

**THE OAKWOOD ACADEMY SCHOOLS TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**



**Haines Watts**  
Chartered Accountants & Registered Auditors  
Bridge House  
157A Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

# THE OAKWOOD ACADEMY SCHOOLS TRUST

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# THE OAKWOOD ACADEMY SCHOOLS TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

L Cooper (Chair of trustees)  
D Holland (Resigned 4 October 2015)  
A Nicholson (Accounting Officer)  
S Papworth (Resigned 13 July 2016)  
J Gaskell (Resigned 13 July 2016)  
S W Balme  
S Rocca (Resigned 17 October 2016)  
J Collinson (Appointed 17 October 2016)  
N Goulding (Appointed 17 October 2016)

### Members

L Cooper  
J Collinson (Resigned 17 October 2016)  
M Burgin  
T McKenzie (Appointed 17 October 2016)

### Senior management team

- Executive principal	A Nicholson
- Head of school	S Heeley
- Deputy head	T Marsden
- Assistant head	A Stobart
- Assistant head	L Barber
- Assistant head	L Southwood
- Finance director	S Rocca
- Inclusion manager	D Donnelly

### Company registration number

07982516 (England and Wales)

### Registered office

Chatsworth Road  
Eccles  
Manchester  
M30 9DY

### Independent auditor

Haines Watts  
Bridge House  
Ashley Road  
Hale  
Altrincham  
WA14 2UT

### Bankers

Lloyds Bank Plc  
King Street  
Manchester  
M2 3AU

### Solicitors

DWF  
1 Scott Place  
2 Hardman Street  
Manchester  
M3 3AA

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2016

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

The academy trust operates an academy for pupils aged 9 to 18 serving a catchment area within Greater Manchester and had a roll of 201 pupils in the year.

#### **Structure, governance and management**

##### Constitution

The academy trust was incorporated on 8 March 2012 as a company limited by guarantee with no share capital registration no. 07982516. The company commenced operation as an academy on 1 May 2012. The charitable company's memorandum and articles of association are the primary governing documents of the academy. The initial members of the charitable company were nominated by the board of trustees of The Oakwood Academy Schools Trust. The articles of association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy. The academy trust's registered office address is shown on page 1.

##### Principal activities

The Oakwood Academy Schools Trust converted to academy trust status on 1 May 2012 at which point the entity's current operations commenced. The academy trust's principal activities are 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 a school offering a broad and balanced curriculum

##### Members' liability

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

##### Trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006 and all are trustees for the purposes of charity legislation. The charitable company is known as The Oakwood Academy Schools Trust.

The trustees who were in office at 31 August 2016 and served during the period are listed on page 1.

##### Trustees' indemnities

In accordance with normal commercial practice the academy has purchased professional Indemnity and directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on academy business. Further details are disclosed on page 29.

##### Method of recruitment and appointment or election of trustees

The members of the trust are responsible for the appointment of trustees except the parent trustees and staff trustees who will be appointed through an election process directed by the board of trustees. The number of trustees shall be not less than three and shall not be subject to a maximum.

##### Policies and procedures adopted for the induction and training of trustees

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the academy trust, attend a briefing and receive an induction pack on the role and responsibilities of trustees that is provided via a service level agreement with Governor Services.

During the year, trustees were offered all necessary training.

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### Organisational structure

The governance of the academy trust is defined in the memorandum and articles of association together with the funding agreement with the Department for Education.

All trustees are members of the board of trustees. In addition trustees are members of committees which report to the board of trustees. The board of trustees meets once each term to receive reports from its sub-committees and manage its strategic objectives. The board has seven sub-committees:

- Finance and Audit, which meets half termly to consider the academy trust's budgets and financial performance;
- HR and Personnel, which meets half termly to consider staffing matters (including absence) and remuneration;
- Pay Committee, which meets once a year to consider the pay recommendations and remuneration;
- School Council, which meets termly with the chair of trustees to discuss key issues affecting pupils;
- Curriculum, which meets half termly to consider curricular issues and academic performance against targets;
- Attendance/Behaviour & Safety, which meets half termly to discuss possible disciplinary action needed; and
- Pupil Welfare, which meets half termly to discuss SEN and disability.

The day to day management is delegated to the executive principal, who has appointed a senior leadership team, which meets weekly to advise the executive principal on their day to day responsibilities.

#### Arrangements for setting pay and remuneration of key management personnel

Key management personnel performance management reviews are held on a termly basis, culminating in the final review which is presented to the pay committee in the first month of the new academic year. In order to determine the pay recommendations to the pay committee: the performance management reviews for the executive management team are held with a panel of three governors and the executive principal. The executive team members are invited to present to the panel. All recommendations are presented to the pay committee. The executive principal, head of school and chair meet to review the performance of the remaining senior leadership team and all recommendations are again presented to the pay committee.

#### Related parties and other connected charities and organisations

The Oakwood Academy Schools Trust is not connected to any other organisations as defined by the relevant Charities SORP with which it has transacted. The members, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

#### **Objectives and activities**

##### Objects and aims

The academy trust's object is to advance for the public benefit education for children aged 9 to 18 by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum.

The trustees' vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this.

Students are offered a supportive, positive and dynamic learning environment that enables them to focus on their studies and extra-curricular activities. As a result, students achieve academic and technological excellence and extend their sporting, artistic and musical accomplishments.

The academy trust fosters personal development that helps students to find meaning in their lives and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

##### Objectives, strategies and activities

The academy trust's objective for the year ended 31 August 2016 was to raise the attainment level of all students through care and well-being, curriculum structure, teaching and learning, and leadership development.

Admission: The academy is commissioned by the local authority for 165 Pre 16 places KS2 to KS4 places.  
The academy is commissioned by the local authority for 36 Post 16 KS5 places.

Student roll: The total number on roll for the year to 31 August 2016 was 165 Pre 16 pupils.  
The total number on roll for the year to 31 August 2016 was 36 Post 16 students.

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# THE OAKWOOD ACADEMY SCHOOLS TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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Permanent exclusions: The aim is to have exclusions only in exceptional circumstances. The Oakwood Academy Schools Trust had no permanent exclusions during the period from 1 September 2015 to 31 August 2016. During the same period there were no fixed term exclusions.

Staffing: The average number of (full time equivalent) staff employed during the year to 31 August 2016 was 64.

#### Public benefit

The academy trust will promote for the benefit of inhabitants of Salford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The academy trust's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

#### **Strategic report**

##### Achievements and performance

Our Ofsted inspection carried out in July 2013 received the official rating of OUTSTANDING. This inspection was carried out over two days and followed the revised and much tougher Ofsted inspection criteria 2013.

Our inspection judgements were:

▪ Overall effectiveness	OUTSTANDING
▪ Achievement of progress of pupils	OUTSTANDING
▪ Quality of teaching	OUTSTANDING
▪ Behaviour and safety of pupils	OUTSTANDING
▪ Leadership and management	OUTSTANDING

An outstanding academy is highly effective in delivering outcomes that provide exceptionally well for all its pupils' needs. This ensures that pupils are very well equipped for the next stage of their education, training or employment.

We are proud of our staff and students' achievements and we continue to make year on year improvements in every aspect of our work.

The academy was designated a National Support School in February 2015.

The academy was designated a National Teaching School in February 2016.

Our PE department received the 'National Secondary PE Award' at the Youth Sport Trust Conference in February 2016.

The academy is now in the fourth year of the Post 16 provision and has successfully extended the age range of the academy from 11-18 years to 9-18 years, plus it has successfully implemented the supported internships programme which is providing our students with a credible pathway to long term employment.

#### **Entry level (KS4) results**

	Entry level 3	Entry level 2	Entry level 1
2012	4	37	21
2013	19	50	56
2014	52	59	64
2015	50	97	60
2016	104	130	64

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

The table above shows a rise in the number of entry level qualifications being achieved particularly at EN3 (the highest level). This increase is due to a shift in focus from GCSE's where the qualification reforms have made many of the offerings inaccessible to The Oakwood Academy Schools Trust's pupils.

	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
2013	1	17	61	44	25	9
2014	3	2	13	28	26	8
2015	0	3	23	33	25	7
2016	0	14	23	29	32	16

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Attendance:	91%	92.6%	94%	94.4%	93%	93%	93%

#### Key performance indicators (KPI)

KPI shows that the academy trust makes outstanding provision for its pupils. Pupil progress data shows that all groups make exceptional progress and none are disadvantaged. Overall attainment means that 100% of pupils leave the academy with a qualification in every subject ranging from entry level to GCSE. Attendance is consistently outstanding and exclusion figures have reduced over the last two years to very close to zero.

Attendance levels are regularly at, or above 93%.

The academy trust places importance on staff retention and development in order to maintain the highest standards of teaching and learning.

#### Going concern

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

#### **Financial review**

The academy's financial position for the year to 31 August 2016 demonstrates total income of £3,439,000.

The reserves will be utilised for continuous improvements and for projects for the replacement of educational equipment and materials. Reserves will also be allocated to the replacement and updating of the academy trust's classroom provisions, equipment and some contents and provide a sustainable staffing structure.

A strategic capital plan has been prepared and reviewed by the trustees in order that reserves can be prioritised and spent according to the needs of the academy trust.

The principal financial management policies adopted in the year are:

- regular financial reviews of income and expenditure versus planned budgets at Finance and Business Committee meetings; and
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy trust's educational obligations.

Reserves carried forward at 31 August 2016 will be utilised as part of the medium and long term plans of the academy trust to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and extend facilities.

#### Reserves policy

The trustees review the reserve levels of the academy trust annually as per the policy. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of reserves should be equivalent to one month of the GAG, approximately £184,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. The academy trust's current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding pension reserve) is £850,000.

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### Investment policy

The policy of The Oakwood Academy Schools Trust is to invest surplus funds only in risk free deposits with well known "high street" institutions in order to minimise risk. The director of finance and resources is required periodically (at least annually) to review interest rates and compare with other similar investment opportunities. Any decision to invest will have due regard to the liquidity requirements of the academy trust. Changes to this policy require the approval of trustees via the Finance and Audit Committee.

#### Principal risks and uncertainties

The Oakwood Academy Schools Trust has adopted a risk management policy and a risk register and risk review process. The risk register is monitored on a regular basis and findings presented to the Finance and Audit committee. The objectives will be to determine an approach and where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The principal risks are seen as the loss of reputation through falling standards, falling student rolls and failure to safeguard our students.

Key controls in place are:

- an organisational structure with defined roles, responsibilities and authorisation levels;
- terms of reference for the committees of the board of trustees;
- financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- formal written and published policies for employees; and
- vetting procedure as required by law for the protection of the vulnerable.

The academy trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with FRS102. A deficit has been recognised at 31 August 2016. Future contribution rates are adjusted so as to reduce this deficit.

#### Plans for future periods

The Oakwood Academy Schools Trust became a multi academy trust in July 2015. Over the academic year 2015/16 we have been looking to successfully bring at least one other good or outstanding school into The Oakwood Academy Schools Trust. This is to strengthen our ability as a MAT to support other schools. The teaching school has also been successfully moved forward with a strong alliance with a cross phase of schools so that we are well placed to develop system leadership within the special sector and primary sector as well.

#### 3 year strategic plan

- To maintain outstanding educational provision for all our learners including our 6<sup>th</sup> form students and new Y5/6 intake.
- To establish a successful multi academy trust that raises standards across other settings.
- To extend our facilities to make bespoke provision for our 6<sup>th</sup> form college that extends our core offer.

Targets for 2015-2016 agreed by the board of trustees include:

#### Quality of teaching

To ensure that 100% of books are graded good or outstanding during termly work scrutiny. 100% of pupils in practical subject areas to be given regular feedback to facilitate pupil progress.

#### Quality of teaching:

For the majority of Y9, Y10 and Y11 pupils to achieve medium and high target in Mathematics.

#### Attainment/progress:

For majority of Y10 and Y11 pupils to achieve the medium and high target in English.

#### Behaviour/safety:

For all pupils with less than 85% attendance in 2014/15 to have a 10% increase during 2015/16.

#### Leadership and management:

To successfully establish one new school into The Oakwood Academy Schools Trust during 2015/16.



# THE OAKWOOD ACADEMY SCHOOLS TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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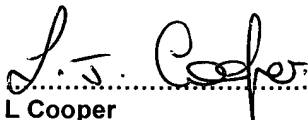
### **Auditors**

In so far as the trustees are aware:

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

The audit business Haines Watts has been appointed as the company's auditor. The audit report has therefore been issued by Haines Watts.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 November 2016 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'L. Cooper', is written over a dotted line.

**L Cooper**  
**Chair of trustees**

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Scope of responsibility

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

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

### Governance

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

#### Full board of trustees meetings

Trustees	Meetings attended	Out of possible
L Cooper	3	3
J Collinson	2	3
A Nicholson	3	3
S Papworth (resigned 13 July 2016)	0	3
J Deadman	2	3
M Burgin	2	3
J Gaskell (resigned 13 July 2016)	1	3
S Balme	2	3

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis regarding the finances of the academy trust. Attendance at meetings in the period was as follows:

#### Finance and Audit Committee

Trustees	Meetings attended	Out of possible
L Cooper	3	6
J Collinson	5	6
A Nicholson	5	6
M Burgin	2	2
S Balme	5	6

### 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 each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by following the principles of the following statement:

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The academy trust is committed to:-

**Raising student attainment** – This is demonstrated by the exam trend over the past year. The Oakwood Academy Schools Trust has consistently been one of the top achievers when compared to similar schools nationally. Our recent Ofsted report noted that pupils of all abilities make outstanding progress because teachers plan lessons precisely tailored to their learning needs.

The academy trust has developed and has fully embedded tracking systems for individual students that track levels of progress from KS2 through to Post 16. As a result, the academy trust has evidence that pupils compare with national expectations and are making rapid and sustained progress over time.

The academy trust also tracks attendance and behaviour of all pupils and attendance is regularly at 93%, which is exceptional, especially given the fact that as a special school, we have many children with chronic health conditions who require significant numbers of medical appointments. The recent Ofsted report noted that both behaviour and attendance were outstanding. Full details are available on our academy trust's website.

With regards to the use of Pupil Premium, the academy trust demonstrates the clear impact of the funding on our pupils through a varied range of interventions. The gap is small between PP and NPP pupils and in some cases the PP pupils are achieving above their NPP cohort. This has been achieved through direct One to One classes, provision of access to external advice such as our Drop In Club, summer schools, educational trips, access to extended school provision via after school clubs. Achievement has also been made in the further development of parental engagement to break down barriers and in doing so, develop the support for the pupils.

**Robust governance and oversight of academy trust finances** – The academy trust benefits from robust financial management due to the high calibre of governors with relevant expertise and professionalism. The trustees of the Audit and Finance Committee are fully aware of their roles and responsibilities and ensure that the academy is managed effectively to support the long term vision of the academy trust.

**Ensuring value for money is embedded into the culture of the academy trust** – all relevant resources are checked against the economic, effective and efficiency values to ensure the objectives of the School Development plan are met. A Curriculum Committee was formed that met on a termly basis to confirm how and where these values have been met against pupil attainment and progress. This is ongoing with all findings reported back to the Audit and Finance Committee to ensure close and rigorous monitoring of all public funds spending.

The trustees of the academy trust are mindful of the high proportion of staffing due to the level of support needed to successfully and fully support all our pupils. The staffing costs dominate a significant part of the whole budget. The trustees are therefore aware that the staffing has to be effective in the deployment of both teaching and support staff to achieve the continued outstanding provision of teaching and learning. The staffing structure has been reviewed and revised and fully supports these objectives. The structure has taken on board the need for succession planning and capacity to ensure that the staffing is fit for purpose as part of the academy trust's long term strategic vision.

The academy trust benefits from the provision of a suitably qualified internal review officer who provides an independent opinion of the financial management of the academy as required via the Academies Financial Handbook. Meetings are held once a term and a programme of works is defined at the onset to enable all areas of school finance to be covered during the year. The report is submitted to the Audit and Finance Committee by the internal assurance officer. To date the reviews have shown no significant recommendations with overall high assurance in all areas.

The full board of trustees approves the budget each year and is mindful of the need to balance expenditure against income to ensure the academy trust remains a going concern. The board of trustees receives and approves all annual accounts as presented by the external auditor.

The financial director meets with the head on a weekly basis; provides monthly financial reports to the head and these are presented to the Audit and Finance Committee; the finance director meets on a monthly basis with the chair to report on all aspects of financial management. The reports include all information on all significant variances, funding, payroll and specific funding streams such as pupil premium. As trustee responsible for Pupil Premium, the chair is fully aware of all areas of spend and the direct impact such intervention has had on pupils.

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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All directors and trustees plus all members of the SLT are required to complete a Conflict of Interest policy which includes a declaration of pecuniary interests. The opportunity to declare any pecuniary interests is also provided as a standing item at every committee meeting.

#### Assessing value for money

The Oakwood Academy Schools Trust achieves value for money through the nurturing of a culture of accountability for all resources purchased. As noted above, all indicative spend has to be linked to an action plan which has been based on the school development objectives. External funding is sourced where possible to access outside monies and this is an ongoing objective. During the past year we have secured funding in the provision of PE equipment with further savings from local companies who provided free access to the sports award venue and donated all trophies and prizes.

#### Maximising income generation

The academy trust explores every opportunity to generate income through provision of support to schools both via the Local Authority Secondary Provider Arm and independently to the wider community. The finance director also provides financial support to out of borough schools that previously used alternative providers.

#### Reviewing controls and managing risks

Monthly budget monitoring reports are produced and reviewed by the finance director. The finance director and head meet for a regular weekly meeting to discuss any actions needed to be taken. There are further meetings held with the SMT to ensure that all senior staff are aware of the key areas within the budget. The academy trust ensures that all surplus balances are identified and invested in interest bearing accounts to maximise earning potential.

The risk register is reviewed on a termly basis by the chair and finance director and is overseen by the internal assurance officer. All policies are reviewed on an annual basis and revised to keep abreast of the changing requirements. The safeguarding policy is extensive with the vice chair being the responsible trustee to ensure this is being upheld. Safeguarding is a standing item on each and every committee agenda.

#### **The purpose of the system of internal control**

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

#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process of identifying, evaluating and managing the academy trust's significant risks that have been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### Risk management

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

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **The risk and control framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has appointed Mr M Prior FCA as internal assurance officer. The internal assurance officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the internal assurance officer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal assurance officer completed his most recent review in June 2016 and will complete the next one on 17 November 2016.

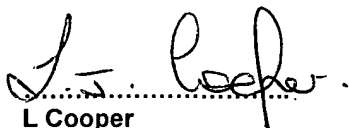
### **Review of effectiveness**

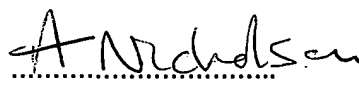
As accounting officer, the executive principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

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

  
L Cooper  
Chair of trustees

  
A Nicholson  
Accounting officer

# **THE OAKWOOD ACADEMY SCHOOLS TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

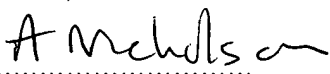
***FOR THE YEAR ENDED 31 AUGUST 2016***

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

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

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



**A Nicholson**  
**Accounting officer**

15 November 2016

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The trustees (who also act as governors for The Oakwood Academy Schools Trust and are also the directors of The Oakwood Academy Schools Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

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

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

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

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

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



**L Cooper**  
**Chair of trustees**

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE OAKWOOD ACADEMY SCHOOLS TRUST

**FOR THE YEAR ENDED 31 AUGUST 2016**

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We have audited the accounts of The Oakwood Academy Schools Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

### **Respective responsibilities of trustees and auditors**

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees, who are also the directors of The Oakwood Academy Schools Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

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

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

### **Emphasis of matter**

In forming our opinion, we have considered the adequacy of the disclosure made in note 19 of the financial statements concerning the uncertainty of the values surrounding the PFI charge over the next 16 years. In view of the significance of this uncertainty we considered that it should be drawn to your attention but our opinion is not qualified in this respect.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

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# THE OAKWOOD ACADEMY SCHOOLS TRUST

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE OAKWOOD ACADEMY SCHOOLS TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



.....  
**John Whittick BSc FCA (Senior Statutory Auditor)**

**for and on behalf of Haines Watts**

**Chartered Accountants**

**Statutory Auditor**

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated:  .....

# **THE OAKWOOD ACADEMY SCHOOLS TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE OAKWOOD ACADEMY SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)**

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In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Oakwood Academy Schools Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of The Oakwood Academy Schools Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Oakwood Academy Schools Trust's funding agreement with the Secretary of State for Education dated 1 May 2012 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE OAKWOOD ACADEMY SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

### 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 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Haines Watts**  
**Reporting Accountant**

Dated:  .....

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2016 £(000)	Total 2015 £(000)
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	13	64	77	12
Charitable activities:						
- Funding for educational operations	3	-	3,341	-	3,341	3,168
Other trading activities	4	18	1	-	19	34
Investments	5	2	-	-	2	1
<b>Total income and endowments</b>		<u>20</u>	<u>3,355</u>	<u>64</u>	<u>3,439</u>	<u>3,215</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	20	3,344	28	3,392	3,265
<b>Total expenditure</b>	6	<u>20</u>	<u>3,344</u>	<u>28</u>	<u>3,392</u>	<u>3,265</u>
<b>Net income/(expenditure)</b>		-	11	36	47	(50)
Transfers between funds		-	(62)	62	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(744)	-	(744)	(62)
<b>Net movement in funds</b>		-	(795)	98	(697)	(112)
<b>Reconciliation of funds</b>						
Total funds brought forward		570	(620)	176	126	238
Total funds carried forward		<u>570</u>	<u>(1,415)</u>	<u>274</u>	<u>(571)</u>	<u>126</u>

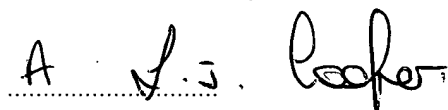
# THE OAKWOOD ACADEMY SCHOOLS TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£(000)	£(000)	£(000)	£(000)
<b>Fixed assets</b>					
Tangible assets	11		274		176
<b>Current assets</b>					
Debtors	12	201		52	
Cash at bank and in hand		1,161		1,153	
		<u>1,362</u>		<u>1,205</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	<u>(512)</u>		<u>(380)</u>	
<b>Net current assets</b>			850		825
<b>Net assets excluding pension liability</b>			1,124		1,001
Defined benefit pension liability	17		<u>(1,695)</u>		<u>(875)</u>
<b>Net assets</b>			<u>(571)</u>		<u>126</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			274		176
- Restricted income funds			280		255
- Pension reserve			<u>(1,695)</u>		<u>(875)</u>
<b>Total restricted funds</b>			<u>(1,141)</u>		<u>(444)</u>
<b>Unrestricted income funds</b>	15		<u>570</u>		<u>570</u>
<b>Total funds</b>			<u>(571)</u>		<u>126</u>

The accounts were approved by the board of trustees and authorised for issue on 15 November 2016 and are signed on its behalf by:



**L Cooper**  
Chair of trustees

Company Number 07982516

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £(000)	2015 £(000)
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	18	68	(68)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		2	1
Capital grants from DfE and EFA		21	10
Capital funding from sponsors and others		43	-
Payments to acquire tangible fixed assets		(126)	(105)
		(60)	(94)
<b>Change in cash and cash equivalents in the reporting period</b>		8	(162)
Cash and cash equivalents at 1 September 2015		1,153	1,315
<b>Cash and cash equivalents at 31 August 2016</b>		1,161	1,153

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts 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 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

These accounts for the year ended 31 August 2016 are the first accounts of The Oakwood Academy Schools Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

##### 1.2 Going concern

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

##### 1.3 Income

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

###### Grants 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

###### Donations

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

###### Other income

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

**THE OAKWOOD ACADEMY SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1 Accounting policies**

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

**1.5 Tangible fixed assets and depreciation**

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

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 life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.



# THE OAKWOOD ACADEMY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 1 Accounting policies

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

Outdoor equipment	10 years
Fixtures, fittings & equipment	7 years
Motor vehicles	5 years

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

#### 1.6 Liabilities

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

#### 1.7 Leasing and hire purchase commitments

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

#### 1.8 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.

#### 1.9 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

# THE OAKWOOD ACADEMY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 1 Accounting policies

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

##### 1.10 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

##### 1.11 PFI charge

The academy buildings were built under a PFI agreement, as at 31 August 2016 the agreement had a further 14 years to run. The local authority will continue to pay the unitary charge to the PFI provider under the pre-existing PFI contract. In turn, the academy trust will continue to pay the local authority but there may be a shortfall, known as an affordability gap, which fluctuates based on the number of pupils attending the school in any given academic year. The local authority will fund the affordability gap until the contract expires.

##### 1.12 Agency arrangements

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 trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 22.

##### 1.13 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

**THE OAKWOOD ACADEMY SCHOOLS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**1 Accounting policies**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2 Donations and capital grants**

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Capital grants	-	21	21	10
Other donations	-	56	56	2
	<u>-</u>	<u>77</u>	<u>77</u>	<u>12</u>

The income from donations and capital grants was £77,000 (2015: £12,000) of which £13,000 was restricted (2015: £2,000) and £64,000 was restricted fixed assets (2015: £10,000).

**3 Funding for the academy trust's educational operations**

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	2,236	2,236	2,294
Other DfE / EFA grants	-	98	98	89
	<u>-</u>	<u>2,334</u>	<u>2,334</u>	<u>2,383</u>
<b>Other government grants</b>				
Local authority grants	-	1,007	1,007	785
	<u>-</u>	<u>1,007</u>	<u>1,007</u>	<u>785</u>
<b>Total funding</b>	<u>-</u>	<u>3,341</u>	<u>3,341</u>	<u>3,168</u>

The income from funding for educational operations was £3,341,000 (2015: £3,168,000) of which £3,341,000 was restricted (2015: £3,168,000).

The academy trust received £1,007,000 from the local authority in the year, £9,000 pupil premium funding and £998,000 High Needs funding. There were no unfulfilled conditions or other contingencies relating to the grants in the year.

**THE OAKWOOD ACADEMY SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**4 Other trading activities**

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Sales and charges	18	-	18	26
Other income	-	1	1	8
	<u>18</u>	<u>1</u>	<u>19</u>	<u>34</u>

The income from other trading activities was £19,000 (2015: £34,000) of which £18,000 was unrestricted (2015: £26,000) and £1,000 was restricted (2015: £8,000).

**5 Investment income**

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Short term deposits	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>

The income from funding for investment income was £2,000 (2015: £1,000) of which £2,000 was unrestricted (2015: £1,000).

**6 Expenditure**

	Staff costs £(000)	Premises & equipment £(000)	Other costs £(000)	Total 2016 £(000)	Total 2015 £(000)
<b>Academy's educational operations</b>					
- Direct costs	1,455	24	277	1,756	1,577
- Allocated support costs	<u>937</u>	<u>574</u>	<u>125</u>	<u>1,636</u>	<u>1,688</u>
	<u>2,392</u>	<u>598</u>	<u>402</u>	<u>3,392</u>	<u>3,265</u>
<b>Total expenditure</b>	<u>2,392</u>	<u>598</u>	<u>402</u>	<u>3,392</u>	<u>3,265</u>

**Net income/(expenditure) for the year includes:**

	2016 £(000)	2015 £(000)
Fees payable to auditor for:		
- Audit	6	6
- Other services	2	2
Operating lease rentals	5	6
Depreciation of tangible fixed assets	<u>28</u>	<u>13</u>

**THE OAKWOOD ACADEMY SCHOOLS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**7 Charitable activities**

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Direct costs - educational operations	20	1,736	1,756	1,577
Support costs - educational operations	-	1,636	1,636	1,688
	<u>20</u>	<u>3,372</u>	<u>3,392</u>	<u>3,265</u>

The expenditure on educational operations was £3,316,000 (2015: £3,265,000) of which £20,000 was unrestricted (2015: £26,000), £3,268,000 was restricted (2015: £3,226,000) and £28,000 was restricted fixed assets (2015: £13,000).

**Analysis of costs**

	2016 £(000)	2015 £(000)
<b>Direct costs</b>		
Teaching and educational support staff costs	1,425	1,311
Staff development	30	33
Depreciation and amortisation	24	11
Technology costs	60	54
Educational supplies and services	153	106
Examination fees	20	19
Other direct costs	44	43
	<u>1,756</u>	<u>1,577</u>
<b>Support costs</b>		
Support staff costs	937	947
Depreciation and amortisation	4	2
Technology costs	7	2
Recruitment and support	5	3
Maintenance of premises and equipment	25	7
PFI charges	545	564
Insurance	7	18
Security and transport	20	12
Interest on pension deficit	33	24
Other support costs	31	96
Governance costs	22	13
	<u>1,636</u>	<u>1,688</u>

**THE OAKWOOD ACADEMY SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**8 Staff costs**

	<b>2016</b> <b>£(000)</b>	<b>2015</b> <b>£(000)</b>
Wages and salaries	1,778	1,770
Social security costs	143	128
Operating costs of defined benefit pension schemes	316	289
	<u>          </u>	<u>          </u>
Staff costs	2,237	2,187
Supply staff costs	98	33
Staff restructuring costs	25	32
Staff development and other staff costs	32	39
	<u>          </u>	<u>          </u>
Total staff expenditure	2,392	2,291
	<u>          </u>	<u>          </u>

**Staff numbers**

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

	<b>2016</b> <b>Number</b>	<b>2015</b> <b>Number</b>
Teachers	20	23
Administration and support	49	45
Management	8	8
	<u>          </u>	<u>          </u>
	77	76
	<u>          </u>	<u>          </u>

**Higher paid staff**

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

	<b>2016</b> <b>Number</b>	<b>2015</b> <b>Number</b>
£60,001 - £70,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>          </u>	<u>          </u>

**Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-contractual severance payments totalling £24,750 (2015: £32,179). Individually, the payments were: £12,000, £7,000, £4,000 and £1,750.

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £491,952 (2015: £498,791).

**THE OAKWOOD ACADEMY SCHOOLS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**9 Trustees' remuneration and expenses**

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

A Nicholson (Principal and trustee)

Remuneration £95,001 - £100,000 (2015: £80,001 - £85,000)

Employer's pension contributions £15,001 - £20,000 (2015: £10,001 - £15,000)

S Rocca (Staff trustee)

Remuneration £40,001 - £45,000 (2015: £40,001 - £45,000)

Employer's pension contributions £5,001 - £10,000 (2015: £5,001 - £10,000)

During the period ended 31 August 2016, no travel and subsistence expenses were reimbursed or paid directly to trustees (2015: £nil).

Other related party transactions involving the trustees are set out in note 20.

**10 Trustees and officers insurance**

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

**11 Tangible fixed assets**

	Outdoor equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£(000)	£(000)	£(000)	£(000)
<b>Cost</b>				
At 1 September 2015	45	144	-	189
Additions	-	89	37	126
	<u>45</u>	<u>233</u>	<u>37</u>	<u>315</u>
At 31 August 2016	45	233	37	315
<b>Depreciation</b>				
At 1 September 2015	5	8	-	13
Charge for the year	4	24	-	28
	<u>9</u>	<u>32</u>	<u>-</u>	<u>41</u>
At 31 August 2016	9	32	-	41
<b>Net book value</b>				
At 31 August 2016	<u>36</u>	<u>201</u>	<u>37</u>	<u>274</u>
At 31 August 2015	<u>40</u>	<u>136</u>	<u>-</u>	<u>176</u>

**THE OAKWOOD ACADEMY SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

<b>12 Debtors</b>	<b>2016 £(000)</b>	<b>2015 £(000)</b>
VAT recoverable	174	22
Other debtors	2	8
Prepayments and accrued income	25	22
	<u>201</u>	<u>52</u>
<b>13 Creditors: amounts falling due within one year</b>	<b>2016 £(000)</b>	<b>2015 £(000)</b>
Trade creditors	-	2
Other taxation and social security	42	-
Accruals and deferred income	470	378
	<u>512</u>	<u>380</u>
<b>14 Deferred income</b>	<b>2016 £(000)</b>	<b>2015 £(000)</b>
Deferred income is included within:		
Creditors due within one year	<u>107</u>	<u>26</u>
Deferred income at 1 September 2015	26	23
Released from previous years	(26)	(23)
Amounts deferred in the year	<u>107</u>	<u>26</u>
<b>Deferred income at 31 August 2016</b>	<u>107</u>	<u>26</u>

At the balance sheet date, the academy trust was holding funds received in advance for the following purposes:

- National College for Teaching and Learning income received in advance - £60,000
- Local authority funding received in advance - £38,790
- Other income received in advance - £7,855



**THE OAKWOOD ACADEMY SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**15 Funds**

	Balance at 1 September 2015 £(000)	Incoming resources £(000)	Resources expended £(000)	Gains, losses & transfers £(000)	Balance at 31 August 2016 £(000)
<b>Restricted general funds</b>					
General Annual Grant	255	2,236	(2,154)	(62)	275
Other DfE / EFA grants	-	98	(98)	-	-
Other government grants	-	1,007	(1,007)	-	-
Other restricted funds	-	14	(9)	-	5
	<u>255</u>	<u>3,355</u>	<u>(3,268)</u>	<u>(62)</u>	<u>280</u>
Funds excluding pensions	255	3,355	(3,268)	(62)	280
Pension reserve	(875)	-	(76)	(744)	(1,695)
	<u>(620)</u>	<u>3,355</u>	<u>(3,344)</u>	<u>(806)</u>	<u>(1,415)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	9	21	(2)	-	28
Capital expenditure from GAG	89	-	(15)	62	136
Other capital donations	-	43	(4)	-	39
Expenditure from unrestricted funds	78	-	(7)	-	71
	<u>176</u>	<u>64</u>	<u>(28)</u>	<u>62</u>	<u>274</u>
<b>Total restricted funds</b>	<u>(444)</u>	<u>3,419</u>	<u>(3,372)</u>	<u>(744)</u>	<u>(1,141)</u>
<b>Unrestricted funds</b>					
General funds	<u>570</u>	<u>20</u>	<u>(20)</u>	<u>-</u>	<u>570</u>
<b>Total funds</b>	<u>126</u>	<u>3,439</u>	<u>(3,392)</u>	<u>(744)</u>	<u>(571)</u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are the discretion of the trustees.

The transfer from General Annual Grant restricted general fund to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

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

**THE OAKWOOD ACADEMY SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**16 Analysis of net assets between funds**

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2016 £(000)
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	274	274
Current assets	570	792	-	1,362
Creditors falling due within one year	-	(512)	-	(512)
Defined benefit pension liability	-	(1,695)	-	(1,695)
	<u>570</u>	<u>(1,415)</u>	<u>274</u>	<u>(571)</u>

**17 Pensions and similar obligations**

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

**THE OAKWOOD ACADEMY SCHOOLS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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**17 Pensions and similar obligations**

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £147,000 (2015: £136,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.2 per cent for employers and between 5 and 12 per cent for employees. The estimated value of employer contributions for the forthcoming year is £131,000.

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.

<b>Total contributions made</b>	<b>2016</b>	<b>2015</b>
	<b>£(000)</b>	<b>£(000)</b>
Employer's contributions	127	96
Employees' contributions	38	34
	<hr/>	<hr/>
Total contributions	165	130
	<hr/>	<hr/>
<b>Principal actuarial assumptions</b>	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	3.4	3.8
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7
	<hr/>	<hr/>

**THE OAKWOOD ACADEMY SCHOOLS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**17 Pensions and similar obligations**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

**Sensitivity analysis**

<b>Changes in assumptions at 31 August 2016</b>	<b>Approximate % increase to employer liability</b>	<b>Approximate monetary amount (£000)</b>
0.5% decrease in Real Discount Rate	12%	551
1 year increase in member life expectancy	3%	134
0.5% increase in the Salary Increase Rate	5%	207
0.5% increase in the Pension Increase Rate	7%	325

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

	<b>2016 Years</b>	<b>2015 Years</b>
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

<b>The academy trust's share of the assets in the scheme</b>	<b>2016 Fair value £(000)</b>	<b>2015 Fair value £(000)</b>
Equities	2,007	1,627
Bonds	474	406
Property	167	135
Other assets	139	90
Total market value of assets	2,787	2,258
Actual return on scheme assets - gain/(loss)	461	36
<b>Amounts recognised in the statement of financial activities</b>	<b>2016 £(000)</b>	<b>2015 £(000)</b>
Current service cost (net of employee contributions)	170	139
Net interest cost	33	24

**THE OAKWOOD ACADEMY SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**17 Pensions and similar obligations**

<b>Changes in the present value of defined benefit obligations</b>	<b>2016 £(000)</b>	<b>2015 £(000)</b>
Obligations at 1 September 2015	3,133	2,876
Current service cost	170	180
Interest cost	118	108
Employee contributions	38	34
Actuarial loss	1,120	32
Benefits paid	(97)	(97)
At 31 August 2016	<u>4,482</u>	<u>3,133</u>

**Changes in the fair value of the academy trust's share of scheme assets**

	<b>2016 £(000)</b>	<b>2015 £(000)</b>
Assets at 1 September 2015	2,258	2,134
Interest income	85	80
Return on plan assets (excluding amounts included in net interest): Actuarial gain/(loss)	376	(30)
Employer contributions	127	137
Employee contributions	38	34
Benefits paid	(97)	(97)
At 31 August 2016	<u>2,787</u>	<u>2,258</u>

**18 Reconciliation of net income/(expenditure) to net cash flows from operating activities**

	<b>2016 £(000)</b>	<b>2015 £(000)</b>
Net income/(expenditure) for the reporting period	47	(50)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(64)	(10)
Investment income	(2)	(1)
Defined benefit pension costs less contributions payable	43	43
Defined benefit pension net finance cost/(income)	33	24
Depreciation of tangible fixed assets	28	13
(Increase)/decrease in debtors	(149)	18
Increase/(decrease) in creditors	132	(105)
<b>Net cash provided by operating activities</b>	<u>68</u>	<u>(68)</u>

**THE OAKWOOD ACADEMY SCHOOLS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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**19 Commitments under operating leases**

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

	2016 £(000)	2015 £(000)
Amounts due within one year	2	2
Amounts due in two and five years	6	8
	<u>8</u>	<u>10</u>

The academy buildings are provided on a PFI contract which at 31 August 2016 had a further 14 years to run. No financial commitment has been included for this contract in the above note because of a shortfall in available information to calculate the cost over the life of the contract. The basic annual payment and affordability gap paid for the 12 months to 31 August 2016 was £545,000 (2015: £564,000) and the cost for the year to 31 August 2017 is expected to be £560,000.

**20 Related party transactions**

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

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

**21 Members' liability**

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

**22 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £3,862 and disbursed £2,100 from the fund. An amount of £1,762 is included in creditors relating to undistributed funds that are repayable to EFA.

**THE OAKWOOD ACADEMY SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**23 Reconciliations on adoption of FRS 102**

**Reconciliation of funds for the previous financial period**

	<b>Notes</b>	<b>1 September 2014 £(000)</b>	<b>31 August 2015 £(000)</b>
Funds as reported under previous UK GAAP		238	126
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1	-	(40)
Change in actuarial loss	1	-	40
Funds reported under FRS 102		<u>238</u>	<u>126</u>

**Reconciliation of net loss for the previous financial period**

	<b>Notes</b>	<b>2015 £(000)</b>
Net expenditure as reported under previous UK GAAP		(112)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(40)
Change in actuarial loss	1	40
Net expenditure reported under FRS 102		<u>(112)</u>

**Notes to reconciliations on adoption of FRS 102**

**1. Change in recognition of LGPS**

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £40,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.