

S. Peter's Collegiate Church of England Academy Trust

Trustees Report and Financial Statements

For the Year Ended 31 August 2016

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S. Peter's Collegiate Church of England Academy Trust

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S. Peter's Collegiate Church of England Academy Trust

Reference and Administrative Details of the Academy, its Trustees and Advisers For the Year Ended 31 August 2016

Members	Church of England Central Education Trust Lichfield Diocesan Board of Education The Revd David Wright, The Incumbent
Trustees	Mr T Barnard (appointed 3 November 2015) Mr A Bickley (appointed 15 February 2016) Mrs S Bowden, Chair Until 6 January 2016 (resigned 6 January 2016) Mr J Bruton (resigned 9 January 2016) Mr D Chapman (resigned 3 September 2015) Revd P Cody Mr G Cresswell Mrs D Dalton (appointed 1 September 2016) Mr M Day (resigned 4 January 2016) Mrs S Douglas (resigned 21 April 2016) Ms J Eminson, Chair from 19 September 2016 (appointed 15 February 2016) Mr C Hopkins, Chair from 28 January 2016 to 31 August 2016 (resigned 31 August 2016) Mr D Lewis, Principal from 1 September 2016 (appointed 1 September 2016) Mr N Morgan (appointed 3 November 2015) Mr D Polowyj (appointed 15 February 2016) Mrs K Preston Mrs S Price (resigned 21 April 2016) Mr C Randles (appointed 24 February 2016) Mr K Sedgebeer (resigned 14 January 2016) Mrs E Stone (resigned 5 January 2016) Mr D Swarc (resigned 31 December 2015) Mr P Wadge (resigned 4 January 2016) Mrs J Troth (appointed 24 February 2016) Revd S Walters, Principal Until 31 August 2016 Mrs S Wedgwood (appointed 28 January 2016, resigned 31 August 2016) Mrs D Williams Mrs L Williams (resigned 5 January 2016) Revd Preb D Wright
Company registered number	08172888
Company name	S. Peter's Collegiate Church of England Academy Trust
Company secretary	Mrs A Howe
Senior management team	Revd S Walters, Principal and Accounting Officer (Until 31 August 2016) Mr D Lewis, Principal and Accounting Officer (From 1 September 2016) Mrs A Howe, Business Manager Mrs MT Rollins, Vice Principal Mr D Cooke, Associate Principal Mrs J Cooke, Assistant Principal) Mrs R Pritchard, Assistant Principal) Mr M Cooper, Assistant Principal)
Independent auditor	Dains LLP 15 Colmore Row Birmingham B3 2BH

S. Peter's Collegiate Church of England Academy Trust

**Reference and Administrative Details of the Academy, its Trustees and Advisers
For the Year Ended 31 August 2016**

Advisers (continued)

Bankers

Lloyds Bank Plc
Queen Square
Wolverhampton
West Midlands
WV1 1RF

S. Peter's Collegiate Church of England Academy Trust

Trustees' Report For the Year Ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 18, It has a pupil capacity of 1,155 and had a roll of 1,031 in the school census in October 2016.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of S. Peter's Collegiate Church of England Academy Trust are also directors of the charitable company for the purposes of company law. The charitable company is known as S. Peter's Collegiate Church of England Academy Trust.

Members of the Trust are nominated by either the Secretary of State or by Lichfield Diocesan Board of Education, The Lichfield Diocesan Umbrella Trust or the Incumbent (of St Peter's Collegiate Church). The Articles of Association require the members of the Trust to appoint at least three Directors to be responsible for the statutory and constitutional affairs of the Trust and the management of the Academy.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

Since the incorporation of the Charitable Company on 5 July 2011, the Trustees (directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in Note 11 to the financial statements the limit of this indemnity is £5,000,000.

d. Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Trustee body should be made up of:

- a) a minimum of 9 Trustees having received the following nominations;
 - i) 5 shall be nominated by the Church of England Central Education Trust, and
 - ii) 4 shall be nominated by the Incumbent following consultation with S Peter's District Church Council.
- b) up to 3 staff Trustees;
- c) the Incumbent;
- d) 3 parent Trustees;
- e) the principal; and
- f) any additional Trustees appointed by the Secretary of State for Education.

e. Policies and procedures adopted for the induction and training of Trustees

Following their appointment/election all new Trustees receive an introduction to their role from the Chair of Trustees and Principal. There is an opportunity to tour the school and meet the members of the Leadership Team. The Clerk to the Trustees provides an induction pack for all new Trustees and liaises with them to ascertain their preference in Committee membership.

The Board of Trustees is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively. The Board of Trustees allocates an annual budget for Trustee training and collectively decides on the most appropriate training necessary. Trustees with specific roles within the Board of Trustees are strongly encouraged to undertake training as required. There is a nominated trustee who undertakes the responsibility of reviewing training opportunities and makes recommendations to the Board of Trustees. The nominated Trustee liaises with the Business Manager and Chair of Trustees.

f. Organisational structure

The leadership and management structure of the Academy comprises the Trustees, Senior Leadership Team and Middle Leaders.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy's use of budgets, admission of students and making major decisions about the direction of the Academy, capital expenditure and the staffing structures.

The Senior Leadership Team includes the Principal, Associate Principal, Vice Principal and three Assistant Principals and the Business Manager who are responsible for the day to day operations of the Academy, in particular the teaching and associate staff, facilities and students in order to deliver high quality teaching and learning in a faith based establishment.

g. Pay policy for key management personnel

The Board of Trustees determine the annual pay budget on the recommendation of the Pay Committee. The Board of Trustees has delegated its pay powers to the Pay Committee.

All teaching staff salaries, including those of the Principal, Vice Principal, Associate and Assistant Principals are reviewed annually to take effect from 1 September. The Board of Trustees endeavour to complete teachers' annual pay reviews by 31 October and the Principal's annual pay review by 31 December.

For appointments the Board of Trustees determine the pay range to be advertised and agree pay on appointment, taking account of the full role.

h. Connected organisations, including related party relationships

The Academy works closely with the Diocese of Lichfield and the Lichfield Diocesan Board of Education.

Objectives and Activities

a. Objects and aims

The principal object and activity of the charitable company S. Peter's Collegiate Church of England Academy Trust is to offer a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arrangement for religious education and daily acts of worship as required by the Funding Agreement.

b. Objectives, strategies and activities

S. Peter's Collegiate School offers a broad and balanced curriculum to pupils and students aged 11-19 in a Christian environment, in the tradition of the Church of England.

It is currently rated as Outstanding by Ofsted.

The Principal left on 31 August 2016 and there is currently an Interim Principal in post to lead a root and branch review of the school, raise outcomes and ensure full compliance with all aspects of the work of the school.

The deficit has been eliminated and there is currently a full review of Associate Staff with a view to a significant reduction in spending on salary expenditure from September 2017.

c. Public benefit

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by S. Peter's Collegiate Church of England Academy Trust is the maintenance and development of a quality education provided by the school. It is the Trustees' aim to deliver outstanding learning to all of its students during the journey of improvement towards excellence. It is a priority to ensure the public benefit for all young people in Wolverhampton and the surrounding areas.

In doing this, S. Peter's Collegiate Church of England Academy Trust not only offers a broadly based academic education but aims to educate the whole individual. A very wide range of extra curricular activities and educational trips and visits are offered to students.

Trustees' Report (continued)
For the Year Ended 31 August 2016

Strategic Report

Achievements and performance

a. Key financial performance indicators

Well above average attainment at GCSE

Progress 8 2016 is -0.08, placing the school in the top 30% of all schools nationally, in terms of progress

This represents the best GCSE performance of the school.

School currently judged as Outstanding by Ofsted

The internal audit report judges that the Academy has good financial controls

Interim Principal in post since 1 September 2016

Business Manager currently in post from 2 November 2015

As a result of radical action taken by the Governing Body, supported by the Diocese of Lichfield, from February 2016, the Interim Executive Board, in place from March 2016, has been reviewed, as below.

Full review of Governing Body and the committee structure with 2 main committees in October 2016, – Resources and Attainment and Progress – in place from October 2016, with a new Chair of Governors from September 2016.

Key Performance Indicators

Academic Data:

Examination Results	2016 A Level	2015 A Level
Pass rate		
A*	10%	13%
A* or A	23%	26%
A* to B	40%	48%
A* to C	66%	74%
	GCSE	GCSE
Pass rate (5A*-C including English and mathematics)	74%	67%
Pupil Attendance Data		
Attendance	97.1%	96.6%
Financial Data		
Un/Restricted fund reserves % GAG Funding	0.4%	-1.4%
Staff Costs % of GAG Funding	87.0%	95.4%

**Trustees' Report (continued)
For the Year Ended 31 August 2016**

b. Going concern

The academy trust has made a deficit in the year of £956,074 (2015: £1,280,658). At a revenue level, the academy trust has made a surplus of £98,935 (2015: deficit of £739,905) excluding defined benefit pension liability movement. The surplus has resulted in net current assets of £22,394.

During the year, the academy trust agreed extended repayment terms with one of its main suppliers, but these liabilities will be repaid over a 24 month period from 1 September 2017.

The Trustees have prepared cash flow forecasts through to 31 August 2018, incorporating additional cost saving measures that the academy trust has implemented since the year end together with the above deferred repayment terms. These cash flow forecasts demonstrate that the academy trust continues to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The Trustees have concluded that there exists a material uncertainty that may cast significant doubt upon the academy's ability to continue as a going concern. However, after making enquiries, they consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that might arise if the going concern basis for the preparation of the financial statements was not appropriate.

Financial review

Most of the Academy Trust's income is obtained from the Education Funding Agency (EFA) in the form of General Annual Grant (GAG), the use of which is restricted to furthering the objects of the Academy Trust. The grants received from the EFA during the year ended 31 August 2016 and associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2016, total expenditure of £5,744,130 (excluding depreciation of £439,049) was covered by GAG funding from the EFA together with other incoming resources generated by the Academy.

Revenue donations of £123,931 from Governors accounts were received during the period which has contributed to the significant improvement in the current year resulting in a revenue surplus of £98,935.

After taking into account the deficit of £76,541 brought forward from 31 August 2015, the cumulative revenue reserves held at 31 August 2016 is £22,394.

As at 31 August 2016 the net book value of fixed assets was £5,402,226, movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used for providing education and the associated support services to students of the Academy.

This year, a number of measures have been taken to secure the long term financial viability of the Academy whilst continuing to drive improving standards within teaching and learning. Although changes to staffing, timetabling and the curriculum were implemented to contribute to a reduced cost base, the best GCSE performance of the school was achieved. The Academy will focus on reductions in staffing expenditure and increasing school income through an increased PAN, combined with maintaining strong internal controls to ensure the long term financial sustainability of the Academy.

**Trustees' Report (continued)
For the Year Ended 31 August 2016**

a. Reserves policy

The purpose of the Reserves Policy is to ensure the stability of the Academy's organisational operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

All reserves are reported and reviewed regularly at Director's meetings and expenditure from reserves approved by the Trustees. The Trustees are responsible for ensuring funds are maintained and used only as described in the policy and always in accordance with EFA guidelines.

b. Material investments policy

With respect to its cash holdings the Board of Trustees has adopted a low risk strategy. The Academy maintains a current account with the school's bankers. When the cashflow pattern indicates, the Academy will consider investing any surplus funds, whilst ensuring that adequate liquid funds are available to meet the day to day requirements of the Academy.

c. Principal risks and uncertainties

Risk Management

The Board of Trustees prepared and used a Risk Register to identify and monitor the potential risks faced by the Academy Trust. Risks considered were divided into the following categories:

- Operational
- Strategic and Reputational
- Compliance
- Financial Risks

Actions required to improve controls have been considered, where existing controls are not fully adequate and measures have been put in place to help mitigate risks. The Risk Register will be reviewed regularly by the recently formed Resources Committee.

Financial and Risk Management Objectives and Policies

The Academy's exposure to financial risk is primarily bank balances, cash and trade creditors, with limited trade and other debtors.

Financial risk management within the Academy will be governed by policies and guidelines reviewed by the Resources Committee and approved by the Board of Trustees. In line with its Reserves Policy the Board of Trustees aims to ensure there are sufficient reserves of cash to meet its financial obligations at all times.

The objective of financial risk management is to limit any negative impact on the academy's results and financial position.

**Trustees' Report (continued)
For the Year Ended 31 August 2016**

Plans for future periods

a. Future developments

The deficit has been eliminated.

A review of associate staffing is underway which will address the current high level of income expenditure on non-teaching salaries.

The school is growing from 180 pupils per year to 220 per year from September 2017 which will increase income into the school.

There is a stronger drive to recruit and attract more post-16 students which will increase income into the school.

The school has applied to the EFA to have the lagged increase in funds waived so that the additional income is received in September 2017.

This, together with reductions in staffing expenditure will ensure a stable financial future for the school.

3 year and 5 year budget projections are currently being prepared.

Funds held as custodian

No funds are held on behalf of others

Disclosure of information to auditor

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, Dains LLP, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by order of the board of trustees as the company directors, on 24 November 2016 and signed on its behalf by:



Ms J Eminson
Chair of Trustees

S. Peter's Collegiate Church of England Academy Trust

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that S. Peter's Collegiate Church of England Academy 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between S. Peter's Collegiate Church of England Academy 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 formally met 11 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Barnard (appointed 3 November 2015)	9	9
Mr A Bickley (appointed 15 February 2016)	4	5
Mrs S Bowden, Chair Untill 6 January 2016 (resigned 6 January 2016)	5	5
Mr J Bruton (resigned 9 January 2016)	1	1
Mr D Chapman (resigned 3 September 2015)	0	0
Revd P Cody	9	10
Mr G Cresswell	9	11
Mrs D Dalton (appointed 1 September 2016)	0	0
Mr M Day (resigned 4 January 2016)	5	5
Mrs S Douglas (resigned 21 April 2016)	6	6
Ms J Eminson, Chair from 19 September 2016 (appointed 15 February 2016)	5	5
Mr C Hopkins, Chair from 28 January 2016 to 31 August 2016 (resigned 31 August 2016)	8	11
Mr D Lewis, Principal from 1 September 2016 (appointed 1 September 2016)	0	0
Mr N Morgan (appointed 3 November 2015)	7	8
Mr D Polowyj (appointed 15 February 2016)	5	5
Mrs K Preston	11	11
Mrs S Price (resigned 21 April 2016)	4	5
Mr C Randles (appointed 24 February 2016)	3	4
Mr K Sedgebeer (resigned 14 January 2016)	3	5
Mrs E Stone (resigned 14 January 2016)	4	5
Mr D Swarc (resigned 31 December 2015)	1	4
Mr P Wadge (resigned 4 January 2016)	5	6
Mrs J Troth (appointed 24 February 2016)	4	4
Revd S Walters, Principal Until 31 August 2016	10	11
Mrs S Wedgwood (appointed 28 January 2016, resigned 31 August 2016)	3	5
Mrs D Williams	11	11
Mrs L Williams (resigned 5 January 2016)	6	6
Revd Preb D Wright	9	11

The Finance and Estates Committee is a sub-committee of the main board of trustees. Its purpose is to draft the first formal budget plan of the financial year, establish and maintain an up to date 3 year financial plan, monitor and forecast relevant income and expenditure for all areas (having a whole school perspective on the budget) reporting significant anomalies, check the budget for accuracy and completeness, ensure the school operates

Governance Statement (continued)

within its Financial Regulations and the direction of the Education Funding Agency, annually review charges, remissions and expenses policies, to approve and make decisions in respect of service agreements, approve and make decisions on expenditure following recommendations from other committees, and update policies relating to financial matters.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Barnard	1	1
Mrs S Bowden	2	2
Mr M Day	2	2
Mrs K Preston	1	1
Mrs E Stone	2	2
Mr D Swarc	0	2
Revd S Walters	2	2
Mrs L Williams	1	2
Revd Preb D Wright	2	2

At a Full Governing Body meeting held in January 2016, the Board of Trustees agreed to establish a small strategic sub-committee of the Board, to be known as the Interim Executive Committee (IEC). The IEC replaced the Finance and Estates Committee with a particular remit to oversee the budget and finances of the Academy Trust and also monitor the effectiveness and performance of the academy. This was in place from March 2016.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Cresswell	5	8
Ms J Eminson	8	8
Mr C Hopkins	5	8
Mr C Randles	7	8
Mrs J Troth	8	8
Revd S Walters	6	8
Mrs S Wedgwood	3	8

Governance Reviews

A review of governance was carried out during the early part of 2016 and an action plan established to help improve the governance of the Academy. This was followed by a financial skills audit to ensure the Trustees have adequate finance skills amongst its members to support and challenge the academy. Updates on progress made against the action plan are reported to the Full Governing Body on a periodic basis.

Review of Value for money

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

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

- Keeping its staffing structure under review and deploying staff effectively to achieve savings in the salaries budget. The timetable and teacher allocations were also reviewed to maximise the utilisation of teaching staff.
- Appointing a new catering service provider from 1 January 2016 resulting in an improved service and cost savings to the Academy.
- Reviewing its contracts and services to be procured on a regular basis to ensure the Academy receives the

Governance Statement (continued)

most competitive prices. The academy also undertakes tendering exercises to ensure high value contracts are assessed against the marketplace to secure quality services at the best price.

In addition, a register of all services and contracts has been developed and all contracts are appraised and renegotiated in a timely manner to get the best mix of quality and effectiveness at the lowest cost.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in S. Peter's Collegiate Church of England Academy Trust for the year 1 September 2015 to 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk Management Policy is currently being developed and will set out how risks / changes are managed, and roles and responsibilities of individuals / teams to ensure there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Wright and Co as internal auditor.

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

In the year under review, the areas tested included:

- Payroll procedures and controls;
- Purchasing procedures including tendering, authorisation and payment;
- General financial procedures and compliance with agreed policies and controls;

Governance Statement (continued)

- management of large capital programmes and other significant contracts recording and completeness of income;
- regularity issues including registers of interests and governance.

Review of Effectiveness

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

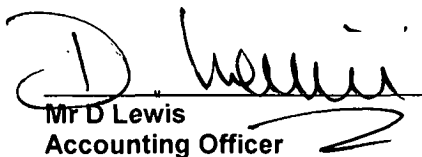
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Estates Committee and Interim Executive Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 24 November 2016 and signed on their behalf, by:



Ms J Eminson
Chair of Trustees


Mr D Lewis
Accounting Officer

S. Peter's Collegiate Church of England Academy Trust

Statement of Trustees' Responsibilities For the Year Ended 31 August 2016

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 24 November 2016 and signed on its behalf by:



Ms J Eminson
Chair of Trustees

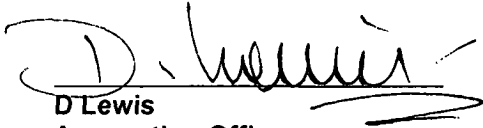
S. Peter's Collegiate Church of England Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of S. Peter's Collegiate Church of England Academy 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 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.



D Lewis
Accounting Officer

Date: 24 November 2016

Independent Auditor's Report on the Financial Statements to the Members of S. Peter's Collegiate Church of England Academy Trust

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 opinion we have formed.

Respective responsibilities of Trustees and auditor

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Independent Auditor's Report on the Financial Statements to the Members of S. Peter's Collegiate Church of England Academy Trust

Emphasis of matter - Going Concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the academy trusts ability to continue as a going concern. The conditions explained in note 1 to the financial statements indicate the existence of a material uncertainty which may cast doubt about the academy trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the academy trust was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
24 November 2016

S. Peter's Collegiate Church of England Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to S. Peter's Collegiate Church of England Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 31 October 2016 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 S. Peter's Collegiate Church of England Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of S. Peter's Collegiate Church of England Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of S. Peter's Collegiate Church of England Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

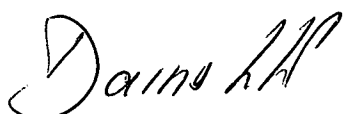
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

Conclusion

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

A handwritten signature in black ink, appearing to read 'Dains LLP', is positioned to the left of the printed name.

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

24 November 2016

S. Peter's Collegiate Church of England Academy Trust

**Statement of Financial Activities
(Incorporating Income and Expenditure Account)
For the Year Ended 31 August 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations and capital grants	2	176,205	-	76,303	252,508	121,793
Charitable activities:	3					
Funding for the academy trust's educational operations		76,218	5,461,185	-	5,537,403	5,765,450
Other trading activities	4	45,247	-	-	45,247	42,665
Investments	5	947	-	-	947	1,294
Total income		298,617	5,461,185	76,303	5,836,105	5,931,202
Expenditure on:						
Charitable activities:						
Academy trust educational operations		178,670	5,543,197	461,312	6,183,179	7,164,860
Total expenditure	7	178,670	5,543,197	461,312	6,183,179	7,164,860
Net income / (expenditure) before transfers		119,947	(82,012)	(385,009)	(347,074)	(1,233,658)
Transfers between Funds	15	(97,553)	97,553	-	-	-
Net income / (expenditure) before other recognised gains and losses		22,394	15,541	(385,009)	(347,074)	(1,233,658)
Actuarial losses on defined benefit pension scheme	12	-	(609,000)	-	(609,000)	(47,000)
Net movement in funds		22,394	(593,459)	(385,009)	(956,074)	(1,280,658)
Reconciliation of funds:						
Total funds brought forward		-	(1,277,541)	5,787,235	4,509,694	5,790,352
Total funds carried forward		22,394	(1,871,000)	5,402,226	3,553,620	4,509,694

The notes on pages 23 to 44 form part of these financial statements.

S. Peter's Collegiate Church of England Academy Trust
Registered number: 08172888

Balance Sheet
As at 31 August 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	12		5,402,226		5,787,235
Current assets					
Debtors	13	110,651		58,361	
Cash at bank and in hand		358,211		291,047	
		<u>468,862</u>		<u>349,408</u>	
Creditors: amounts falling due within one year	14	<u>(446,468)</u>		<u>(425,949)</u>	
Net current assets/(liabilities)			<u>22,394</u>		<u>(76,541)</u>
Total assets less current liabilities			<u>5,424,620</u>		<u>5,710,694</u>
Defined benefit pension scheme liability	19		<u>(1,871,000)</u>		<u>(1,201,000)</u>
Net assets including pension scheme liabilities			<u><u>3,553,620</u></u>		<u><u>4,509,694</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	15	-		(76,541)	
Restricted pension fund	15	(1,871,000)		(1,201,000)	
Restricted fixed asset funds	15	<u>5,402,226</u>		<u>5,787,235</u>	
Total restricted income funds			<u>3,531,226</u>		<u>4,509,694</u>
Unrestricted income funds	15		<u>22,394</u>		<u>-</u>
Total funds			<u><u>3,553,620</u></u>		<u><u>4,509,694</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 24 November 2016 and are signed on their behalf, by:



Ms J Eminson
Chair of Trustees

The notes on pages 23 to 44 form part of these financial statements.

S. Peter's Collegiate Church of England Academy Trust

**Statement of Cash Flows
For the Year Ended 31 August 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	66,217	(860,076)
Cash flows from investing activities:			
Dividends, interest and rents from investments		947	1,294
Purchase of tangible fixed assets		(54,040)	(57,102)
Capital grants from Governors		54,040	21,843
Net cash provided by/(used in) investing activities		947	(33,965)
Change in cash and cash equivalents in the year		67,164	(894,041)
Cash and cash equivalents brought forward		291,047	1,185,088
Cash and cash equivalents carried forward	18	358,211	291,047

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

S. Peter's Collegiate Church of England Academy Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

1. Accounting Policies (continued)

1.3 Going concern

As described in the Trustees report, the academy trust has made a deficit in the year of £956,074 (2015: £1,280,658). At a revenue level, the academy trust has made a surplus of £98,935 (2015: deficit of £739,905) excluding defined benefit pension liability movement. The surplus has resulted in net current assets of £22,394.

During the year, the academy trust agreed extended repayment terms with one of its main suppliers, but these liabilities will be repaid over a 12 month period from 1 September 2017.

The Trustees have prepared cash flow forecasts through to 31 August 2018, incorporating additional cost saving measures that the academy trust has implemented since the year end together with the above deferred repayment terms. These cash flow forecasts demonstrate that the academy trust continues to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The Trustees have concluded that there exists a material uncertainty that may cast significant doubt upon the academy's ability to continue as a going concern. However, after making enquiries, they consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that might arise if the going concern basis for the preparation of the financial statements was not appropriate.

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

1. Accounting Policies (continued)

1.4 Income

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

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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'.

Donations

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income

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

Notes to the Financial Statements
For the Year Ended 31 August 2016

1. Accounting Policies (continued)

1.5 Expenditure

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The academy trust company occupies:

- (a) land provided to it by the Local Authority under a 125-year lease;
- (b) land and buildings provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

In respect of;

- (a) A figure is entered that reflects advice taken on the value of the lease;
- (b) Having considered the fact that the academy trust company occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	-	over the term of the lease
Improvements to property	-	2% - 10% straight line basis
Fixtures and fittings	-	10% - 20% straight line basis
Computer equipment	-	33% straight line basis

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

1. Accounting Policies (continued)

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

1.7 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Operating leases

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

1.9 Taxation

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

1.10 Interest receivable

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

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

1.13 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

1. Accounting Policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 Fund accounting

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

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

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

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

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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.

Critical areas of judgement:

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Notes to the Financial Statements
For the Year Ended 31 August 2016

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Capital grant income	-	-	22,263	22,263	21,843
Governors capital donations	-	-	54,040	54,040	-
Governors donations	123,960	-	-	123,960	-
Donations for exam retakes	7,988	-	-	7,988	6,450
Donations for extra curriculum music lessons	26,155	-	-	26,155	21,294
Donations for educational visits	14,681	-	-	14,681	61,371
Other donations	3,421	-	-	3,421	10,835
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	176,205	-	76,303	252,508	121,793
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £89,115 was to unrestricted funds, £10,835 was to restricted funds and £21,843 was to restricted fixed asset funds.

Notes to the Financial Statements
For the Year Ended 31 August 2016

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
GAG grant income	-	5,234,912	5,234,912	5,349,527
Pupil premium grant income	-	108,466	108,466	72,625
Bursary grant income	-	12,352	12,352	14,034
Rates relief	-	27,949	27,949	51,714
Year 7 Catch up grant	-	6,500	6,500	7,000
EFA admission appeals grant income	-	-	-	4,500
	-	5,390,179	5,390,179	5,499,400
Other government grants				
SEN grant income	-	42,896	42,896	18,159
Pupil premium local authority income	-	7,708	7,708	21,377
	-	50,604	50,604	39,536
Other funding				
Teacher release income	-	17,875	17,875	6,517
University placement income	-	2,527	2,527	2,841
Catering income	64,001	-	64,001	206,896
Insurance claim reimbursement	2,820	-	2,820	-
Other income	9,397	-	9,397	10,260
	76,218	20,402	96,620	226,514
	76,218	5,461,185	5,537,403	5,765,450

In 2015, of the total income from charitable activities, £217,156 was to unrestricted funds and £5,548,294 was to restricted funds.

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

4. Income from other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	22,041	-	22,041	18,676
Photography commission	2,135	-	2,135	2,812
Photocopy printing	1,289	-	1,289	1,293
Purchase of school materials by pupils	12,453	-	12,453	14,938
ICT consultancy income	6,729	-	6,729	4,946
Equipment hire	600	-	600	-
	<u>45,247</u>	<u>-</u>	<u>45,247</u>	<u>42,665</u>

In 2015, of the total income from other trading activities, £42,665 was to unrestricted funds and £ NIL was to restricted funds.

5. Income from investments

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest received	947	-	947	1,294
	<u>947</u>	<u>-</u>	<u>947</u>	<u>1,294</u>

In 2015, of the total investment income, £1,294 was to unrestricted funds and £ NIL was to restricted funds.

Notes to the Financial Statements
For the Year Ended 31 August 2016

6. Charitable activities

	Total funds 2016 £	Total funds 2015 £
Direct costs - educational operations		
Wages and salaries	2,614,810	2,959,072
National insurance	239,927	244,443
Pension cost	421,058	462,814
Depreciation	302,830	317,092
LGPS pension cost	44,000	44,000
Educational supplies	79,939	211,374
Examination fees	111,068	98,502
Staff development	8,028	29,331
Technology costs	27,275	34,640
Educational consultancy	85,604	85,894
Educational trips and visits	12,955	59,161
Other direct costs	25,264	21,667
	<u>3,972,758</u>	<u>4,567,990</u>
Support costs - educational operations		
Wages and salaries	1,193,421	1,359,630
National insurance	64,961	61,852
Pension cost	214,112	150,383
Depreciation	136,219	136,762
Educational supplies	68,266	76,043
Educational consultancy	46,049	48,968
Travel and subsistence	13,963	21,633
Other direct costs	62,019	106,853
Maintenance of premises	32,838	122,598
Maintenance of equipment	3,126	7,959
Cleaning	8,975	11,082
Rates	25,626	28,116
Water rates	11,660	14,776
Energy	105,701	135,767
Insurance	64,750	62,544
Catering costs	69,825	144,488
Printing, postage and stationery	77,325	98,936
Governance costs	11,585	8,480
	<u>2,210,421</u>	<u>2,596,870</u>
	<u><u>6,183,179</u></u>	<u><u>7,164,860</u></u>

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

7. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Activities:					
Direct costs	3,275,796	301,469	395,493	3,972,758	4,542,990
Support costs	1,472,494	341,271	396,656	2,210,421	2,588,390
	<u>4,748,290</u>	<u>642,740</u>	<u>792,149</u>	<u>6,183,179</u>	<u>7,131,380</u>

In 2016, of the total expenditure, £178,670 (2015 - £302,538) was to unrestricted funds and £6,004,509 (2015 - £6,837,322) was to restricted funds.

8. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	439,049	453,855
Auditor's remuneration	8,350	8,350
Operating lease rentals	63,018	18,039
	<u>510,417</u>	<u>480,244</u>

Notes to the Financial Statements
For the Year Ended 31 August 2016

9. Staff

a. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,631,432	4,186,465
Social security costs	304,888	306,295
Operating costs of defined benefit pension schemes	635,169	613,197
	<u>4,571,489</u>	<u>5,105,957</u>
Supply teacher costs	95,391	129,737
Staff restructuring costs	81,410	2,500
	<u>4,748,290</u>	<u>5,238,194</u>

b. Non statutory / non-contractual staff severance payments

Staff restructuring costs comprise:

Redundancy payments (contractual)	81,410	-
Severance payments	-	2,500
	<u>81,410</u>	<u>2,500</u>

c. Staff numbers

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

	2016 No.	2015 No.
Teaching staff	70	77
Educational Support staff	34	29
Administrative staff	62	64
	<u>166</u>	<u>170</u>

d. Highest paid staff

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	0	2

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

9. Staff costs (continued)

e. Key management personnel

The key management personnel of the academy trust comprise the Trustees and 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 service to the academy trust was £533,211 (2015: £705,613).

10. Trustees' remuneration and expenses

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

		2016	2015
		£	£
D Chapman (resigned 01/09/2015)	Remuneration	-	50,000-55,000
	Pension contributions paid	-	5,000-10,000
J P Bruton (resigned 09/10/2015)	Remuneration	0-5,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000
D Szwarc (resigned 31/12/2015)	Remuneration	20,000-25,000	40,000-45,000
	Pension contributions paid	-	-
Rev'd P Cody	Remuneration	-	30,000-35,000
	Pension contributions paid	-	5,000-10,000
D Cooke (resigned 11 May 2015)	Remuneration	-	60,000-65,000
	Pension contributions paid	-	5,000-10,000
Rev'd S Walters	Remuneration	85,000-90,000	90,000-95,000
	Pension contributions paid	10,000-15,000	10,000-15,000
T Barnard (appointed 03/11/2015)	Remuneration	35,000-40,000	-
	Pension contributions paid	5,000-10,000	-
S N Morgan (appointed 03/11/2015)	Remuneration	35,000-40,000	-
	Pension contributions paid	5,000-10,000	-

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

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

11. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £6,300,000 on any one claim and the cost for the year ended 31 August 2016 was £1,409. For 2015 the cost of the cover was included in the total cost of the insurance.

Notes to the Financial Statements
For the Year Ended 31 August 2016

12. Tangible fixed assets

	Leasehold land £	Improvement to property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	635,542	5,039,310	225,578	742,182	6,642,612
Additions	-	54,040	-	-	54,040
At 31 August 2016	635,542	5,093,350	225,578	742,182	6,696,652
Depreciation					
At 1 September 2015	14,829	282,653	56,045	501,850	855,377
Charge for the year	5,084	169,390	37,593	226,982	439,049
At 31 August 2016	19,913	452,043	93,638	728,832	1,294,426
Net book value					
At 31 August 2016	615,629	4,641,307	131,940	13,350	5,402,226
At 31 August 2015	620,713	4,756,657	169,533	240,332	5,787,235

13. Debtors

	2016 £	2015 £
Trade debtors	1,705	6,158
VAT recoverable	25,875	26,437
Prepayments and accrued income	83,071	25,766
	110,651	58,361

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	47,613	96,813
Other taxation and social security	88,010	89,420
Other creditors	69,585	68,075
Accruals and deferred income	241,260	171,641
	446,468	425,949

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

14. Creditors: Amounts falling due within one year (continued)

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	29,199	27,153
Resources deferred during the year	29,417	29,199
Amounts released from previous years	(29,199)	(27,153)
Deferred income at 31 August 2016	<u>29,417</u>	<u>29,199</u>

Included within deferred income are funds received from the EFA in advance of the grant period for the devolve capital grant funding and rates relief.

15. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	-	298,617	(178,670)	(97,553)	-	22,394
Restricted funds						
General Annual Grant (GAG)	(76,541)	5,234,912	(5,255,924)	97,553	-	-
Other DfE / EFA grants	-	155,266	(155,266)	-	-	-
Other government grants	-	50,604	(50,604)	-	-	-
Other restricted income	-	20,403	(20,403)	-	-	-
Pension reserve	(1,201,000)	-	(61,000)	-	(609,000)	(1,871,000)
	<u>(1,277,541)</u>	<u>5,461,185</u>	<u>(5,543,197)</u>	<u>97,553</u>	<u>(609,000)</u>	<u>(1,871,000)</u>
Restricted fixed asset funds						
Transfer on conversion	620,713	-	(5,084)	-	-	615,629
DfE / EFA Capital grant & transfer from GAG	240,633	22,263	(78,373)	-	-	184,523
BSF Capital grant	4,865,994	-	(363,951)	-	-	4,502,043
Capital donations	59,895	54,040	(13,904)	-	-	100,031
	<u>5,787,235</u>	<u>76,303</u>	<u>(461,312)</u>	<u>-</u>	<u>-</u>	<u>5,402,226</u>
Total restricted funds	<u>4,509,694</u>	<u>5,537,488</u>	<u>(6,004,509)</u>	<u>97,553</u>	<u>(609,000)</u>	<u>3,531,226</u>
Total of funds	<u>4,509,694</u>	<u>5,836,105</u>	<u>(6,183,179)</u>	<u>-</u>	<u>(609,000)</u>	<u>3,553,620</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

15. Statement of funds (continued)

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

Restricted general funds

This fund represents grants and other income received for the Academy's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants received from the DfE and EFA to carry out works of a capital nature.

Transfers between funds

The transfer between funds represents a transfer from unrestricted funds to GAG to cover the deficit on this fund.

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

16. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	5,402,224	5,402,224	5,787,235
Current assets	22,394	424,572	21,898	468,864	349,408
Creditors due within one year	-	(424,572)	(21,896)	(446,468)	(425,949)
Provisions for liabilities and charges	-	(1,871,000)	-	(1,871,000)	(1,201,000)
	<u>22,394</u>	<u>(1,871,000)</u>	<u>5,402,226</u>	<u>3,553,620</u>	<u>4,509,694</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(347,074)	(1,233,658)
Adjustment for:		
Depreciation charges	439,049	453,855
Interest from investments	(947)	(1,294)
(Increase)/decrease in debtors	(52,290)	42,334
Increase/(decrease) in creditors	20,519	(196,470)
Capital grants from DfE and other capital income	(54,040)	(21,843)
Defined benefit pension scheme cost less contributions payable	61,000	97,000
Net cash provided by/(used in) operating activities	66,217	(860,076)

18. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	358,211	291,047
Total	358,211	291,047

19. Pension commitments

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

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

Contributions amounting to £69,585 were payable to the schemes at 31 August 2016 (2015 - £68,075) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

19. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £402,003 (2015 - £462,814).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £281,000 (2015 - £268,000), of which employer's contributions totalled £221,000 (2015 - £197,000) and employees' contributions totalled £60,000 (2015 - £71,000). The agreed contribution rates for future years are 21% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.75 %	4.05 %
Rate of increase for pensions in payment / inflation	2.00 %	2.30 %

Notes to the Financial Statements
For the Year Ended 31 August 2016

19. Pension commitments (continued)

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

	2016	2015
Retiring today		
Males	23.1	23.0
Females	25.8	25.2
Retiring in 20 years		
Males	25.3	25.6
Females	28.1	28.0

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	981,000	895,000
Debt instruments	257,000	262,000
Property	132,000	127,000
Cash	106,000	75,000
Other	178,000	138,000
Total market value of assets	<u>1,654,000</u>	<u>1,497,000</u>

The actual return on scheme assets was £265,000 (2015 - £59,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	237,000	250,000
Net interest cost	44,000	44,000
Administrative expenses	1,000	-
Total	<u>282,000</u>	<u>294,000</u>
Actual return on scheme assets	<u>265,000</u>	<u>59,000</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

19. Pension commitments (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	2,698,000	2,239,000
Current service cost	237,000	250,000
Interest cost	100,000	96,000
Contributions by employees	60,000	71,000
Administrative expenses	1,000	-
Actuarial losses on liabilities	818,000	54,000
Business combinations	(232,000)	-
Benefits paid	(157,000)	(12,000)
Closing defined benefit obligation	<u>3,525,000</u>	<u>2,698,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,497,000	1,182,000
Interest on assets	56,000	52,000
Return on assets less interest	209,000	7,000
Contributions by employees	60,000	71,000
Benefits paid	(157,000)	(12,000)
Contributions by employer	221,000	197,000
Business combinations	(231,000)	-
Administrative expenses	(1,000)	-
Closing fair value of scheme assets	<u>1,654,000</u>	<u>1,497,000</u>

20. Operating lease commitments

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	19,055	63,018
Between 1 and 5 years	12,160	31,215
Total	<u>31,215</u>	<u>94,233</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2016**

21. Related party transactions

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

22. Members' liability

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

23. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

Reconciliation of total funds	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP	A	5,790,352	4,509,694
Total funds reported under FRS 102		<u>5,790,352</u>	<u>4,509,694</u>
Reconciliation of net (expenditure)	Notes	31 August 2015	
		£	
Net (expenditure) previously reported under UK GAAP	A	(1,208,658)	
Change in recognition of LGPS interest cost		(25,000)	
Net movement in funds reported under FRS 102		<u>(1,233,658)</u>	

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised as an expense. The effect of the change has been to decrease net income by £25,000 and a decrease in the loss on the revaluation in other recognised gains by an equivalent amount. As a result, there has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015.
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