	

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year ended 31 August 2016, expenses totalling £614 (2015 - £NIL) were reimbursed to 3 Trustees (2015 - 0).

11. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2015	6,062,789	31,048	16,191	-	6,110,028
Additions	153,402	12,780	18,408	1,320,752	1,505,342
At 31 August 2016	6,216,191	43,828	34,599	1,320,752	7,615,370
Depreciation					
At 1 September 2015	59,774	2,698	891	-	63,363
Charge for the year	65,687	7,201	8,009	-	80,897
At 31 August 2016	125,461	9,899	8,900	-	144,260
Net book value					
At 31 August 2016	6,090,730	33,929	25,699	1,320,752	7,471,110
At 31 August 2015	6,003,015	28,350	15,300	-	6,046,665

Included in land and buildings is freehold land at valuation of £3,397,000 (2015: £3,397,000) which is not depreciated.

Assets under construction relate to the extension of the existing school building which was in progress at the year end.

13. DEBTORS

	2016 £	As restated 2015 £
Trade debtors	-	29
VAT recoverable	21,353	18,244
Prepayments and accrued income	143,715	27,500
	165,068	45,773

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**NOTES TO THE FINANCIAL STATEMENTS
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14. CREDITORS: Amounts falling due within one year

	2016 £	<i>As restated</i> 2015 £
Trade creditors	40,131	10,226
Other taxation and social security	16,684	15,699
Other creditors	19,340	18,350
Accruals and deferred income	170,902	37,625
	<u>247,057</u>	<u>81,900</u>

	2016 £	<i>As restated</i> 2015 £
Deferred income		
Deferred income at 1 September 2015	24,472	24,472
Resources deferred during the year	27,363	-
Amounts released from previous years	(24,472)	-
Deferred income at 31 August 2016	<u>27,363</u>	<u>24,472</u>

At the balance sheet date the academy trust was holding funds received in advance for and Universal infant free school meals and rates relief for the autumn term 2016.

15. PRIOR YEAR ADJUSTMENT

As noted in the Statement of Financial Activities, a prior year adjustment has arisen. This has been made to correct the deferral of pupil premium funding in the prior year.

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

16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	-	78,281	(73,905)	-	-	4,376
Restricted funds						
General Annual Grant (GAG)	(27,032)	1,388,136	(1,299,946)	(7,468)	-	53,690
Pupil Premium	-	167,640	(140,140)	-	-	27,500
Other DfE/ EFA grants	-	53,626	(53,626)	-	-	-
Local authority grants	-	163,304	(162,533)	-	-	771
Prior year adjustment	70,070	-	-	(70,070)	-	-
Pension reserve	(719,000)	-	(62,000)	-	(405,000)	(1,186,000)
	<u>(675,962)</u>	<u>1,772,706</u>	<u>(1,718,245)</u>	<u>(77,538)</u>	<u>(405,000)</u>	<u>(1,104,039)</u>
Restricted fixed asset funds						
Assets donated on conversion	5,811,226	-	(39,186)	-	-	5,772,040
Capital expenditure from GAG	235,438	-	(41,711)	77,538	-	271,265
DfE/ EFA capital grants	-	344,488	-	-	-	344,488
Local authority capital grants	-	1,289,900	-	-	-	1,289,900
	<u>6,046,664</u>	<u>1,634,388</u>	<u>(80,897)</u>	<u>77,538</u>	<u>-</u>	<u>7,677,693</u>
Total restricted funds	<u>5,370,702</u>	<u>3,407,094</u>	<u>(1,799,142)</u>	<u>-</u>	<u>(405,000)</u>	<u>6,573,654</u>
Total of funds	<u>5,370,702</u>	<u>3,485,375</u>	<u>(1,873,047)</u>	<u>-</u>	<u>(405,000)</u>	<u>6,578,030</u>

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.

Pupil premium - Funds received from the EFA under the Pupil Premium grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

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

16. STATEMENT OF FUNDS (continued)

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.

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Tangible fixed assets	-	-	7,471,110	7,471,110	6,046,664
Current assets	117,531	81,961	340,484	539,976	124,938
Creditors due within one year	(113,155)	-	(133,901)	(247,056)	(81,900)
Provisions for liabilities and charges	-	(1,186,000)	-	(1,186,000)	(719,000)
	<u>4,376</u>	<u>(1,104,039)</u>	<u>7,677,693</u>	<u>6,578,030</u>	<u>5,370,702</u>

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

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	1,612,328	5,370,702
Adjustment for:		
Depreciation charges	80,897	63,363
Dividends, interest and rents from investments	(241)	(148)
Increase in debtors	(119,295)	(45,774)
Increase in creditors	165,157	81,900
Capital grants from DfE and other capital income	(1,634,387)	(150,917)
Defined benefit pension scheme obligation inherited	-	661,000
Defined benefit pension scheme cost less contributions payable	34,000	32,000
Defined benefit pension scheme finance cost	28,000	26,000
Net (loss) on assets and liabilities from local authority on conversion	-	(5,871,000)
Cash transferred on conversion to an academy trust	-	(88,347)
Net cash provided by operating activities	166,459	78,779

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	374,909	79,164
Total	374,909	79,164

20. CAPITAL COMMITMENTS

At 31 August 2016 the academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	58,685	-

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21. 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 Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £19,255 were payable to the schemes at 31 August 2016 (2015 - 18,247) 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 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 employer's pension costs paid to TPS in the period amounted to £98,582 (2015 - £81,592).

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21. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £88,000 (2015 - £85,000), of which employer's contributions totalled £67,000 (2015 - £64,000) and employees' contributions totalled £21,000 (2015 - £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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI increases	3.20 %	3.60 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	153,000	77,000
Gilts	8,000	5,000
Other bonds	10,000	11,000
Property	25,000	14,000
Cash	7,000	3,000
Alternative assets	21,000	8,000
Total market value of assets	<u>224,000</u>	<u>118,000</u>

The actual return on scheme assets was £18,000 (2015 - £4,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(101,000)	(96,000)
Net interest cost	(28,000)	(26,000)
Total	<u>(129,000)</u>	<u>(122,000)</u>

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

	2016 £	<i>2015 £</i>
Opening defined benefit obligation	837,000	690,000
Current service cost	101,000	96,000
Interest cost	34,000	30,000
Contributions by employees	21,000	21,000
Actuarial losses	423,000	-
Benefits paid	(6,000)	-
Closing defined benefit obligation	<u>1,410,000</u>	<u>837,000</u>

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21. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	118,000	29,000
Return on plan assets (excluding net interest on the net defined pension liability)	6,000	4,000
Actuarial gains and (losses)	18,000	-
Contributions by employer	67,000	64,000
Contributions by employees	21,000	21,000
Benefits paid	(6,000)	-
	<u>224,000</u>	<u>118,000</u>
Closing fair value of scheme assets		

22. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	13,174	16,960
Between 1 and 5 years	1,362	14,536
	<u>14,536</u>	<u>31,496</u>
Total		

23. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

24. 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.

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25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 22 July 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.