

REGISTRAR OF COMPANIES



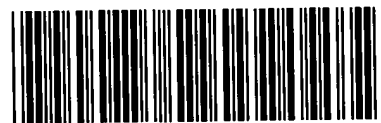
Barnet City Academy

Report and Financial Statements

31 August 2015

Company Limited by Guarantee
Registration Number
04389132 (England and Wales)

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Reference and administrative information

	Members	P Shalson J Menell P O'Hear R Hatter
	Directors	P Shalson (Sponsor) A H Trigg (Executive Principal) H Burns (Academy Director) (resigned 15 October 2015) P O'Hear (Chair) (Academy Director) Dr M H Platt (Academy Director) J Menell (Vice Chair) M B Shalson M Nathan (resigned 18 March 2015) M H Van Praagh (Academy Director) N J Portelli (appointed 12 November 2014) S Kahan (appointed 15 July 2015)
	Executive Principal	A H Trigg
	Principal – London Academy	P McGrath
	Headteacher – Deansbrook Junior School	S Putman
	Director of Finance and Resources	T Brighton
	Registered office	London Academy Spur Road Edgware Middlesex HA8 8DE
	Company registration number	04389132 (England and Wales)
	Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
	Bankers	Lloyds TSB 190 Great Portland Street London W1A 4LN

Directors' report (incorporating a strategic report) Year to 31 August 2015

The directors of Barnet City Academy, also known as AIM Academies Trust (the Academy Trust) (the Company), who are also trustees of the Academy Trust for the purposes of the Charities Act, present their statutory report and the audited financial statements for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

The report has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies on pages 28 to 31 of the attached financial statements, and comply with the Academy Trust's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Background and constitution

The Academy Trust is a company limited by guarantee (company registration number 04389132) which was established on 7 March 2002. The Academy Trust's memorandum and articles of association are the primary governing documents of the Academy Trust.

On 27 March 2013 the directors of the Academy Trust, who under the articles of association in force at the time were referred to as the Governors, signed a new Master Funding Agreement with the Secretary of State for Education enabling the Academy Trust to operate a number of academies. Under the Master Funding Agreement, the Academy Trust is required to enter a supplemental agreement relating to each academy the Academy Trust operates. Supplemental agreements were signed in respect of the London Academy, an Academy that the Academy Trust has operated since 2004 and Deansbrook Junior School, a school which was previously operated by the London Borough of Barnet Council, which converted into an Academy with effect from 1 April 2013.

As part of this process the directors passed a resolution to adopt the new Multi Academy Model Mainstream articles of association approved by the Secretary of State for Education.

Members

Under the articles of association the members of the Academy Trust shall comprise the signatories to the memorandum; up to three persons who may be appointed by the Principal Sponsor; the chairman of the directors; and any persons appointed by the members by passing a special resolution in writing to appoint such additional members as they think fit provided that such appointment is in the interests of the Academy Trust.

Directors' report (incorporating a strategic report) Year to 31 August 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Members' liability

The Academy Trust is a company limited by guarantee, without share capital, and an exempt charity. Every member of the Academy Trust undertakes to contribute to the assets of the Academy Trust in the event of it being wound up while she/he is a member, or within one year after she/he ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before she/he ceases to be a member.

Directors

Under the articles of association of the Academy Trust, the number of directors shall be not less than three, but unless otherwise determined by ordinary resolution, shall not be subject to any maximum. The Academy Trust shall have up to ten directors appointed by members; two Academy Directors from each Academy, subject to certain limits; two Parent Directors, unless the Local Governing Bodies (see below) include at least two parent members; and the Executive Principal should one be appointed. The Academy Trust may also have Co-opted Directors appointed by the directors subject to certain restrictions. The total number of directors including the Executive Principal who are employees of the Academy Trust shall not exceed one third of the total number of directors.

The term of office for any director shall be four years save that this time limit shall not apply to the Executive Principal. Subject to remaining eligible to be a particular type of director, any director may be re-appointed or re-elected.

A director shall cease to hold office if she/he resigns her/his office by notice to the Academy Trust; or if she/he is removed by the person or persons who appointed him, unless she/he is a Parent Director.

The following directors were in office during the year to 31 August 2015 and served throughout the year except as stated:

Directors	Appointed/ Resigned
P Shalson	
A H Trigg	
H Burns	
P O'Hear	
Dr M H Platt	
J Menell	
M B Shalson	
M Nathan	Resigned 18 March 2015
M H Van Praagh	
N J Portelli	Appointed 12 November 2014
S Kahan	Appointed 15 July 2015

During the period under review the directors held three meetings.

Subsequent to the year end, H Burns resigned as a director on 15 October 2015.

Directors' report (incorporating a strategic report) Year to 31 August 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors (continued)

Certain directors receive remuneration in respect of services they provide undertaking the roles of Executive Principal/Principal and staff and not in respect of their services as directors. The remuneration of these directors, for the period of their appointment as directors, is shown in note 8 to the financial statements. Other directors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as directors.

One director has received reimbursement of expenses for travel, subsistence and accommodation to the value of £2,396 (2014 – one director £2,734) from the Academy Trust during the year in the course of his duties as director.

Training of directors

The Academy Trust provides regular director training which included this year, data interpretation and safe guarding.

Management

As a charity and company limited by guarantee, the Academy Trust is governed by the directors who are responsible for, and oversee, the management and administration of the Academy Trust and the academies operated by the Academy Trust.

The directors are accountable to external government agencies including the Charity Commission and the Department for Education (including any successor bodies) for the quality of the education they provide and they are required to have systems in place through which they can assure themselves of quality, safety and good practice.

The directors delegate a number of functions to the local governing body ("LGB"), of each academy the Academy Trust operates. The LGBs are established to ensure the good governance of each academy. The local governors are people with appropriate skills and knowledge to serve on a board. A Scheme of Delegation for each Academy explains the ways in which the directors fulfil their responsibilities for the leadership and management of the Academy, the respective roles and responsibilities of the directors and the members of the LGB and the commitments to each other to ensure the success of the Academy Trust.

The chair and the vice chair of each LGB are appointed as directors of the Academy Trust and are referred to as Academy Directors.

The directors have appointed Angela Trigg as Executive Principal of the Academy Trust. Each Academy has a Headteacher/Principal of the Academy.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations including related party relationships

P Shalson is a director of Barnet City Academy and sponsored the development of the Academy Trust. Aside from the financial contributions made to the Academy Trust, P Shalson has maintained full involvement, interest and support through his role as director ever since the founding days of Barnet Academy to help ensure the Academy Trust's on-going success.

Risk management

The directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academies, and its finances. The directors have implemented a number of systems to assess risks that the Academies face, 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 finances. They have introduced 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 remain they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls which is explained in more detail in the following sections.

OBJECTIVES AND ACTIVITIES

Aims and objectives

Under the articles of association, the principal object of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the mainstream Academies) offering a broad and balanced curriculum.

The main activity of the Academy Trust since 1 September 2004 was the operation of the London Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on business, enterprise and information technology.

Deansbrook Junior School joined the Academy Trust in partnership on 1 April 2013.

The move to multi academy status gives London Academy the opportunity to develop a strong and meaningful partnership with one of its main feeder primary schools.

Multi academy status has been founded on a strong resonance of values and mission to ensure that any child can succeed through learning.

Deansbrook Junior School is a mixed community school for children between the ages of 7 and 11 and promotes high standards of achievement both in work and in behaviour. It also provides a happy, safe and caring environment in which everyone can achieve their full potential.

Directors' report (incorporating a strategic report) Year to 31 August 2015

OBJECTIVES AND ACTIVITIES (continued)

Aims and objectives (continued)

The Academy Trust aims to meet the educational needs of its community by providing a high quality, flexible learning environment from KS2 to KS5 in which students will be among the leaders for tomorrow.

The main objectives of the Academy Trust are summarised below:

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

Strategies and activities

Through partnership, challenge, support and collaboration the Academy Trust will support all of its Academies to realise the vision of delivering and achieving outstanding outcomes for every child.

To this end the activities provided include:

- ◆ tuition and learning opportunities for all students to attain appropriate academic qualifications;
- ◆ training opportunities for all staff;
- ◆ secondments and placing of students with industrial and commercial partners;
- ◆ a programme of sporting and after-school activities for all students; and
- ◆ careers advice to help students obtain employment or move on to higher education.

The local governors are responsible for ensuring that on behalf of the directors, high standards of corporate governance are maintained. The directors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of each Academy, addressing such matters as:

Directors' report (incorporating a strategic report) Year to 31 August 2015

OBJECTIVES AND ACTIVITIES (continued)

Strategies and activities (continued)

- ◆ The development of each academy in line with the Trust and the Academy's strategic priorities and vision.
- ◆ Monitoring, evaluation and improvement of teaching and learning
- ◆ Standards and key performance indicators for each Academy
- ◆ establishing and maintaining effective internal controls
- ◆ monitoring the use of budgets
- ◆ making major decisions about the direction of each Academy
- ◆ senior staff appointments
- ◆ the management of all resources
- ◆ the monitoring of performance
- ◆ setting the Trust's standards of conduct and values
- ◆ assessing and managing risk

The Academies aim to meet the educational needs of its community by providing a high quality, flexible learning environment in which technology plays a key role.

Key Values

- ◆ Respect
- ◆ Responsibility for ourselves and others
- ◆ Integrity (honesty and respect)
- ◆ Good citizenship
- ◆ Creativity
- ◆ Scholarship

Public benefit

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy Trust's objectives and aims and in planning future activities for the year. The directors consider that the Academy Trust's aims are demonstrably to the public benefit.

Directors' report (incorporating a strategic report) Year to 31 August 2015

OBJECTIVES AND ACTIVITIES (continued)

Working with other organisations

The Academy Trust is working closely with the Department for Education (DfE), the Education Funding Agency (EFA) and the Local Education Authority. Other local community links include Education Business Partnership, Community Trust Steering Group, Primary Partnerships, Safer Neighbourhood Panel and the Stonegrove Regeneration Project.

Equal opportunities

The directors understand that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunities in all areas of its activities including creating an environment in which the contribution and needs of the people are fully valued.

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academies. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making support resources available and through training and career development.

Personnel

The Academy Trust has implemented a detailed policy in relation to personnel matters including a special leave policy.

STRATEGIC REPORT

Achievements and performance

Examination results for the London Academy for 2015 were very pleasing again this year. The A and AS level candidates achieved excellent results.² A* - E entries were 99 % (100% in 2014). The % of students achieving AAB grades was 23% (National 17%). The Academy saw an increase of successful entries into Russell Group Universities, 20% of all University entries. Including two successful applicants to University of Cambridge this marks the third consecutive year of Oxbridge entry.

Pupils achieving 5 A-C including English and Maths was 59 % (2014 = 63%). Pupils achieving one A-G was 100% (100% in 2014) and five A-G was 94 % (90% in 2014). The percentage of students making expected progress in English is 81% and in Mathematics 77% both of which are above the national average.

Following the directors initiating a number of actions to drive attainment, the results for Deansbrook Junior School in 2014/15 were also above expectation:

Reading, Writing & Maths - overall - those who achieved L4+ = 92%.

Directors' report (incorporating a strategic report) Year to 31 August 2015

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Reading – L4+=97% & L5=58%, Writing - L4+=93% & L5 = 40%, Maths - L4+=96% & L5=51%, Spelling & Grammar, L4+=94%, L5=84%

Deansbrook Juniors also secured funding for a new classroom and dining room block. These works were completed during the year.

Going concern

After making appropriate enquiries, the directors have 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 Principal Accounting Policies.

Key performance indicators

Financial

Maximisation of Funded Student Numbers

The Academies remain highly popular and student numbers have continued to grow. Increases are now fully reflected in student year groups through Year 7 to Year 11 maximising student funding entitlement for the Academy Trust across these year groups. At sixth form, despite growing competition from a range of local providers, the London Academy is one of the largest in Barnet with over 400 students. The Academy remains abundantly aware that such popularity is based upon several key components incorporating results and reputation and as such prioritises these as its most appropriate marketing tools in this area.

Staffing

A professional, appropriate and dedicated staffing is key to achieving success and the Academy Trust seeks to directly employ its entire staff excluding its catering and cleaning operations, which is outsourced. This also includes a significant number of pastoral support staff who continue to work with students who may find it difficult to work within a class based setting to ensure their successful reintegration to lessons.

Funding

Student numbers determine the vast majority of funding available to the Academy Trust. Aside from seeking to maximise this, the Academy also aims to ensure value for money in its expenditure of it. Through prudent use of funds, the Academy Trust seeks to enhance flexibility by carrying forward funds from one academic year to the next where possible, in order to fund identified capital works as necessary to continue to enhance provision at the Academies. Directors also seek to maintain unrestricted reserves as outlined within its Reserves Policy.

Directors' report (incorporating a strategic report) Year to 31 August 2015

STRATEGIC REPORT (continued)

Key performance indicators (continued)

Financial (continued)

Results at Key Stage 2-5

The highly impressive examination results and levels of student attainment referred to earlier in the directors' report are of paramount importance to the overall accomplishment of the Academy Trust. Success in these areas would indicate that the Academies have recruited the staffing to deliver such outcomes; that the environment within which student learning takes place is conducive to achieve these outcomes and that the resourcing requirements have been met to underpin the delivery of such pleasing achievements. Such deliverance maintains the high regard in which the Academies are held within the community and is integral to forming positive foundations for inspection processes.

Student and Staff Levels of Attendance

Pupil numbers continue to rise in line with the plans across the Academy Trust.

London Academy had 1486 pupils and Deansbrook Junior School had 390 pupils.

Attendance remains crucial to the success of the Academy Trust and receives great focus as a result. For 2014/2015, London Academy achieved a 97% attendance level for teaching staff which is testament to the emphasis given to this by the Academy. Staff attendance levels remain a focus

Financial review

Financial review for the year

The financial statements have been prepared in accordance with the current statutory requirements, the Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA) and the Academy Trust's governing documents.

Most of the Academy Trust's income is obtained from the EFA, an agency of the DfE, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academies also receive grants and donations for fixed assets from the EFA, the local authority, and its sponsor, Mr Peter Shalson. In accordance with the EFA Accounts Direction, such grants are shown in the Statement of Financial Activities as restricted income of the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Directors' report (incorporating a strategic report) Year to 31 August 2015

STRATEGIC REPORT (continued)

Financial review (continued)

Financial review for the year (continued)

The Academy Trust's total incoming resources for the year ended 31 August 2015 amounted to £13,540,896 (2014 - £14,133,906) of which £12,093,982 (2014 - £12,848,989) related to EFA revenue grants funding to cover the Academy Trust's educational operations.

During the year ended 31 August 2015, total expenditure was £13,805,697 (2014 - £13,536,962). The net incoming resources for the year including the transfer to the fixed assets fund but excluding restricted fixed asset funds was £81,467 (2014 - £741,333).

At 31 August 2015 the net book value of fixed assets was £35,097,452 (2014 - £35,443,720). Movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Financial and risk management objectives and policies

The Academy Trust has cash balances and other working capital balances. The main risk arising from the use of financial instruments is liquidity risk.

Liquidity risk

The Academy Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing. Surplus cash is invested through appropriate use of financial instruments with our principal bankers so as to maximise interest income without incurring undue risk.

Interest rate risk

In the absence of borrowings and with low prevailing interest rates, the Academy Trust is not exposed to significant interest rate risk.

Other risks

The Academy Trust is exposed to price risks, but is funded by government on the same basis as other academies and budgets accordingly. Nearly all funding comes from government so credit risk is considered to be negligible.

Reserves policy

The directors recognise that the Academy Trust needs to hold reserves for a range of reasons, the most common of which are given below:

- ◆ a contingency fund to deal with minor adjustments to expenditure from a range of budget areas, e.g. underestimate of examination fees. It is the Academy Trust's policy to build up reserves which can be used for future education purposes in line with the development plan; and

Directors' report (incorporating a strategic report) Year to 31 August 2015

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy (continued)

- ♦ the deficit in the pension fund for support staff.

The directors will ensure that the reserves policy continues to conform to the guidance given by the EFA.

The sponsor, chair and vice chair are in the process of developing a strategic plan which ensures that they have a sustainable action plan for the future which focuses on maintaining, sustaining and improving the attainment of outcomes. Once this is done, the directors will be clearer about the financial needs including the level of reserves required to ensure that resources available are sufficient to implement its development plan.

Financial position

The Academy Trust held reserves of £34,829,151 at 31 August 2015, comprising £33,696,038 of restricted funds (which includes a pension reserve deficit of £2,801,000) and free reserves of £1,133,113 represented by the unrestricted general funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the major risks and uncertainties to which the Academy Trust is exposed, in particular those relating to recruitment, provision of facilities, academy finances and other academy functions. Key risks and uncertainties identified include changes and reductions in funding for capital projects and uncertainties in funding.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue striving to improve the levels of performance of its students at all levels. It will seek and disseminate excellent pedagogical practice from international, national and local settings. Working with the local governing bodies to ensure teaching and learning across the Academy Trust is of the highest standard.

London Academy became an all through Academy from September 2015. The Targeted Basic Need Programme grant from the DfE is funding the new primary building. The primary school opened as a two form entry.

The Academy Trust's learning priorities for development are to:

- ♦ encourage students to embrace challenge
- ♦ offer a more personalised curriculum, including vocational subjects
- ♦ offer a wide range of learning opportunities

Directors' report (incorporating a strategic report) Year to 31 August 2015

PLANS FOR FUTURE PERIODS (continued)

The Academy Trust will foster the personal development of its students, staff and other stakeholders by:

- ◆ making stakeholders feel that their voice has impact
- ◆ encouraging them to adopt healthier lifestyles
- ◆ embedding the culture of a learning community

The Academy Trust is continually working to improve communication both internally and externally and continues to build links and work closely with the local community.

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

The Academy Trust did not hold any funds as custodian on behalf of others.

AUDITOR

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the Academy Trust's auditor is unaware; and
- ◆ the director has taken all the steps that she/he ought to have taken as a director in order to make herself/himself aware of any relevant audit information and to establish that the Academy Trust's auditor is aware of that information.

Directors' reports, incorporating a strategic report, were approved by order of the members of the board of directors and signed on its behalf by:

 **PHILIP O'HEAR**

Director

Chairman

14.12.2015

Barnet City Academy

Company Registration Number: 04389132 (England and Wales)

Governance statement Year to 31 August 2015

Scope of responsibility

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

The directors have delegated the day-to-day responsibility to the Executive Principal, 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 master funding agreement between the Academy Trust and the Secretary of State for Education. The Executive Principal is also responsible for reporting to the directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the directors' report and in the statement of directors' responsibilities.

As described in the directors' report, the directors delegate a number of functions to the local governing body (LGB) of each Academy. These LGBs meet as appropriate throughout the year in order to govern the affairs of the individual Academies. As described in the directors' report, the chair and vice chair of the LGBs is also a director of the Academy Trust. Each LGB also has a finance sub-committee which is responsible for monitoring the finances of the Academy.

The directors have formally met three times during the year. Attendance during the year at meetings of the directors is given below:

	Number of meetings attended	Out of a possible
Directors		
P Shalson	3	3
A H Trigg (Executive Principal)	3	3
H Burns	3	3
P O'Hear	2	3
Dr M H Platt	1	3
J Menell	3	3
M B Shalson	3	3
M Nathan	—	2
M H Van Praagh	3	3
N J Portelli	3	3
S Kahan	—	1
Others – non directors		
P McGrath (Principal – London Academy)	3	3
S Putnam (Headteacher – Deansbrook Junior School)	2	3

Governance statement Year to 31 August 2015

Governance (continued)

The Audit committee was a sub-committee of the board of directors and following the publication of the Academies Financial Handbook 2015 has now been disbanded. The work of the audit committee is now being carried out by the full board of directors.

The purpose of the Audit committee was to assist the directors with financial oversight and risk management. The Audit Committee reviewed the following in the year:

- ◆ Tender on Academy Trust external auditors
- ◆ Risk and internal financial controls i.e. RO, internal audit, peer review, external auditor etc
- ◆ Trust financial procedures
- ◆ Risk management
- ◆ Treasury Management

Attendance of the Audit committee in the year to 31 August 2015 was as follows:

	Number of meetings attended	Out of a possible
Dr M H Platt	1	1
J Menell	1	1
M Van Praagh	1	1

Governance review

The Academy Trust's directors (the Board) also met in November 2014 and reviewed the Academies examination results. In view of Deansbrook Junior School KS2 excellent results that year the directors decided to reinstate the Local Governing Body but with the focus remaining on attainment and progress. The members of the Local Governing body remained those of the Interim Academy Board but with the addition of a retired primary Headteacher who had been an outstanding Head, a National Leader of Education and a support for Deansbrook in the previous year. The Chair of the Trust stepped down from the Board. The directors of the Trust retained the overall review of financial matters relating to Deansbrook Junior School.

An external review of governance was commissioned by the Executive Principal in 2015 to ensure governance of the Academy Trust was effective.

The review was conducted by a representative of the National Governor's Association and the key judgement was:

"The overall assessment of this review is that the Barnet City Academy model of governance and its processes has generally proved effective in meeting key challenges".

The core recommendations of the report were:

- ◆ To complete the strategic planning process during 2015;

Governance statement Year to 31 August 2015

Governance review (continued)

- ◆ For the Board to undertake an annual skills audit;
- ◆ To undertake a training needs analysis of Board members and ensure budget for Board members to take up training opportunities to strengthen the work of Board members;
- ◆ To ensure an induction package is prepared for new Board members.

Since the review, training has been given to Board members and LGB members delivered by the National Governors Association covering roles and responsibilities, safeguarding and finance. This has been particularly helpful for LGB members who were more able to challenge and focus on key Academy priorities.

The Chair, Vice Chair and the sponsor have met with the Executive Principal, Principal of London Academy and the Finance Director for a strategic meeting to plan for the short and medium term future of the Academy Trust.

Review of value for money

As Accounting Officer the Executive Principal 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 Academy Trust's use of its resources has provided good value for money during the academic year, and reports to the directors where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by:

- ◆ Outcomes at KS2, KS4 and KS5, which indicate that the use of the pupil premium has been highly effective in that young people exceed not only national figures for disadvantaged students but in many instances perform better than non disadvantaged students nationally and within the Academies.
- ◆ Building projects in both Academies have been tightly managed and in Deansbrook Junior School have been brought to successful completion within budget and to a high standard.
- ◆ Overall outcomes across the Academy Trust exceed national averages at every key stage. In addition we have a high proportion of young people now progressing to Russell group Universities as a direct result of targeted interventions such as ACCESS, Brilliant Club, Future First, Careers Academy and summer masterclasses.

Governance statement Year to 31 August 2015

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's 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 at the Academy Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The directors 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 directors are of the view that there is an ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the LGBs and reported to the directors.

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 LGBs and reported to the directors;
- ◆ regular reviews by the LGBs of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks.

The directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor.

Governance statement Year to 31 August 2015

The risk and control framework (continued)

The Audit Committee are responsible for the internal reviews of financial procedures at the Academy Trust. The Audit Committee have outsourced to Buzzacott LLP the responsibility of performing the checks as suggested by the September 2006 Academies Handbook.

Approved by order of the directors and signed on their behalf by:

 PHILIP
Chair of directors O'HEARN Executive

 A H Trigg
Principal and Accounting Officer (A H TRIGG)

Approved on: 14.12.2015

Barnet City Academy

Company Registration Number: 04389132 (England and Wales)

Statement on regularity, propriety and compliance Year to 31 August 2015

As Accounting Officer of Barnet City Academy I have considered my responsibility to notify the Academy Trust directors 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. 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 directors 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.

A. W. Ingg

Accounting Officer and Executive Principal

Date:

A

PHILIP O'HEAR Chairman
14.12.2015

Barnet City Academy

Company Registration Number: 04389132 (England and Wales)

Statement of directors' responsibilities Year to 31 August 2015

The directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for preparing the directors' report and the financial statements in accordance with the Annual Accounts Requirements 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 directors to prepare financial statements for each financial year. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the directors are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that in its conduct and operation the Academy Trust 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 have been applied for the purposes intended.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy Trust'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 directors on *14.12.15* and signed on its behalf by:

 *PHILIP O'HEAR*

Chair of directors

Date: *14.12.2015*

Barnet City Academy

Company Registration Number: 04389132 (England and Wales)

Independent auditor's report Year to 31 August 2015

Independent auditor's report on the financial statements to the members of Barnet City Academy

We have audited the financial statements of Barnet City Academy (the Academy Trust) (the Company) for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy 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 the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors act as trustees for the charitable activities of Barnet City Academy and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report, including a strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report Year to 31 August 2015

Opinion

In our opinion:

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

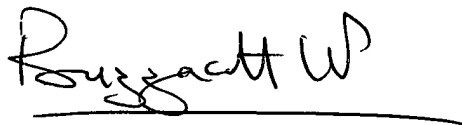
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report, including a 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 directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

15 December 2015

Independent accountant's report Year to 31 August 2015

Independent reporting accountant's assurance report on regularity to Barnet City Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 15 October 2013 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 Barnet City Academy during the period from 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Barnet City Academy ('the Academy Trust') and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Barnet City 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 Barnet City Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Barnet City Academy's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Barnet City Academy's funding agreement with the Secretary of State for Education dated 27 March 2013 and the Academies Financial Handbook, extant from 1 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 period from 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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.

Independent accountant's report Year to 31 August 2015

Approach (continued)

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

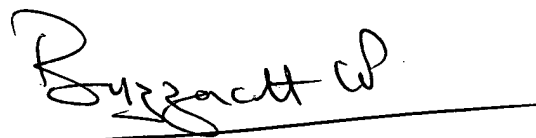
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

15 December 2015

Statement of financial activities Year to 31 August 2015

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

			Restricted funds				
		Unrestricted general fund £	General		Fixed asset £	Total 2015 £	Total 2014 £
	Notes	£	EFA £	Other £	£	£	£
Incoming resources							
Incoming resources from generated funds							
. Transfer on conversion	1	—	—	—	—	—	774
. Activities for generating funds	2	176,185	—	—	—	176,185	190,838
. Voluntary income		20,151	—	30,000	—	50,151	32,951
. Investment Income		8,406	—	—	—	8,406	8,263
Incoming resources from charitable activities							
. Funding for the Academy Trust's educational operations	3	—	12,093,982	749,806	357,630	13,201,418	13,798,077
Other educational income	4	104,736	—	—	—	104,736	103,003
Total incoming resources		309,478	12,093,982	779,806	357,630	13,540,896	14,133,906
Resources expended							
Charitable activities							
. Academy Trust's educational operations	6	151,143	11,919,850	780,039	928,051	13,779,083	13,498,580
Governance costs	7	—	26,614	—	—	26,614	38,382
Total resources expended	5	151,143	11,946,464	780,039	928,051	13,805,697	13,536,962
Net incoming (outgoing) resources before transfers							
		158,335	147,518	(233)	(570,421)	(264,801)	596,944
Gross transfers between funds							
		—	(224,153)	—	224,153	—	—
Net income (expenditure) for the year							
	9	158,335	(76,635)	(233)	(346,268)	(264,801)	596,944
Other recognised losses							
Actuarial losses on defined benefit pension scheme	24	—	(89,000)	—	—	(89,000)	(346,000)
Net movement in funds		158,335	(165,635)	(233)	(346,268)	(353,801)	250,944
Reconciliation of funds							
Funds brought forward at 1 September 2014							
		976,487	(1,242,422)	5,167	35,443,720	35,182,952	34,932,008
Funds carried forward at 31 August 2015							
		1,134,822	(1,408,057)	4,934	35,097,452	34,829,151	35,182,952

There is no difference between the net movement in funds stated above, and its historical cost equivalent.

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

Balance sheet 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	11		35,097,452		35,443,720
Current assets					
Stock		23,130		19,960	
Debtors	12	472,204		572,658	
Cash at bank and in hand		3,388,436		3,091,238	
		<u>3,883,770</u>		<u>3,683,856</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	<u>(1,351,071)</u>		<u>(1,297,624)</u>	
Net current assets			<u>2,532,699</u>		<u>2,386,232</u>
Net assets excluding pension liability			<u>37,630,151</u>		<u>37,829,952</u>
Pension scheme liability	24		<u>(2,801,000)</u>		<u>(2,647,000)</u>
Net assets including pension liability			<u>34,829,151</u>		<u>35,182,952</u>
Funds of the Academy Trust					
Restricted funds	15				
EFA funds excluding pension reserve			1,392,943		1,404,578
Pension reserve			<u>(2,801,000)</u>		<u>(2,647,000)</u>
EFA funds including pension reserve			<u>(1,408,057)</u>		<u>(1,242,422)</u>
Other funds			4,934		5,167
			<u>(1,403,123)</u>		<u>(1,237,255)</u>
Fixed asset funds			<u>35,097,452</u>		<u>35,443,720</u>
			<u>33,694,329</u>		<u>34,206,465</u>
Unrestricted general funds			<u>1,134,822</u>		<u>976,487</u>
			<u>34,829,151</u>		<u>35,182,952</u>

The financial statements on pages 25 to 49 were approved by the directors and signed on their behalf by:

 **PHILIP O'HEAR**
Chairman

Director

Date: 14.12.2015

Barnet City Academy

Company Registration Number: 04389132 (England and Wales)

Cash flow statement Year to 31 August 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	20	756,916	352,912
Returns on investment and servicing of finance	21	8,406	8,263
Capital expenditure and financial investment	22	(468,124)	(426,329)
Increase (decrease) in cash in the year	23	297,198	(65,154)
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		3,091,238	3,156,392
Net funds at 31 August 2015		3,388,436	3,091,238

Principal accounting policies 31 August 2015

Basis of accounting

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 the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The directors 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 Trust to continue as a going concern. The directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with 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 the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt

Donations

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

Principal accounting policies 31 August 2015

Incoming resources (continued)

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.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to 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.

Cost of generating funds

These are costs incurred in activities that raise funds.

Charitable activities

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

Governance Costs

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

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

Unrestricted funds are those monies which may be used towards meeting any of the charitable objectives of the Academy at the discretion of the directors.

Restricted funds comprise grants from EFA and other bodies to be used for specific purposes.

Restricted fixed assets fund comprises funds received towards capital expenditure by way of grants from the Government and by private donations. Depreciation is charged against these funds over the estimated useful lives of the fixed assets purchased.

Tangible fixed assets

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

Principal accounting policies 31 August 2015

Tangible fixed assets (continued)

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 in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Leasehold building

The Deansbrook Junior School buildings acquired under a 125 year lease on a peppercorn basis from the London Borough of Barnet have been capitalised under leasehold Academy buildings. The carrying value is based on a valuation provided by the London Borough of Barnet. Subsequent additions to the property are accounted for on a cost basis.

Depreciation (including amortisation)

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

- ◆ Furniture, fittings and equipment - 25% p.a.
- ◆ Freehold buildings - 2% p.a.
- ◆ Long leasehold buildings - 2% p.a.

Assets in the course of construction and not in use 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.

Stock

Unsold uniform stocks are valued at the lower of cost or net realisable value.

Principal accounting policies 31 August 2015

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Leased assets

Rentals applicable to operating leases are charged to the Statement of Financial Activities as incurred over the lease term.

Pensions Benefits

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

Teachers' Pension Scheme – teaching staff

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are payable each year.

Local Government Pension Scheme – support staff

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

Principal accounting policies 31 August 2015

Agency agreements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

Notes to the financial statements 31 August 2015

1 Transfer from London Borough of Barnet Council

On 1 April 2013, Deansbrook Junior School converted to Academy status under the Academy Act 2010. At this date, the operations and assets and liabilities were transferred to the Multi-Academy Trust under a transfer agreement.

During the year ended 31 August 2014, £744 was received in respect of the balance of the budget surplus on Local Authority funds.

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	98,016	—	98,016	106,173
Catering income	42,904	—	42,904	49,601
Uniform sales	21,683	—	21,683	19,282
Sale of goods and services	13,582	—	13,582	15,782
	176,185	—	176,185	190,838

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
EFA capital grants				
. Devolved Formula Capital grant	—	40,006	40,006	37,639
. Academies Capital maintenance fund	—	232,684	232,684	—
	—	272,690	272,690	37,639
EFA revenue grants				
. General Annual Grant (GAG)	—	10,862,302	10,862,302	11,385,089
. Pupil premium grant	—	916,589	916,589	895,429
. Other EFA grants	—	315,091	315,091	568,471
Total EFA grants	—	12,093,982	12,093,982	12,848,989
	—	12,366,672	12,366,672	12,886,628
London Borough of Barnet				
. Revenue grant	—	749,806	749,806	688,373
. Capital grant	—	84,940	84,940	223,076
	—	834,746	834,746	911,449
	—	13,201,418	13,201,418	13,798,077

Notes to the financial statements 31 August 2015

4 Other educational income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
School trips	34,261	—	34,261	59,860
Miscellaneous income	70,475	—	70,475	43,143
	104,736	—	104,736	103,003

5 Resources expended

	Notes	Staff costs (note 8) £	Premises £	Other costs £	Total 2015 £	Total 2014 £
Academy Trust's educational operations	6					
. Direct costs		8,484,858	301,376	1,093,213	9,879,447	9,594,065
. Support costs		1,127,663	1,790,577	916,396	3,834,636	3,804,515
. FRS 17 charges		16,000	—	49,000	65,000	100,000
		9,628,521	2,091,953	2,058,609	13,779,083	13,498,580
Governance costs	7	—	—	26,614	26,614	38,382
		9,628,521	2,091,953	2,085,223	13,805,697	13,536,962

Notes to the financial statements 31 August 2015

6 Charitable activities – Academy Trust's educational operations

	Total 2015 £	Total 2014 £
Direct costs		
Teaching and educational support staff costs	8,484,858	8,378,593
Education and other supplies	383,729	304,258
Examination fees	177,863	167,144
Educational consultancy	152,584	151,684
Staff development	95,424	46,717
Technology costs – IT software and other capital expenditure	301,376	287,813
Trips and activities	152,637	140,595
Other direct costs	130,976	117,261
	9,879,447	9,594,065
Support costs		
Support staff costs	1,127,663	1,160,202
Maintenance	244,241	213,323
Occupancy	618,285	616,346
Depreciation	928,051	898,489
Mobile classrooms	—	76,587
Transport	17,513	25,791
Catering	216,102	235,710
Insurance	108,174	122,734
Other support costs	574,607	455,333
	3,834,636	3,804,515
FRS 17 costs		
Staff costs	16,000	38,000
Interest costs	49,000	62,000
	65,000	100,000
Total	13,779,083	13,498,580

7 Governance costs

	Total 2015 £	Total 2014 £
Legal and professional fees	26,614	38,382

Notes to the financial statements 31 August 2015

8 Staff

(a) Staff costs

Staff costs during the year were as follows:

	2015 £	2014 £
Wages and salaries	7,512,908	7,443,306
Social security costs	575,050	573,456
Pension costs – Normal contributions	1,015,054	992,381
– FRS 17 pension costs	16,000	38,000
	9,119,012	9,047,143
Non contracted staff costs	444,843	512,417
Compensation payments	64,666	17,235
	9,628,521	9,576,795

(b) Staff severance payments

Included in compensation payments above are non-statutory/non-contractual severance payments of £64,666. Individually, the amounts payable were £45,000 and £19,666 (2014 - £17,235 to one individual).

(c) Staff numbers

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

	2015 Number	2014 Number
Teachers	113	113
Administration and support	79	83
Management	20	20
	212	216

(d) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 Number	2014 Number
£60,001 - £70,000	—	4
£70,001 - £80,000	7	1
£100,001 - £110,000	—	1
£110,001 - £120,000	1	—
£140,001 - £150,000	—	1
£150,001 - £160,000	1	—
	9	7

During the year ended 31 August 2015; eight of the above employees participated in the Teachers' Pension Scheme; employer's pension contributions for these staff amounted to £97,492 (2014 – six employees; £65,417). The other employee participated in the Local Government Pension Scheme; employer's pension contributions for this member amounted to £18,847 (2014 - £16,744).

Notes to the financial statements 31 August 2015

9 Directors' remuneration, expenses and directors' and officers' insurance

The Executive Principal only receives remuneration in respect of services she provides undertaking the roles of Executive Principal and not in respect of her services as director. The value of remuneration and other benefits for the period she received as director was as follows:

	2015 £	2014 £
A Trigg, Executive Principal		
. Remuneration	150k – 155k	145k – 150k
. Employer's pension contributions	20k – 25k	20k – 25k

Other directors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as directors.

One director has received reimbursement of expenses for travel, subsistence and accommodation to the value of £2,396 (2014 – one director £2,734) from the Academy Trust during the year in the course of his duties as director.

Directors' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Company business. London Academy's insurance provides cover up to £2,000,000 on any one claim and the cost for 2015 was £1,279 (2014 – £1,279). Deansbrook Junior School's insurance provides cover up to £5,000,000 on any one claim and the cost for 2015 was £804 (2014 - £442).

There were no other related party transactions involving the directors (see also note 27).

10 Net income (expenditure) for the year

The Academy Trust's net income (expenditure) for the year is stated after charging:

	2015 £	2014 £
Staff costs	9,628,521	9,576,795
Depreciation	928,051	898,489
Auditor's remuneration (excluding VAT)		
. Statutory audit services	14,000	15,500
. Other EFA audits	3,050	3,050
. EFA Financial Return (Comparison Study)*	—	14,850
. Other services	9,530	8,255
Leasing charges	216,907	168,519
FRS17 charges		
. Pension charge (included in staff costs)	16,000	38,000
. Net finance interest cost	49,000	62,000

* The Academy Trust received a special grant from the EFA of £21,700 in the year ended 31 August 2014, to fund the costs of the Financial Return (Comparison Study).

Notes to the financial statements 31 August 2015

11 Taxation

The Academy Trust is an exempt charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to charitable companies.

12 Tangible fixed assets

	Freehold land and buildings £	Long leasehold building £	Furniture, fittings and equipment £	Total £
Cost				
At 1 September 2014	37,017,102	3,760,231	1,486,384	42,263,717
Additions	157,882	302,828	121,073	581,783
At 31 August 2015	37,174,984	4,063,059	1,607,457	42,845,500
Depreciation				
At 1 September 2014	5,438,246	104,627	1,277,124	6,819,997
Charge for year	743,499	81,261	103,291	928,051
At 31 August 2015	6,181,745	185,888	1,380,415	7,748,048
Net book values				
At 31 August 2015	30,993,239	3,877,171	227,042	35,097,452
At 31 August 2014	31,578,856	3,655,604	209,260	35,443,720

London Academy - Freehold land

Title to the site at Spur Road, Edgware, Middlesex is registered in the name of the Academy Trust, but has not been included in these financial statements because the site is designated for educational purposes only and has no open market value.

Deansbrook Junior School – Long leasehold building

The leasehold building refers to the building situated at Hale Drive, Mill Hill, London occupied by Deansbrook Junior School under a 125 year lease from the London Borough of Barnet.

No value has been included in these financial statements of the land occupied by the School as the land is designated for educational purposes only and has no open market value.

13 Debtors

	2015 £	2014 £
Trade debtors	62,995	43,254
EFA grants receivable	149,138	145,210
Other debtors – London Borough of Barnet	—	248
VAT reclaimable	138,303	222,779
Prepayments and accrued income	121,768	161,167
	472,204	572,658

Notes to the financial statements 31 August 2015

14 Creditors: amounts falling due within one year

	2015 £	2014 £
Expense creditors	273,780	332,970
Accruals and deferred income	739,255	473,782
Payments due in respect of property construction work	77,842	216,000
Social security and other taxes	149,867	159,198
Other creditors	110,327	115,674
	<u>1,351,071</u>	<u>1,297,624</u>
Deferred income		
Deferred income at 1 September 2014	171,820	40,762
Resources deferred in the year	122,377	171,820
Amounts released from previous years	(171,820)	(40,762)
Deferred income at 31 August 2015	<u>122,377</u>	<u>171,820</u>

Deferred income includes £42,850 (2014 - £41,894) in respect of Rates Relief Funding received from the EFA, £50,000 in respect of grants receivable for the new primary school and £nil (2014 - £105,803) in respect of capital funding. The Academy Trust was also holding funds received in advance for school trips and lettings booked for the Autumn term 2015 of £29,527 (2014 - £24,123).

15 Central services

The Academy Trust has provided the following central services to its Academies during the year:

- ◆ Educational Support Services
- ◆ Financial Support services
- ◆ Project Management Services
- ◆ Governance support Services
- ◆ Other

The Academy Trust charges for these services on the following basis:

- ◆ A flat fixed fee

The actual amounts charged during the year were as follows:

	2015 £	2014 £
London Academy	70,000	70,000
Deansbrook Junior School	35,000	25,000
	<u>105,000</u>	<u>95,000</u>

Notes to the financial statements 31 August 2015

16 Funds

	At 1 September 2014 £	Incoming resources £	Resources expended £	Actuarial losses £	Transfers £	At 31 August 2015 £
Restricted general funds						
Revenue funds						
• EFA grants						
.. General Annual grant (GAG)	1,350,814	10,862,302	(10,972,203)	—	(181,944)	1,058,969
.. Other funds	53,764	1,231,680	(909,261)	—	(42,209)	333,974
	1,404,578	12,093,982	(11,881,464)	—	(224,153)	1,392,943
• Pension reserve	(2,647,000)	—	(65,000)	(89,000)	—	(2,801,000)
	(1,242,422)	12,093,982	(11,946,464)	(89,000)	(224,153)	(1,408,057)
• Other funds	5,167	779,806	(780,039)	—	—	4,934
	(1,237,255)	12,873,788	(12,726,503)	(89,000)	(224,153)	(1,403,123)
Restricted fixed asset funds	35,443,720	357,630	(928,051)	—	224,153	35,097,452
Total restricted funds	34,206,465	13,231,418	(13,654,554)	(89,000)	—	33,694,329
Unrestricted funds	976,487	309,478	(151,143)	—	—	1,134,822
	35,182,952	13,540,896	(13,805,697)	(89,000)	—	34,829,151

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

Revenue funds:

◆ EFA grants funds

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 signed on 27 March 2013 the Academy Trust was not subject to a limit in the amount of GAG that it could carry forward at 31 August 2014.

◆ Other funds

Other grants include funding received from the London Borough of Barnet for specific purposes.

Fixed assets funds:

The fixed assets fund includes grants received from the EFA and other sources to finance the development and building of the Academy Trust and the other tangible fixed assets.

Notes to the financial statements 31 August 2015

16 Restricted funds (continued)

Analysis of fund balances by Academy

	2015 £	2014 £
London Academy	2,082,346	2,037,628
Deansbrook Junior School	363,059	291,123
Central services	87,294	57,481
Total before fixed assets and pension reserves	2,532,699	2,386,232
Restricted fixed asset fund	35,097,452	35,443,720
Pension reserve	(2,801,000)	(2,647,000)
	34,829,151	35,182,952

Analysis of cost by Academies (excluding depreciation)

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2015 £
London Academy	6,939,134	914,239	658,890	2,044,061	10,556,324
Deansbrook Junior School	1,545,724	229,424	155,685	289,952	2,220,785
Central services	—	—	23,114	77,423	100,537
	8,484,858	1,143,663	837,689	2,411,436	12,877,646
Restricted funds	8,484,858	1,143,663	837,689	2,260,293	12,726,503
Unrestricted funds	—	—	—	151,143	151,143
	8,484,858	1,143,663	837,689	2,411,436	12,877,646

17 Analysis of net assets between funds

		Restricted funds			
	Unrestricted general fund £	General		Fixed assets £	2015 Total £
		EFA £	Other £		
Fund balances at 31 August 2015 are represented by:					
Tangible fixed assets	—	—	—	35,097,452	35,097,452
Current assets	1,164,349	2,636,645	4,934	77,842	3,883,770
Current liabilities	(29,527)	(1,243,702)	—	(77,842)	(1,351,071)
Pension scheme liability	—	(2,801,000)	—	—	(2,801,000)
Total net assets	1,134,822	(1,408,057)	4,934	35,097,452	34,829,151

Notes to the financial statements 31 August 2015

18 Lease commitments

Operating Leases

At 31 August 2015 the Academy Trust had annual commitments (excluding VAT) under non-cancellable operating leases as follows:

	Other	
	2015 £	2014 £
Operating leases which expire:		
Within one year	10,866	68,128
Within two to five years	192,829	132,495

19 Capital commitments

	2015 £	2014 £
Contracted for, but not provided in the financial statements	228,000	380,000

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

	2015 £	2014 £
Net (expenditure) income	(264,801)	596,944
Depreciation (note 12)	928,051	898,489
Non cash transactions		
. FRS 17 pension cost less contributions payable (note 24)	16,000	38,000
. FRS 17 pension finance cost (note 24)	49,000	62,000
Capital grants from EFA and the Local Authority	(357,630)	(260,715)
Interest receivable	(8,406)	(8,263)
Increase in stocks	(3,170)	(1,506)
Decrease (increase) in debtors	100,454	(50,032)
Increase (decrease) in creditors	297,418	(922,005)
Net cash inflow from operating activities	756,916	352,912

21 Returns on investment and servicing of finance

	2015 £	2014 £
Interest received	8,406	8,263
Net cash inflow from returns on investment and servicing of finance	8,406	8,263

22 Capital expenditure and financial investment

	2015 £	2014 £
Purchase of tangible fixed assets	(719,941)	(687,044)
Capital grants from EFA	166,877	37,639
Capital funding received from Local Authority	84,940	223,076
Net cash outflow from capital expenditure and financial investments	(468,124)	(426,329)

23 Analysis of changes in net funds

	At 1 September 2014 £	Cashflows £	At 31 August 2015 £
Cash in hand and at bank	3,091,238	297,198	3,388,436

24 Pension and similar obligations

The Academy's employees belong to one of two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme London Borough of Barnet Pension Fund (LGPS) for non-teaching staff, which is managed by Barnett Waddingham. Both are defined-benefit schemes.

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

Contributions amounting to £109,115 (2014 - £110,055) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme – teaching staff

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.

24 Pension and similar obligations (continued)

Teachers' Pension Scheme – teaching staff (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

Employer's pension contribution paid to TPS in the year amounted to £700,000 (2014: £705,000).

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.

24 Pension and similar obligations (continued)

Local Government Pension Scheme – for support staff

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 August 2015 was £428,000 (2014 - £362,000), of which employer's normal contributions totalled £314,000 (2014 - £287,000); contributions in respect of severance of employment totalled £32,000; and employees' contributions totalled £82,000 (2014 - £75,000). The agreed contribution rates for future years are 24.6% for employers and a variable rate between 5.5% and 12% for employees depending on their pay band.

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

Financial Assumptions

The financial assumptions used for the purposes of the FRS17 calculations are as follows:

	At 31 August 2015	At 31 August 2014
Price increase		
· RPI	3.5%	3.4%
· CPI	2.6%	2.6%
Rate of increase in salaries	4.4%	4.4%
Rate of increase for pensions	2.6%	2.6%
Discount rate for liabilities	3.9%	3.9%

These assumptions are set with reference to market conditions at 31 August 2015. The discount rate is the annualised yield at the 19 year point on the Merrill Lynch AA rated corporate bond curve which has been chosen to meet to the requirements of FRS17.

Demographic/Statistical Assumptions

The Actuaries have adopted a set of demographic assumptions that are consistent with those used for the formal funding valuation as at 31 March 2013. The post retirement mortality tables adopted were the S1PA tables with a multiplier of 110%. These base tables are then projected using the CMI 2012 Model, allowing for a long term rate of improvement of 1.5% per annum.

Notes to the financial statements 31 August 2015

24 Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

Demographic/Statistical Assumptions (continued)

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

	2015 years	2014 years
<i>Retiring today</i>		
. Men	22.1	22.0
. Women	24.4	24.3
<i>Retiring in 20 years</i>		
. Men	24.2	24.1
. Women	26.8	26.7

The Actuaries have also made the following assumptions:

- ◆ Members will exchange half of their commutable pension for cash at retirement
- ◆ Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- ◆ 10% of active members will take up the option under the new LGPS to pay 50% of Contributions for 50% of benefits.

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

	Fair Value at 31 August 2015 £000	Expected return at 31 August 2014	Fair Value at 31 August 2014 £000
Equities	1,974	7.0%	1,751
Gifts	1	3.0%	2
Bonds	942	3.6%	832
Cash	20	2.9%	12
Total market value of assets at bid value	2,937		2,597
Present value of scheme liabilities			
-Funded	(5,738)		(5,244)
Deficit in the scheme	(2,801)		(2,647)

There are no unfunded obligations and no unrecognised past service costs at August 2014 and August 2015.

No long-term expected rate of return at 31 August 2015 has been provided, as for accounting periods beginning on or after 1 January 2015, the expected return and interest cost will be replaced with a single net interest cost. This will effectively set the expected return at a level equal to the discount rate of 3.9%.

Notes to the financial statements 31 August 2015

24 Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

Demographic/Statistical Assumptions (continued)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2014 for the year to 31 August 2015). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an allowance for defaults) respectively at the relevant date. The return on equities is then assumed to be a margin above gilt yields.

Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
Current service cost	362	325
Interest cost	213	238
Expected return on scheme assets	(164)	(176)
Total expenditure recognised in SOFA	411	387

Amount recognised in the statement of recognised gains and losses (STRGL)

	2015 £'000	2014 £'000
Actual return less expected return on pension scheme assets	(171)	34
Experience gains and losses	—	(102)
Changes in assumptions underlying the present value of the scheme liabilities	82	(278)
Actuarial losses in pension scheme recognised in STRGL	(89)	(346)

The actuarial 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 £1,966,000 loss (2014 - £1,877,000 loss).

Reconciliation of opening and closing balances of the present value of the Academy's share of scheme liabilities

	2015 £'000	2014 £'000
Scheme liabilities at 1 September 2014	5,244	4,910
Current service cost	362	325
Interest cost	213	238
Contributions by scheme participants	82	75
Actuarial gains	(82)	(238)
Estimated benefits paid net of transfers in	(81)	(66)
Scheme liabilities at 31 August 2015	5,738	5,244

Notes to the financial statements 31 August 2015

24 Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

Demographic/Statistical Assumptions (continued)

Reconciliation of opening and closing balances of the fair value of the Academy's share of the scheme assets

	2015 £'000	2014 £'000
Fair value of scheme assets at 1 September 2014	2,597	2,709
Expected return on Scheme assets	164	176
Actuarial losses	(171)	(584)
Contributions by employer	346	287
Contributions by Scheme participants	82	75
Estimated benefits paid net of transfers in	(81)	(66)
Fair value of scheme assets at 31 August 2015	2,937	2,597

Reconciliation of opening and closing balances of the fair value of the Academy's share of the net scheme liabilities

	2015 £'000	2014 £'000
Fair value of net scheme liabilities at 1 September 2014	(2,647)	(2,201)
Current service costs	(362)	(325)
Contributions by employer	346	287
Other finance costs	(49)	(62)
Actuarial losses	(89)	(346)
Fair value of net scheme liabilities at 31 August 2015	(2,801)	(2,647)

History of experience gains and losses

	2015 £'000	2014 £'000	*2013 £'000	2012 £'000	2011 £'000
Total present value of liabilities	(5,738)	(5,244)	(4,910)	(3,415)	(2,624)
Total present value of assets	2,937	2,597	2,709	2,088	1,835
Deficit	(2,801)	(2,647)	(2,201)	(1,327)	(789)
Experience adjustment on scheme assets:	(171)	34	29	58	(333)
Percentage of assets	(5.8%)	1.3%	1.1%	2.8%	(18.1%)
Experience adjustment on scheme liabilities	—	—	—	—	459
Percentage of liabilities	—	—	—	—	17.5%
Cumulative actuarial losses	(1,966)	(1,877)	(1,531)	(1,273)	(737)

* Includes Deansbrook Junior School's FRS 17 valuation for the first time.

24 Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

Demographic/Statistical Assumptions (continued)

Projections for the year to 31 August 2016 are that the service costs will be £363,000; interest cost will be £104,000; return on assets will be £4,000, giving a total of £471,000. Employer Contributions will be £307,000. These projections are based on the assumptions as at 31 August 2015.

25 Liability of members

The Academy Trust is a company limited by guarantee, without share capital. Every member of the 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 an amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

26 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a capital grant was received, the Academy Trust shall if it does not reinvest the proceeds, repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

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

27 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of directors 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 directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

27 Related party transactions (continued)

For several years the Academy Trust has used Kerbang Limited to supply website and artwork services to the Academy Trust. These services are obtained at an arm's length basis. Mr N J Portelli is a significant shareholder of Kerbang Limited. On 12 November 2014 Mr Portelli was appointed director of the Academy Trust. The Academy Trust has continued to use the services of Kerbang Limited since the appointment of Mr Portelli as a director of the Academy Trust.

The value of the transactions undertaken during the period from 12 November 2014 to 31 August 2015 was £32,178 including VAT. The amount due to Kerbang Limited at 31 August 2015 was £4,208.

Other than the disclosures in note 9 and above, no related party transactions took place in the period covered by these financial statements.

28 Agency arrangements

The Academy Trust acts as paying agent for the EFA for the dispensing of 16-19 Bursaries onto students. In the year ended 31 August 2015 the Academy Trust received £71,986 and disbursed £16,226 from the fund. An amount of £109,524, including £53,764 brought forward from previous years remains undistributed at 31 August 2015.