

**Parklands High School  
(A Company Limited by Guarantee)**



*Learn | Respect | Aspire | Achieve*

**Annual Report and Financial Statements**

**For the year ended 31<sup>st</sup> August 2015**

**Company Registration Number:  
08151601 (England and Wales)**

## **Parklands High School**

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## Parklands High School

### Reference and administrative details

Members	Mrs E Chester Mrs J Hagarty *# Mr I Hamer * Mrs L Kinnaird *# Mr P McKay *# Mrs L Sayward	(appointed 29 <sup>th</sup> June 2015)    (resigned 19 <sup>th</sup> October 2015) (resigned 23 <sup>rd</sup> February 2015)
Trustees	Mrs P Berry *# Mrs E Chester Mrs J Day Mr K Fielding Mrs J Hagarty *# Mr I Hamer* Mrs C Hollister * Mr A Hopkins * Mr P D Howard Mrs M Hunt Mrs L Kinnaird *# Mr P Malpas *# Mr P McKay *#  Mr S Mitchell Mrs A Murphy* Mr G O'Donoghue Mr A Oddy Mr S Parker County Cllr Mr M Perks Mrs L Sayward	Staff (resigned 31 <sup>st</sup> March 2015)  Staff (appointed 11 <sup>th</sup> May 2015)  Vice Chair Chair Head teacher and Accounting Officer Staff (appointed 3 <sup>rd</sup> November 2015)  Chair of Resources, Health & Safety and Audit committee (resigned 19 <sup>th</sup> October 2015) Staff Staff (appointed 3 <sup>rd</sup> November 2014) (appointed 3 <sup>rd</sup> November 2014) Staff (appointed 1 <sup>st</sup> September 2015) Chair of Standards Committee (resigned 23 <sup>rd</sup> February 2015)
* Members of the Resource, Health & Safety Committee	# Members of the Audit Committee	
Company Secretary	Mrs D Astin	
Senior Leadership Team	Mrs C Hollister Mr A Connroy Mr S Mitchell Ms G Aspinall Ms C Batson Mr R McDermott Mrs D Astin	Head teacher Deputy Head teacher Deputy Head teacher Assistant Head teacher Assistant Head teacher Assistant Head teacher School Business Manager
Principal and Registered Office	Southport Road Chorley Lancashire PR7 1LL	

## **Parklands High School**

Company Registration Number	08151601 (England and Wales)
Auditors	CWR Chartered Accountants 20 Mannin Way Lancaster Business Park Caton Road Lancaster LA1 3SW
Bankers	Lloyds Bank PLC Fishergate Preston PR1 2JB
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

## **Parklands High School**

### **Trustees' Report**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1<sup>st</sup> September 2014 to the 31<sup>st</sup> August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in and around Chorley. It has a pupil capacity for 1,100 and had a roll of 1,054 in the spring 2014 census.

### **1. Structure, Governance and Management**

#### **1.1 Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The trustees of Parklands High School Academy are also the directors of the charitable company for the purposes of company law and make up the governing body. The charitable company is known as Parklands High School.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 2.

#### **1.2 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 (note 24).

#### **1.3 Trustees' Indemnities**

The directors and Officers liability/governors insurance provides cover for staff, governors and directors in respect of negligent acts, errors or omission, committed in good faith. As explained in note 11 to the financial statements the limit of this indemnity is £2,000,000.

#### **1.4 Principal Activities** See Articles of Association, pages 4-8

To provide, without prejudice, a broad and balanced secondary education to pupils of different abilities from the age of 11 to 16, in a safe and secure setting, drawn mainly from the Chorley area and surrounding districts.

#### **1.5 Trustees**

##### Method of Recruitment and Appointment or Election of Trustees

Articles of Association, items 50-64 state:

50. Members may appoint up to 1 Trustee save that no more than one third of the total number of individuals appointed as Trustees shall be employees of the Academy Trust (including the Principal)

51. Not used.

52. The Principal shall be treated for all purposes as being an ex officio Trustee.

**Trustees' Report (Continued)**

53. Subject to Article 57, the Parent Trustee(s) shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he is elected.

54. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustee, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Trustee which is contested shall be settled by secret ballot.

55. The arrangements made for the election of a Parent Trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

56. Where a vacancy for a Parent Trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

57. The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

58. In appointing a Parent Trustee the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

58A. The Governing Body shall make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Governors.

58B. The Community Trustees may be appointed by the Governing Body provided that the person who is appointed as a Community Trustee is:

- (a) a person who lives or works in the community served by the Academy; or
- (b) a person who, in the opinion of the Governing Body, is committed to the government and success of the Academy.

The Trustees may not appoint an employee of the Academy Trust as a Community Trustee if the number of Trustees who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Trustees.

*Co-Opted Trustees*

59. The Trustees may appoint up to 3 Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if the number of Trustees who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Trustees.

*Appointment of additional Trustees*

60. The Secretary of State may give a warning notice to the Trustees where he is satisfied:

- (a) that the standards of performance of pupils at the Academy are unacceptably low, or
- (b) that there has been a serious breakdown in the way the Academy is managed or governed; or
- (c) that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

## **Parklands High School**

### **Trustees' Report (Continued)**

61. For the purposes of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy Trust delivered to the Office setting out:

- (a) the matters referred to in Article 60;
- (b) the action which he requires the Trustees to take in order to remedy those matters; and
- (c) the period within which that action is to be taken by the Trustees ('the compliance period').

62. The Secretary of State may appoint such Additional Trustees as he thinks fit if the Secretary of State has:

- (a) given the Trustees a warning notice in accordance with Article 60; and
- (b) the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

62A. The Secretary of State may also appoint such Additional Trustees where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by Parklands High School (a maintained school) shall be regarded as the grade received by the Academy.

63. The Secretary of State may also appoint such Further Trustees as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

64. Within 5 days of the Secretary of State appointing any Additional or Further Trustees in accordance with Articles 62, 62A or 63, any Trustees appointed under Article 50 and holding office immediately preceding the appointment of such Trustees, shall resign immediately and the Members' power to appoint Trustees under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Trustees.

Additional information can be obtained by visiting Lancashire County Councils website at: [www3.lancashire.gov.uk](http://www3.lancashire.gov.uk) Select School Governors from the A-Z for the recruitment and selection procedures adopted by Parklands.

#### Policies and Procedures Adopted for the Induction and Training of Trustees.

All Trustees have access to the LCC Governors Portal. In addition they receive either an electronic or paper version of the termly Governors Bulletin along with an induction pack. New Trustees are invited for a tour of the school during which time they are introduced to Staff and Pupils.

One Trustee is the nominated Link Trustee for training and is responsible for keeping records of training undertaken and reporting this to the Full Governing Body.

Moreover, Full Governing Body meetings contain a training item.

### **1.6 Organisational Structure**

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

## **Parklands High School**

### **Trustees' Report (Continued)**

The Senior Managers are the Head teacher, two Deputy Head teachers, three Assistant Head teachers and the School Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Trustee. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

Details of structure are available in items 12 – 18 in the Articles of Association

The Head teacher is the Accounting Officer.

### **1.7 Related Parties and Other Connected Charities and Organisations**

There are no related parties which either control or significantly influence the decisions or operations of the Academy.

## **2. Objectives and Activities**

### **2.1 Objects and Aims**

The principal object and activity of the charitable company is the operation of Parklands High School - to provide education for pupils of different abilities between the ages of 11 and 16 mainly drawn from the area in which the school is situated.

In accordance with the Funding Agreement, items 12-33C, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

### **2.2 Objectives, Strategies and Activities**

- Ensure high quality Teaching and Learning
- Ensure pupils make expected progress
- Ensure high standards of behaviour and safety
- Ensure high standards of Leadership and Management
- Ensure opportunities are facilitated for the development of SMSC
- The school aims to raise up to £8,000 per year for the benefit of local, national and international charitable causes.

A detailed Self Evaluation Form (SEF) which includes a School Development Plan (SDP) are available on the schools website, these outline the strategies implemented to achieve the above.

### **2.3 Public Benefit**

The Trustees have complied with their duty to have due regard to the guidance on public benefit.



**Trustees' Report (Continued)**

**Strategic report**

**3. Achievements and Performance**

In 2015 our pupils achieved the best results in the last 7 years:

- 68.8% of the cohort achieved 5 A\* - C including English and Maths
- 84% achieved A\*-C in English
- 77% achieved A\*-C in Maths
- 35% achieved the EBAC

All the above figures are above national averages for 2015.

The measures used to assess achievements are:

- Fisher Family Trust (FFT),
- Raise Online (not yet available for 2015 results as at 10/11/15),
- Key Stage 2 Scores,
- Classroom Assessment technique (CAT) scores
- 3 levels and 4+ levels of progress.

Further details are available on the Schools website: [www.parklandsacademey.co.uk](http://www.parklandsacademey.co.uk)

**3.1 Key Performance Indicators**

The Academy, where available, uses benchmarking opportunities to ensure that performance indicators, financial, environmental and employee matters are reviewed annually and any areas for development are addressed.

The Academy also makes use of comparative data provided by the Education Funding Agency (EFA) and the Local Authority.

The Academy was inspected by OFSTED on the 4<sup>th</sup> and 5<sup>th</sup> November 2014 with an overall judgement of Good with behaviour and safety of pupils being judged as Outstanding.

Leadership and management were rated as Good stating "The Governors manage the schools financial resources effectively".

Pupil attendance is good and was recorded in the 2015 Spring Census at 95.31%.

The intake for Year 7 pupils in September 2014 was 210 with 220 joining the Academy in Year 7 in September 2015.

**3.2 Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies (note 1).

**Trustees' Report (Continued)**

**4. Financial Review**

**4.1 Operating and Financial Review**

- The financial position of the Academy Trust is secure. Refer to minutes of Governors Resources, H&S and Audit committee meetings and Full Governing Body meetings, available from the school.
- The principal financial management policies adopted by the Academy are outlined in the 2014 Academies Financial Handbook. These include Internal Financial Regulations and a dedicated Resources Committee meets three times a year and in turn reports to the Full Governing Body, again, 3 times a year.
- The Full Governing Body meets for one additional meeting to receive, review and approve the Annual Report and Financial Statements prior to submission to the EFA by the 31<sup>st</sup> December deadline.
- The principal source of funding is the General Annual Grant, Pupil Premium funding, Special educational Needs (SEN) and Additional Educational Needs (AEN) funding. This in turn is delegated to Departments within the Academy and directed to the key objectives in the Self-Evaluation Form (SEF) which are then tracked and analysed in terms of their impact.
- In April 2014 the Academy secured £864,566 from the EFAs Academies Capital Maintenance Fund. This was for the following projects:
  - Refurbishment and expansion of the Pavilion
  - New Roof to entire schoolBoth projects have been successfully completed along with the installation of an All Weather Pitch which greatly enhances the schools facilities for our pupils and the community.
- The Local Government Pension Scheme (LGPS) scheme deficit at 31<sup>st</sup> August was £673,000 (note 25). However in agreement with LGPS in 2013 the Academy reduced the employer contribution by 4.2% and contributes towards the deficit with monthly instalments of £1,817.

**4.2 Reserves Policy**

The Academy does not carry a deficit balance.

As per item 72 of the Funding Agreement the Academy is entitled to hold unspent GAG from previous years. However, the Governors deem it reasonable to retain approximately 5% of the GAG.

**4.3 Investment Policy**

At this time the Academy does not exercise its power to make financial investments.

**4.4 Principal Risks and Uncertainties**

The principal financial risks and uncertainties are contained in the Strategic and Reputational Risk Plan which is reviewed annually

Examples of these include:

- Loss of charitable status
- Insufficient demand for Academy service leaves it unsustainable
- Presence of competitors
- Governors not acting in accordance with their investment powers
- Inadequate insurance cover
- Uncontrollable events – i.e. natural disasters
- Expenditure cost too high
- Internal fraud
- Litigation

Trustees' Report (Continued)

4.5 Risk Management

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

The Academy has a Business Continuity Plan, Strategic and Reputational Risk Plan, Critical Incident Plan and Emergency Closure Plan.

These are reviewed annually by the Senior Leadership Team and Trustees.

5. Plans for Future Periods

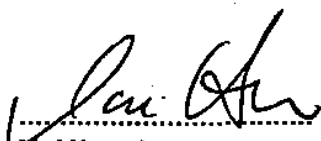
The aims and objectives for future periods will continue to be those outlined in **Objectives, Strategies and Activities** as above. Strategies to achieve them are regularly updated in the Academies SEF.

6. Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on .....01/12/2015..... and signed on the board's behalf by:



Mr I Hamer  
Chair of Trustees

## Parklands High School

### 7 Governance Statement

#### 7.1 Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Head teacher, 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 Parklands High School 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.

#### 7.2 Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statements of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mr I Hamer	4	4
Mrs J Hagarty	4	4
Mrs P Berry	2	2
Mrs E Chester	2	4
Mrs L Sayward	0	1
Mr K Fielding	4	4
Mrs C Hollister	4	4
Mr A Hopkins	4	4
Mrs M Hunt	1	4
Mrs L Kinnaird	4	4
Mr P Malpas	2	4
Mr P McKay	2	4
Mrs A Murphy	4	4
Mr A Oddy	1	1
Mr G O'Donoghue	1	1
County Cllr Mr M Perks	3	4
Mr S Mitchell	3	4

## Parklands High School

### Governance Statement (continued)

#### The Resources, Health & Safety and Audit Committee

The Resources, H&S and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to provide guidance to the Head teacher and the Governing Body on all financial issues, to consider budget plans and monitoring reports, to consider financial statements and audit reports and to consider and advise on any financial matters referred to it.

These include:

- The Responsible Officers report,
- Key Risks Report,
- Review of the Terms of reference,
- School Business Manager Reports,
- Health, Safety and Wellbeing Report,
- Premises Report,
- Staffing Report,
- Service Level Agreements,
- SEF
- Policies relating to the committee.

Attendance at Resources, H&S and Audit Committee meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mr P McKay #	3	3
Mrs P Berry#	2	2
Mrs C Hollister	3	3
Mrs L Kinnaird #	2	3
Mr K Fielding	1	3
Mr P Malpas#	3	3
Mrs J Hagarty#	3	3
Mr I Hamer	2	3
Mr A Hopkins	3	3
Mrs A Murphy	2	2
Mrs E Chester	1	3

# The Audit Committee members, are also a sub-committee drawn from the Resources, H&S Committee as and when required. Its purpose is to advise on and investigate any activities within its terms of reference.

**Governance Statement (continued)**

**7.3 Review of Value for Money**

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

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

*Targeting Improvement:*

- Improving GCSE results – as outlined in page 8 - our 2015 results are the best we have achieved in the last seven years.
- Improving rates of progress for all pupil groups across all subjects.
- The staffing structure, along with the curriculum provision, is continuously reviewed at senior management level and termly at Governor Meetings to ensure dedicated personnel have responsibility, accountability and the necessary resources for driving improvements.
- Changes to the curriculum, along with intervention strategies such as catch up and Period 6 sessions are made to ensure we comply with the national requirement and the needs of our pupils.
- The granting of Teaching and Learning Responsibilities (TLRs) for teaching staff and non-Teaching Honorariums to staff to implement strategies which will maximise pupil attendance and achievement and to improve behaviour.
- The school continues to invest in Continuous Professional Development (CPD) for staff to improve the quality of teaching and support for our pupils.
- Reducing the number of Fixed Term Exclusions.
- Ensure there are strategies to support optimal pupil personal development, welfare and safety.
- Review the structure of the Senior Leadership Team to future proof and plan for succession.

*Focus on Individual Pupils:*

- The appointment of 2 non-teaching staff responsible for Pupil Premium pupils at Key Stage 3 & 4
- The appointment of a part time teacher experienced in teaching up to Key Stage 2 and the appointment of 2 non-teaching Literacy and Numeracy specialists to target pupils arriving at Parklands with attainment levels below the national standard for Maths and English at Key Stage 2.
- Increase the TLR for the Special Educational Needs Co-Ordinator (SENCO) to ensure the statutory requirements are compliant.
- The school continues to invest in Continuous Professional Development (CPD) for staff to improve the quality of teaching and support of targeted intervention for individual pupils.

*Collaboration – School to School support includes:*

- Primary liaison – designated Primary Liaison Officer.
- School Centred Initial Teacher Training (SCITT).
- Hosting SSAT conferences and training.
- Supporting the local Pupil Referral Units (PRU) - Head teacher is a governor at a local PRU.
- Networking by Senior Management – both teaching and financial.
- The above is not an exhaustive list.

### Governance Statement (continued)

#### *New Initiatives:*

The school has a healthy reserves budget and OFSTED commented in the report following the inspection in November 2014 that “The Governors manage the schools financial resources effectively”.

- Ongoing extracurricular activities programme which is lead on a voluntary and goodwill basis which meets the needs of our full range of students. i.e. – Sport, Music, Art, Academic etc.
- Review of Pupil Premium spending and refinement to ensure targeted focus for specific outcomes.
- Appointment of external lettings agent to manage school facilities including new resources.
- Planned over staffing in Maths to improve on the current progress gaps identified.
- Following the tender process the appointment of external catering provider to reduce overall costs incurred by the school.
- Ongoing subsidies to disadvantaged pupils to access curriculum enrichment.
- Improved external environment to provide additional social areas for pupils.
- Additional teaching space in the form of The Dance Studio in the Pavilion, photography studio and meeting rooms and offices.

#### *Quantifying Improvements*

Continued improvement curve in pupil outcomes – Performance indicators as laid down by OFSTED exceeded in the majority of categories (attendance, behaviour, academic outcomes, leadership and management, Teaching learning and assessment, Spiritual Moral Social and Cultural development (SMSC), safety and safeguarding).

#### *Financial Governance and Oversight*

The minutes of the Resources, Health & Safety and Audit Committee indicate there are robust systems in place and Governors are made fully aware of the implications of decisions: minutes record pertinent questions being asked and responses given as well as follow up to queries in subsequent meetings.

This committee also ensures that the requirement to deal with all items of income and expenditure are carried out in accordance with legislation, the terms of the trust’s funding agreement and the Academies Financial Handbook, and compliance with internal trust procedures.

#### *Better Purchasing*

All services and contracts are reviewed prior to their termination date in order to achieve quality and effectiveness and value for money e.g. The Service Level Agreements held with the LEA are reviewed annually as are annual contracts held with external organisations that provide services to the academy.

#### *Benchmarking*

Biannual business manager meetings provide the forum for transparent exchange of information enabling benchmarking to take place and the school to exercise an informed choice.

The Head teacher and the School Business Manager undertake annual financial benchmarking based on information available from the DfE and the EFA.

#### *Options Appraisal*

All decisions are preceded by consideration of more than one tender as per the school’s Internal Financial Regulations, which are reviewed annually. The school gives equal consideration to value for money and evidence of high quality outcomes.

#### *Better Income Generation*

The school has recently appointed an external lettings agent to oversee and provide the day to day after school hours management and staffing for bookings for the new All Weather Pitch, newly refurbished Pavilion, Sports Hall, Gym and classrooms. This generates an additional revenue stream without the need to incur staffing costs and, in turn extends the use of the schools facilities for the benefit of the local community.

**Governance Statement (continued)**

*Reviewing Controls and Managing Risks*

The school has a dedicated Governor Committee whose main responsibility is to consider the risks associated with business continuity, allocation and monitoring of budgets within the school, virement of funds between budgets and to agree the purpose of spending. The school also has a business continuity plan and risk register which is considered termly by the Strategic Leadership Team and Governing Body.

*Lesson Learned*

The Trust is aware of its responsibilities to operate within its financial constraints and will continue to take prudent and considered decisions in relation to all expenditure. The priority will always be improving outcomes for our pupils in a safe and secure environment with due regard to all stakeholders, colleagues, parents/carers and community partners.

**7.4 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 the Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Parklands High School for the period from the 1<sup>st</sup> September 2014 to the 31<sup>st</sup> August 2015 and up to the date of approval of the annual report and financial statements.

**7.5 Capacity to Handle Risk**

The Board of Trustees have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from the 1<sup>st</sup> September 2014 to the 31<sup>st</sup> August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**7.6 The Risk and Control Framework**

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

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

The trustees have considered the need for a specific internal audit function and have decided:

- not to appoint an internal auditor. However, the trustees have appointed CWR Chartered Accountants, the external auditor, to perform additional checks.



**Governance Statement (continued)**

In particular the checks carried out in the current period included:

- general observations
- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of accounting systems including control account / bank reconciliations

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the reviewer reports to the trustees, through the Finance Committee on the operation of the systems of control and on the discharge of the trustees financial responsibilities. No material control issues of any significance have arisen as a result of these checks. The Trustees have, however, taken due heed of any comments and suggestions made by the reviewer in respect of any minor issues or improvements to be made to the School's systems and practices and have acted accordingly.

The School's system of internal financial control is in line with the requirements of the Academies Handbook.

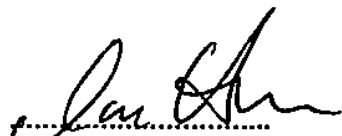
**7.7 Review of Effectiveness**

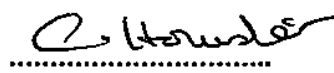
As Accounting Officer, the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the School 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 Resources, H&S 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 01/12/2015 and signed on its behalf by:

  
.....  
**Mr I Hamer**  
**Chair of Trustees**

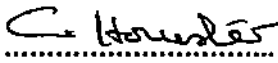
  
.....  
**Mrs C Hollister**  
**Accounting Officer**

**8. Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Parklands High School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency (EFA) 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.

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

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



**Mrs C Hollister**  
**Accounting Officer**

Date: 7/12/15

**9. Statement of Trustees' Responsibilities**

The trustees (who act as governors of Parklands High School and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction published by the Education Funding Agency.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

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

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware:

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

The 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 ..... 01/12/2015 ..... and signed on its behalf by:

  
.....  
**Mr T Hamer**  
**Chair of Trustees**

**Independent Auditor's Report to the Members of Parklands High School**

We have audited the financial statements of Parklands High School for the year ended 31<sup>st</sup> 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 Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**Respective responsibilities of trustees and auditor**

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

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

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual 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 Trust's affairs as at the 31<sup>st</sup> August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

*(Continued)*

**Independent Auditor's Report to the Members of Parklands High School (continued)**


**Opinion on other matters prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept or 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.



.....  
Mr J Bellamy FCA (Senior Statutory Auditor)  
For and on behalf of CWR Chartered Accountants  
Statutory Auditor  
20 Mannin Way  
Lancaster Business Park  
Caton Road  
Lancaster  
LA1 3SW

Date: 14-12-15 .....

## **Parklands High School**

### **Independent Reporting Accountant's Assurance Report on Regularity to Parklands High School and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 1<sup>st</sup> September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Parklands High School during the year 1<sup>st</sup> September 2014 to the 31<sup>st</sup> 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 Parklands High School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Parklands High School 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 Parklands High School and EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Parklands High School's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Parklands High School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from the 1<sup>st</sup> September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from the 1<sup>st</sup> September 2014 to the 31<sup>st</sup> 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 trust's income and expenditure.

The work undertaken to draw our conclusions includes:

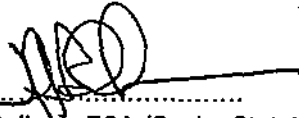
- Obtaining evidence including those tests relevant to the circumstances of the academy as prescribed in Section 9.4 of the Academies Accounts Direction 2014 to 2015 issued by the EFA in June 2015; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

*(continued)*

**Independent Reporting Accountant's Assurance Report on Regularity to Parklands High School and the Education Funding Agency (continued)**

**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 from the 1<sup>st</sup> September 2014 to the 31<sup>st</sup> August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
Mr J Bellamy FCA (Senior Statutory Auditor)  
For and on behalf of CWR Chartered Accountants  
Statutory Auditor  
20 Mannin Way  
Lancaster Business Park  
Caton Road  
Lancaster  
LA1 3SW

Date: 14.12.15 .....

**Parklands High School**

**Statement of Financial Activities for the year ended 31<sup>st</sup> August 2015  
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	-	213	-	213	213
Activities for generating funds	3	41	-	-	41	209
Investment income	4	1	-	-	1	2
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	5,372	627	5,999	5,646
<b>Total incoming resources</b>		<b>42</b>	<b>5,585</b>	<b>627</b>	<b>6,254</b>	<b>6,070</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		-	212	-	212	209
Costs of activities for generating funds		32	-	-	32	201
<i>Charitable activities:</i>						
Academy's educational operations	7	-	5,442	82	5,524	5,260
Governance costs	8	-	22	-	22	21
<b>Total resources expended</b>	6	<b>32</b>	<b>5,676</b>	<b>82</b>	<b>5,790</b>	<b>5,691</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>10</b>	<b>(91)</b>	<b>545</b>	<b>464</b>	<b>379</b>
Gross transfers between funds	15	-	(184)	184	-	-
<b>Net income/(expenditure) for the year</b>		<b>10</b>	<b>(275)</b>	<b>729</b>	<b>464</b>	<b>379</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension schemes	15, 25	-	(51)	-	(51)	309
<b>Net movement in funds</b>		<b>10</b>	<b>(326)</b>	<b>729</b>	<b>413</b>	<b>688</b>
<b>Reconciliation of funds</b>						
Funds brought forward at 1 <sup>st</sup> September 2014	15	484	105	7,330	7,919	7,231
<b>Funds carried forward at 31<sup>st</sup> August 2015</b>		<b>494</b>	<b>(221)</b>	<b>8,059</b>	<b>8,332</b>	<b>7,919</b>

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

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

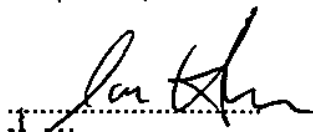


**Parklands High School**

**Balance sheet as at 31<sup>st</sup> August 2015**

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
<b>Fixed assets</b>					
Tangible assets	12		8,059		7,251
<b>Current assets</b>					
Debtors	13	68		87	
Cash at bank and in hand		1,182		1,719	
		<u>1,250</u>		<u>1,806</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	<u>(304)</u>		<u>(554)</u>	
<b>Net current assets</b>			<u>946</u>		<u>1,252</u>
<b>Total assets less current liabilities</b>			9,005		8,503
Pension scheme liability	25		(673)		(584)
<b>Net assets including pension liability</b>			<u>8,332</u>		<u>7,919</u>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>					
Fixed asset fund(s)	15	8,059		7,330	
General fund(s)	15	452		689	
Pension reserve	15	<u>(673)</u>		<u>(584)</u>	
<b>Total restricted funds</b>			7,838		7,435
<b>Unrestricted income funds</b>					
General fund(s)	15	<u>494</u>		<u>484</u>	
<b>Total unrestricted funds</b>			494		484
<b>Total funds</b>			<u>8,332</u>		<u>7,919</u>

The financial statements on pages 23 to 44 were approved by the trustees, and authorised for issue on 01/12/2015 and are signed on their behalf by:



**Mr I Hamer**  
**Chair of Trustees**

Company Limited by Guarantee  
Registration Number 08151601

**Parklands High School**

**Cash Flow Statement for the year ended 31<sup>st</sup> August 2015**

	Notes	<b>2015 £000</b>	<b>2014 £000</b>
<b>Net cash (outflow)/inflow from operating activities</b>	19	(275)	413
Returns on investments and servicing of finance	20	1	2
Capital expenditure and financial investment	21	(263)	12
<b>(Decrease)/Increase in cash in the year</b>	22	<u>(537)</u>	<u>427</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 <sup>st</sup> September 2014		1,719	1,292
<b>Net funds at 31<sup>st</sup> August 2015</b>		<u>1,182</u>	<u>1,719</u>

**1 Accounting Policies**

**Basis of Preparation**

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

**Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

**Incoming Resources**

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

- **Grants receivable**

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

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

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

- **Other income**

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

**Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)**

**1 Accounting Policies (continued)**

- **Donated goods, facilities and services**

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

**Resources Expended**

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

- **Costs of generating funds**

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

- **Charitable activities**

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

- **Governance costs**

These 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.

**Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)**

**1 Accounting Policies (continued)**

**Tangible Fixed Assets**

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. 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.

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

Long leasehold buildings	Over 125 years straight line
Fixtures, fittings and equipment	Over 3 years straight line
ICT equipment	Over 3 years straight line
Motor Vehicles	Over 5 years straight line

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**Leased Assets**

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the statement of financial activities on a straight line basis over the period of the lease.

**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 Part 11, Chapter 3 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 Accounting Policies (continued)**

**Pensions Benefits**

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 25, 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.

**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 with restrictions imposed by the funder/donor and include grants from Education Funding Agency/Department for Education.

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

**2 Voluntary Income**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Trips and other non public funds	-	213	213	213
	<u>-</u>	<u>213</u>	<u>213</u>	<u>213</u>

**3 Activities for Generating Funds**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Catering income	-	-	-	143
Sale of educational goods and services	11	-	11	14
Supplies of staff	7	-	7	12
Music tuition	12	-	12	28
Hire of facilities	11	-	11	12
	<u>41</u>	<u>-</u>	<u>41</u>	<u>209</u>

**4 Investment Income**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Short term deposits	1	-	1	2
	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

5 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	4,942	4,942	4,845
Capital grants	-	627	627	281
Other DfE/EFA grants	-	420	420	490
	<u>-</u>	<u>5,989</u>	<u>5,989</u>	<u>5,616</u>
<b>Other Government grants</b>				
Local authority grants	-	10	10	30
	<u>-</u>	<u>10</u>	<u>10</u>	<u>30</u>
	<u>-</u>	<u>5,999</u>	<u>5,999</u>	<u>5,646</u>

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure		Total 2015 £000	Total 2014 £000
		Premises £000	Other Costs £000		
Costs of generating voluntary income	-	-	212	212	209
Costs of activities for generating funds Academy's educational operations	1	1	30	32	201
Direct costs	3,584	-	462	4,046	4,129
Allocated support costs	433	821	224	1,478	1,131
	<u>4,018</u>	<u>822</u>	<u>928</u>	<u>5,768</u>	<u>5,670</u>
Governance costs including allocated support costs	-	-	22	22	21
	<u>4,018</u>	<u>822</u>	<u>950</u>	<u>5,790</u>	<u>5,691</u>

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

	2015 £000	2014 £000
<b>Net expenditure for the year includes:</b>		
Operating leases		
Plant and machinery	6	6
Other leases	-	-

No transactions have taken place under Section 3.1.8 and 3.1.9 of the 2014 Academies Financial Handbook which require additional disclosure.



Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

7 Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
<b>Direct costs – educational operations</b>				
Teaching and educational support staff costs	-	3,584	3,584	3,487
Depreciation	-	78	78	71
Educational supplies	-	291	291	449
Examination fees	-	67	67	89
Staff development	-	26	26	33
	-	4,046	4,046	4,129
<b>Support costs – educational operations</b>				
Support staff costs	-	433	433	454
Depreciation	-	4	4	4
Recruitment and support	-	14	14	17
Maintenance of premises and equipment	-	643	643	364
Cleaning	-	17	17	11
Rent and rates	-	36	36	43
Energy costs	-	81	81	85
Insurance	-	38	38	47
Security and transport	-	6	6	3
Catering	-	25	25	41
Other support costs including Service Level Agreements and other professional fees	-	181	181	62
	-	1,478	1,478	1,131
Total direct and support costs	-	5,524	5,524	5,260

8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Legal and professional fees	-	1	1	1
Auditor's remuneration				
• Audit of financial statements	-	4	4	4
• Responsible officer audit	-	1	1	1
• Accountancy, taxation and other services	-	8	8	11
Support staff costs:				
Clerk to the governors	-	5	5	4
	-	19	19	21

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

9 Staff

(a) Staff costs

	2015 £000	2014 £000
Staff costs during the period were:		
Wages and salaries	3,227	3,184
Social security costs	236	236
Operating costs of defined benefit pension schemes	484	478
	<u>3,947</u>	<u>3,898</u>
Supply staff costs	70	78
Staff restructuring costs	3	15
	<u>4,020</u>	<u>3,991</u>

(b) Staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £3,125 (2014: £15,000). Individually, the payments were £3,125.

(c) Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year, and the full time equivalents, was as follows:

	2015 Number	2015 Full-time equivalent	2014 Number	2014 Full-time equivalent
<b>Charitable Activities</b>				
Teachers	60	59	59	57
Administration and support	57	42	59	46
Management	7	7	8	8
	<u>124</u>	<u>108</u>	<u>126</u>	<u>111</u>

(d) Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£60,001 - £70,000	2	1
£80,001 - £90,000	1	1
	<u>3</u>	<u>2</u>

All of the above employees participated in the Teacher's Pension Scheme.

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

**10 Related Party Transactions - Trustees' Remuneration and Expenses**

One or more trustees have been paid remuneration or have received other benefits from an employment with the Academy Trust. The Head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head teacher and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration was as follows:

Mrs C Hollister (Head teacher and trustee):

Remuneration	£85,000 - £90,000 (2014: £80,000 - £85,000)
Employers' pension contributions	£10,000 - £15,000 (2014: £10,000 - £15,000)

Mrs A Murphy (staff trustee):

Remuneration	£45,000 - £50,000 (2014: £45,000 - £50,000)
Employers' pension contributions	£5,000 - £10,000 (2014: £5,000 - £10,000)

Mr A Hopkins (staff trustee):

Remuneration	£25,000 - £30,000 (2014: £20,000 - £25,000)
Employers' pension contributions	£0 - £5,000 (2014: £nil)

Mrs P Berry (staff trustee):

Remuneration	£20,000 - £25,000 (2014: £20,000 - £25,000)
Employers' pension contributions	£0 - £5,000 (2014: £0- £5,000)

Mr S Mitchell (staff trustee):

Remuneration	£60,000 - £65,000 (2014: £nil)
Employers' pension contributions	£5,000 - £10,000 (2014: £nil)

Mrs J Day (staff trustee):

Remuneration	£15,000 - £20,000 (2014: £nil)
Employers' pension contributions	£nil (2014: £nil)

During the year ended 31<sup>st</sup> August 2015, travel and subsistence expenses totalling £756 (2014 - £196) were reimbursed or paid directly to 4 trustees (2014 - 2).

Other related party transactions involving the trustees are set out in note 26.

**11 Trustees' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31<sup>st</sup> August 2015 was £109 (2014: £372). The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

12 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
<b>Cost</b>				
At 1 <sup>st</sup> September 2014	7,346	18	37	7,401
Additions	890	-	-	890
At 31 <sup>st</sup> August 2015	<u>8,236</u>	<u>18</u>	<u>37</u>	<u>8,291</u>
<b>Depreciation</b>				
At 1 <sup>st</sup> September 2014	114	12	24	150
Charged in year	63	6	13	82
At 31 <sup>st</sup> August 2015	<u>177</u>	<u>18</u>	<u>37</u>	<u>232</u>
<b>Net book values</b>				
At 31 <sup>st</sup> August 2015	<u>8,059</u>	<u>-</u>	<u>-</u>	<u>8,059</u>
At 31 <sup>st</sup> August 2014	<u>7,232</u>	<u>6</u>	<u>13</u>	<u>7,251</u>

13 Debtors

	2015 £000	2014 £000
Trade debtors	2	2
VAT recoverable	33	56
Other debtors	-	8
Prepayments and accrued income	33	21
	<u>68</u>	<u>87</u>

14 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	131	350
Other creditors	86	74
Accruals and deferred income	87	130
	<u>304</u>	<u>554</u>

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

15 Funds

	Balance at 1 <sup>st</sup> September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 <sup>st</sup> August 2015 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	564	4,942	(4,996)	(184)	326
Other DfE/EFA grants	-	420	(420)	-	-
Local Authority grants	-	10	(10)	-	-
Other restricted funds	125	213	(212)	-	126
	<u>689</u>	<u>5,585</u>	<u>(5,638)</u>	<u>(184)</u>	<u>452</u>
Pension reserve	(584)	-	(38)	(51)	(673)
	<u>105</u>	<u>5,585</u>	<u>(5,676)</u>	<u>(235)</u>	<u>(221)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	22	-	(22)	-
Other capital grants	79	605	-	(684)	-
Capitalised assets post conversion	288	-	(25)	890	1,153
Assets on conversion	6,963	-	(57)	-	6,906
	<u>7,330</u>	<u>627</u>	<u>(82)</u>	<u>184</u>	<u>8,059</u>
<b>Total restricted funds</b>	<u>7,435</u>	<u>6,212</u>	<u>(5,758)</u>	<u>(51)</u>	<u>7,838</u>
<b>Unrestricted funds</b>					
Unrestricted funds	484	42	(32)	-	494
<b>Total unrestricted funds</b>	<u>484</u>	<u>42</u>	<u>(32)</u>	<u>-</u>	<u>494</u>
<b>Total funds</b>	<u>7,919</u>	<u>6,254</u>	<u>(5,790)</u>	<u>(51)</u>	<u>8,332</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. 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<sup>st</sup> August 2015. At the period end the carry forward of GAG funding was £326,000.

Other DfE/EFA grants include monies received outside of GAG funding for example the Pupil Premium. These funds have been spent in full by the 31<sup>st</sup> August 2015.

Local Authority grants represent amounts payable to the Academy predominantly from Lancashire County Council. A large percentage of these funds relate specifically to Special Educational Needs (SEN) and Pupil Premium funding. As at the 31<sup>st</sup> August 2015 these funds had been spent in full.

Other restricted funds include monies from trips & non-public funds. As at the 31<sup>st</sup> August 2015 this fund had a surplus of £126,000 generated over the many years the account has operated prior to academy status. These funds have been carried forward to the next accounting period.

DfE/EFA capital grants represent capital monies received during the period from the EFA. As at the 31<sup>st</sup> August 2015 these funds had been spent in full.

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

15 Funds continued

Other capital grants include two successful bids from the Academies Capital Improvement Fund for refurbishment of a derelict Pavilion block and roof repairs and replacement. At the year end the carry forward of this funding was £nil.

Capitalised assets post conversion represents the value of assets purchased since conversion to academy status. These will be depreciated in line with the accounting policies set out in note 1.

Assets on conversion represent the transfer of leasehold assets, valued at £7,077,000 per the EFA building valuation carried out in 2013, into the Academy on conversion to academy status depreciated over a 125 year period.

Unrestricted funds represents funds generated via activities such as from lettings, music tuition and bank interest receivable. The surplus on this fund at the period end was £494,000 and these funds can be used at the discretion of the Governors to meet the charitable objectives of the Academy.

16 Analysis of net assets between funds

Fund balances at 31<sup>st</sup> August 2015 are represented by:

	<b>Unrestricted Funds £000</b>	<b>Restricted General Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>Total Funds £000</b>
Tangible fixed assets	-	-	8,059	8,059
Current assets	494	688	68	1,250
Current liabilities	-	(304)	-	(304)
Pension scheme liability	-	(673)	-	(673)
<b>Total net assets</b>	<b>494</b>	<b>(289)</b>	<b>8,127</b>	<b>8,332</b>

17 Capital commitments

	<b>2015 £000</b>	<b>2014 £000</b>
Contracted for, but not provided in the financial statements	-	1,267

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

18 Financial commitments

Operating leases

At 31<sup>st</sup> August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>Land and buildings</b>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<u>-</u>	<u>-</u>
<b>Other</b>		
Expiring within one year	6	-
Expiring within two and five years inclusive	78	6
Expiring in over five years	-	-
	<u>84</u>	<u>6</u>

19 Reconciliation of net income to net cash inflow from operating activities

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Net income	464	379
Depreciation (note 12)	82	75
Capital grants from DfE/EFA and other capital income	(627)	(281)
Interest receivable (note 4)	(1)	(2)
FRS 17 pension cost less contributions payable (note 25)	25	19
FRS 17 pension finance income (note 25)	13	34
Decrease/(Increase) in debtors	19	(33)
(Decrease)/Increase in creditors	(250)	222
<b>Net cash inflow from operating activities</b>	<u>(275)</u>	<u>413</u>

20 Returns on investments and servicing of finance

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Interest received	1	2
<b>Net cash (outflow)/inflow from returns on investment and servicing of finance</b>	<u>1</u>	<u>2</u>

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

**21 Capital expenditure and financial investment**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Purchase of tangible fixed assets	(890)	(269)
Capital grants from DfE/EFA	627	281
Capital funding received from others	-	-
Receipts from sale of tangible fixed assets	-	-
<b>Net cash outflow from capital expenditure and financial investment</b>	<u>(263)</u>	<u>12</u>

**22 Analysis of changes in net funds**

	At 1 <sup>st</sup> September 2014 £000	Cash flows £000	At 31 <sup>st</sup> August 2015 £000
Cash in hand and at bank	1,719	(537)	1,182
	<u>1,719</u>	<u>(537)</u>	<u>1,182</u>

**23 Contingent Liabilities**

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

**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.



**Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)**

**25 Pension and similar obligations**

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

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

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1<sup>st</sup> April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1<sup>st</sup> 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<sup>st</sup> 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<sup>th</sup> 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; and
- the assumed real rate of return is 3.0% in excess of prices and 2.0% 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<sup>st</sup> April 2019.

The pension costs paid to TPS in the period amounted to £541,000 (2014: £524,000).

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

**25 Pension and similar obligations (continued)**  
**Teachers Pension Scheme (continued)**

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31<sup>st</sup> August 2015 was £165,000, of which employer's contributions totalled £124,000 and employees' contributions totalled £41,000. The agreed contribution rates for future years are 14.9% for employers and the rate for employees remains dependent on the salary of the employee.

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<sup>th</sup> July 2013.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

**Principal Actuarial Assumptions**

	<b>At 31<sup>st</sup> August 2015</b>	<b>At 31<sup>st</sup> August 2014</b>
Rate of increase in salaries	3.8%	3.7%
Rate of increase for pensions in payment / inflation	2.3%	2.2%
Discount rate for scheme liabilities	4%	4%
Inflation assumption (CPI)	2.3%	2.2%
Commutation of pensions to lump sums	50%	50%

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

	<b>At 31<sup>st</sup> August 2015</b>	<b>At 31<sup>st</sup> August 2014</b>
<i>Retiring today</i>		
Males	22.9	22.8
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	27.8	27.7

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

**25 Pension and similar obligations (continued)**  
**Local Government Pension Scheme (continued)**

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

	Expected return at 31 <sup>st</sup> August 2015	Fair value at 31 <sup>st</sup> August 2015 £000	Expected return at 31 <sup>st</sup> August 2014	Fair value at 31 <sup>st</sup> August 2014 £000
Equities	6.5%	333	7.0%	382
Government Bonds	2.5%	53	2.9%	2
Other Bonds	3.6%	25	3.8%	205
Property	6.1%	88	6.2%	74
Cash	0.5%	13	0.5%	18
Other	6.5%	455	7.0%	89
<b>Total market value of assets</b>		<u>967</u>		<u>770</u>
Present value of scheme liabilities				
- Funded		(1,640)		(1,354)
<b>(Deficit) in the scheme</b>		<u>(673)</u>		<u>(584)</u>

The actual return on scheme assets was £33,000 (2014: £34,000).

**Amounts recognised in the statement of financial activities**

	2015 £000	2014 £000
Current service cost (net of employee contributions)	149	121
Past service cost	-	-
Total operating charge	<u>149</u>	<u>121</u>
<b>Analysis of pension finance income / (costs)</b>		
Expected return on pension scheme assets	46	25
Interest on pension liabilities	(59)	(59)
<b>Pension finance (costs)</b>	<u>(13)</u>	<u>(34)</u>

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £281,000 gain (2014: £332,000 gain).

Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2015 £000	2014 £000
<b>At 1<sup>st</sup> September</b>	1,354	1,217
Current service cost	149	121
Interest cost	59	59
Employee contributions	41	35
Actuarial loss/(gain)	38	(83)
Curtailments and settlements	-	10
Benefits paid	(1)	(5)
<b>At 31<sup>st</sup> August</b>	1,640	1,354

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

	2015 £000	2014 £000
<b>At 1<sup>st</sup> September</b>	770	377
Expected return on assets	46	25
Actuarial (loss)/gain	(13)	226
Employer contributions	124	112
Employee contributions	41	35
Benefits paid	(1)	(5)
<b>At 31<sup>st</sup> August</b>	967	770

The estimated value of employer contributions for the year ended 31<sup>st</sup> August 2016 is £125,000.

The five-year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000
<b>Present value of defined benefit obligations</b>	(1,640)	(1,354)	(1,217)
<b>Fair value of share of scheme assets</b>	967	770	377
<b>(Deficit) in the scheme</b>	(673)	(584)	(840)
<b>Experience adjustments on share of scheme assets</b>	(13)	226	23
<b>Experience adjustments on scheme liabilities:</b>	-	93	-

**Notes to the Financial Statements for the year ended 31<sup>st</sup> August 2015 (continued)**

**26 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, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at cost and in accordance with the Academy's financial regulations and normal procurement procedures.

No transactions with Trustees were undertaken during the course of the period ended 31<sup>st</sup> August 2015.