

**LOUND ACADEMY TRUST**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST**  
**2015**

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## **LOUND ACADEMY TRUST**

### **CONTENTS**

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	<b>Page</b>
Reference and administrative details of the academy, its trustees and advisers	<b>1 - 2</b>
Trustees' report	<b>3 - 10</b>
Governance statement	<b>11 - 14</b>
Statement on regularity, propriety and compliance	<b>15</b>
Trustees' responsibilities statement	<b>16</b>
Independent auditors' report	<b>17 - 18</b>
Independent reporting accountant's assurance report on regularity	<b>19 - 20</b>
Statement of financial activities	<b>21</b>
Balance sheet	<b>22</b>
Cash flow statement	<b>23</b>
Notes to the financial statements	<b>24 - 44</b>

## **LOUND ACADEMY TRUST**

### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2015**

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<b>Members</b>	A Roy J Grainger (appointed 1 October 2014) T Gall
<b>Trustees</b>	C Barteczko, Headteacher and Accounting officer (resigned 31 December 2014) E Bellamy, Headteacher and Accounting Officer (appointed 13 April 2015) A Roy, Chair A Williams J Grainger R Cooke (resigned 1 October 2014) V Corke (resigned 1 October 2014) R Davenport (resigned 1 October 2014) R Dixey (resigned 21 April 2015) A Garner A Hall (resigned 29 September 2014) D Hammond (resigned 21 April 2015) A Bennett (appointed 22 April 2015) J Harpham N Harp (resigned 12 November 2014) D Langley S Liddell S McCarthy Z Spink (resigned 14 September 2014) A Theaker S Powell (appointed 1 December 2014) N Jacklin (appointed 5 May 2015) J Littlewood (appointed 1 December 2014)
<b>Company registered number</b>	08550854 (England and Wales)
<b>Principal and registered office</b>	Lound Side Chapelton Sheffield S35 2UT
<b>Company secretary</b>	Browne Jacobson LLP
<b>Senior leadership team</b>	E Bellamy, Headteacher C Cotterill, Infant Deputy Headteacher R Cottam, Junior Deputy Headteacher M Wilson, Business Manager
<b>Independent auditors</b>	BHP, Chartered Accountants 2 Rutland Park Sheffield S10 2PD

**LOUND ACADEMY TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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***Administrative details (continued)***

<b>Bankers</b>	Lloyds Bank 14 Church Street Sheffield S1 1HP
<b>Solicitors</b>	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

## **LOUND ACADEMY TRUST**

### **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates 2 primary academies in Chapeltown, Sheffield. Its academies have a combined pupil capacity of 420 and had a roll of 426 in the school census on January 2015.

### **Structure, Governance and Management**

#### *Constitution*

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company was incorporated on 31 May 2013 and opened as academies on 1 July 2013. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

Under the terms of the articles of association, the Governors act as Trustees for the charitable activities of the Trust and are also Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Lound Academy Trust.

Details of the Governors who served throughout the period are included in the reference and administrative details of page 1.

#### *Members Liability*

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

#### *Governors' Indemnities*

Governors' benefit from indemnity insurance purchased at the charitable company's expense to cover the liability of the Governors which, by virtue of any role of law, would otherwise attach to them in respect of negligence, default or breach of trust or breach of duty which they may be guilty in relation to the Education Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or a breach of duty, or which was committed by the Governors in reckless disregard to whether it was breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the charitable company. The limit of this indemnity is £5,000,000.

#### *Method of Recruitment and Appointment or Election of Governors*

The First Governors (Directors) were the people named in the incorporation documents. All further Governors were then appointed, all with a dual purpose as company directors. The Secretary of State may, in special circumstances, appoint such additional directors as he sees fit, to date there has been no such additions.

## LOUND ACADEMY TRUST

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

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The number of directors shall be not less than three and the Governing Body Constitution is made up as follows:

Role	Constitution Requirement
Parent (LJS)	3
Parent (LIS)	3
LEA	0
Staff (LJS)	2
Staff (LIS)	2 (1 vacancy)
Community (LIS)	2
Community (LJS)	2
Headteacher	1
Co-opted (non-voting)	3
	<b>18</b>

Details of our Governors are available on our academy website: <http://www.loundacademy.co.uk/>

#### *Policies and Procedures Adopted for the Induction and Training of Governors*

We recognise the positive contribution that Governors can make to our organization, when they have commitment, training and are given the opportunity to do so. We can, therefore, attract and retain people who have the experience, skills and desire to make a difference in their local community. The induction and training of new Governors is managed by the Chair of Governors and the Training and Development Governor and a full programme is offered, this service being purchased from Sheffield City Council. Additionally, in-house training is also provided by educational consultants in specific areas where there may be a gap in the knowledge.

#### *Organisational Structure*

The academy trust has a single group of Governors. The Governors/Directors have appointed sub committees as follows:

- Resources: Finances, Staffing, Premises and H & S – (Finance & Resources)
- Standards: Achievement and Curriculum – (Data and Curriculum)
- Pupils, Parents, Community and Extended Schools – (People and Community)

Each of these committees has Terms of Reference which are reviewed and approved annually. The annual budgets are submitted to the Governing Body for approval, prior to submission to the Education Funding Agency, and receive regular reports on budget spend via the Finance and Resources sub-committee. The Senior Leadership Team comprising the Headteacher, two Deputy Headteacher and the Business Manager, manage the academy and implement policies approved by the Governors/Directors.

The Headteacher fulfils the role of Accounting Officer.

#### *Related Parties and other Connected Charities and Organisations*

Lound Academy Trust is not related to any parties or other Connected Charities or Organisations

## LOUND ACADEMY TRUST

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

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#### Objectives and Activities

##### *Objects and Aims*

The principal object and activity of the charitable company is the operation of Lound Academy Trust, providing education to children of different abilities from the age of 4 to 11 years.

We are committed to providing high quality learning and teaching, enabling all pupils to reach their full potential, regardless of age, ability, gender or ethnicity.

We believe that each person is unique and we work together, in an inclusive environment of mutual respect and consideration, valuing everyone's contribution. We aim to have every child ready for their journey to secondary school in order that they can take and play an active part in society.

Our academies are committed to safeguarding and promoting the welfare of pupils and adults, and we have a duty and responsibility to safeguard and promote the welfare of children.

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

School Vision:

Together we inspire children

Every child will leave our school achieving, with a bank of childhood memories, a positive self-image and a love of learning.

We will:

- Use our knowledge of how the brain learns best in order to plan where, what and how we teach. We will create learning environments that are both stimulating and comfortable.
- Break down learning into small steps that are at the right level and pace for every child.
- Focus on three key skills of life:
  - Deferred gratification
  - Maintained attention
  - Putting the needs of others first

In the school census on January 2015 there were 12 children (6.6%) on FSM at Lound Infant School and 13 children (5.3%) at Lound Junior School. This is well below the national average of 15.2% (January 2015). The use of Pupil Premium funding is being carefully planned and evaluated to ensure the progress of these children is good.

Children are increasingly entering school at FS2 with speech and language needs. Therefore training and provision has been tailored to meet this.

Children with statements/EHCP's have increasingly complex needs which we have supported and they will transition to special provision in Y7.

The catchment area covers the East and West Ecclesfield Wards. The deprivation factor shows that school is in the lowest deprivation percentile. However, of the families who live in these wards only 13.7% adults had higher education and only 17.4% of families are higher social class households. 4.9% of families within these wards live in overcrowded households. In January 2014 we appointed a Family Support Worker to work across the Academy and support our most vulnerable families.

## **LOUND ACADEMY TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015**

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Training and induction has been a major focus because of the high percentage of new staff. This has involved training and support for new teachers but also leadership support for middle leaders and new Senior Leaders. Another priority for training in 2014/15 was embedding the new curriculum from September 14.

In January 2015 both Lound Infant and Lound Junior School were judged to 'require improvement' by Ofsted. School has put an action plan in place to raise standards, enabling both schools to be 'good' by July 2016.

#### **Overview of objectives:**

##### **Achievement**

- Ensure all year groups make at least good progress
- Increase the progress of more able children
- Raise standards in reading, writing, maths and SPAG.
- In order for progress to be above national all year groups to make rapid progress particularly in reading

##### **Quality of Teaching**

- Develop an effective support programme for NQTs and RQTs.
- Improve the quality of feedback

##### **Behaviour and Safety**

- Through induction, develop clear behaviour management strategies which result in a purposeful ethos of support and engagement.
- Children conduct themselves well at all times of the day
- Further develop e safety throughout school
- Provide training and guidance for parents and children on respecting diversity and taking personal responsibility

##### **Leadership and Management**

- Leadership is distributed at all levels and across both schools with a particular focus on the role of the subject leader
- Formalising the governance structure for the Academy
- Engage parents of vulnerable children in line with the new SEN Code of Practice
- Develop the curriculum further to contribute well to children's SMSC development

##### **Public Benefit**

The directors confirm that they have complied with the duty in section 4 of the 2006 Charity Act to have due regard to guidance published by the commission regarding public benefit

#### **Strategic report**

##### ***Achievements and performance***

##### **Teaching:**

Lound Infant School – In July 2015 we judge 83% of teaching to be good or better.

Lound Junior School - In July 2015 we judge 89% of teaching to be good or better.

This information is based on daily observations; drop ins, in house observations, books scrutinies, pupil progress data, Ofsted inspection in January 2015 and from the Focus/Angram Bank/Beck mock Inspections on 14th November 2015.



**LOUND ACADEMY TRUST**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**End of FS 2015:**

<b>End of EYFS</b> % reaching a Good Level of Development		
<b>School 2014</b>	<b>School 2015</b>	<b>National 2015</b>
68%	66%	67%

**KS1 Phonics screening test:**

	<b>School 2014</b>	<b>School 2015</b>	<b>National 2015</b>
<b>National 2015</b>	85%	80%	77%
<b>Y2 cumulative</b>	-	95%	90%

**End of KS1:**

	<b>School 2014</b>	<b>School 2015</b>	<b>National 2015</b>
<b>Reading</b>	2B+ = 86% 2A+ = 69% L3+ = 28%	2B+ = 82% 2A+ = 57% L3+ = 23%	2B+ = 82% 2A+ = 59% L3+ = 32%
<b>Writing</b>	2B+ = 74% 2A+ = 60% L3+ = 10%	2B+ = 82% 2A+ = 57% L3+ = 23%	2B+ = 72% 2A+ = 41% L3+ = 18%
<b>Maths</b>	2B+ = 88% 2A+ = 59% L3+ = 26%	2B+ = 90% 2A+ = 70% L3+ = 26%	2B+ = 82% 2A+ = 55% L3+ = 26%

**End of KS2:**

	<b>School 2014</b>	<b>School 2015</b>	<b>National 2015</b>
<b>Reading</b>	L4+ = 92% L4B+ = 86% L5+ = 42% L6+ = 0%	L4+ = 94% L4B+ = 84% L5+ = 45% L6+ = 0%	L4+ = 89% L4B+ = 80% L5+ = 49% L6+ = 0%
<b>Writing</b>	L4+ = 88% L5+ = 31% L6+ = 0%	L4+ = 89% L5+ = 40% L6+ = 5%	L4+ = 87% L5+ = 36% L6+ = 2%
<b>Maths</b>	L4+ = 86% L4B+ = 83% L5+ = 51% L6+ = 8%	L4+ = 95% L4B+ = 81% L5+ = 58% L6+ = 11%	L4+ = 87% L4B+ = 77% L5+ = 42% L6+ = 9%
<b>SPaG</b>	L4+ = 81% L4B+ = 75% L5+ = 59% L6+ = 3%	L4+ = 92% L4B+ = 81% L5+ = 68% L6+ = 8%	L4+ = 80% L4B+ = 73% L5+ = 56% L6+ = 4%

	<b>School 2014</b>	<b>School 2015</b>	<b>National 2015</b>
% achieving L4 or above	85%	82%	80%
% achieving L4B or above	No data	73%	69%
% achieving L5 or above	19%	24%	24%

**LOUND ACADEMY TRUST****TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015****KS1 to KS2 Progress:**

	<b>School 2014</b>	<b>School 2015</b>	<b>National 2015</b>
<b>Reading</b>	2 levels = 91%	2 levels = 90%	2 levels = 91%
	3 levels = 19%	3 levels = 31%	3 levels = 33%
<b>Writing</b>	2 levels = 97%	2 levels = 97%	2 levels = 94%
	3 levels = 29%	3 levels = 38%	3 levels = 36%
<b>Maths</b>	2 levels = 91%	2 levels = 97%	2 levels = 90%
	3 levels = 29%	3 levels = 40%	3 levels = 34%

**Attainment of pupil premium children 2014-2015:**

<b>% of cohort who are pupil premium</b>	<b>% of pupil premium children who are age related</b>	<b>% of pupil premium children who are age related</b>	<b>% of pupil premium children who are age related</b>
	<b>Reading</b>	<b>Writing</b>	<b>Maths</b>
<b>Y1</b> 3.4%	25%	25%	25%
<b>Y2</b> 2.6%	17%	33%	33%
<b>Y3</b> 3.5%	50%	33%	33%
<b>Y4</b> 5%	50%	62%	58%
<b>Y5</b> 5%	75%	75%	75%
<b>Y6</b> 5.5%	100%	100%	75%

***Key Performance Indicators***

The Trust takes its responsibilities for managing resources very seriously and works within the guidance of the Academies Financial Handbook to ensure financial propriety and effective use and deployment of all resources. The financial performance of the academy is monitored by the Governors/Directors via regular meetings and the provision of monthly reports, produced by a peripatetic Finance Officer and the Business Manager. Information is provided in such a way that it is concise, easy to understand and changes to budget are both highlighted and a commentary provided. Performance indicators include:

- Spending has been made for the purpose it was intended
- No Director/Governor/employee has benefitted personally from the use of these funds
- Payroll arrangements fully meet tax obligations
- There is probity in the use of public funds
- Competitive tendering is in place and applied
- Segregation of duties is satisfactory
- Regular comparisons of staffing numbers and pupil numbers takes place

The Trust is also subject to scrutiny from external organisations including the EFA (via the Budget Forecast return, Whole of Government Accounts return, Financial Management and Governance Evaluation) and the local authority, with whom we still work closely on financial assurance.

***Going concern***

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

## **LOUND ACADEMY TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015**

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#### **Financial Review**

Most of the Academy's income is received from the Education Funding Agency (EFA), part of the Department for Education (DfE) in the form of recurrent grants, which is restricted for the use of educational purposes. The academies also receive a Capital grant annually from the EFA.

For the year ended 31 August 2015, the trust showed an in year surplus on unrestricted funds and GAG funds of £89,534.

#### *Reserves Policy*

The Trust's policy is to assess the on-going financial needs of Lound Academy and ensure that there is sufficient provision via appropriate income streams. The overarching principle is that this year's funds are for the benefit of this year's pupils and that all grant funding is spent as needed. However, within this, there is an understanding that it is vital the prudent cost projections must be used to inform financial planning and close attention paid to support any renewals. Historic information is analysed and this informs the planning process. Additionally a 'contingency' is held for each school, in the case of emergency or to manage any unexpected costs.

The value of free reserves held at 31 August 2015 (being the balances in the unrestricted income fund and the GAG fund) was £204,146.

#### *Investment Policy*

In this accounting period, surplus funds have not been invested but it has been agreed by Governors that a nominal amount will be invested into a higher interest account in the next financial year.

#### **Principal Risks and Uncertainties**

These include:

- Uncertainties in levels of funding
- Proposed changes to funding at national level
- Parental choice
- Pension deficit
- Impact of inflation and other factors outside the control of the academies

The Trust is mindful of all these and more and will ensure that these form part of our developing risk register on an on-going basis and the appropriate controls exist to minimise/mitigate any impact on the Trust.

The Governors have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the Academy. Systems or procedures have been established to manage those risks. The procedures include identifying the risk/potential risk, assessing them against a probability scale and identifying preventative and resilience measures. There are a number of systems in place to assess the risks that the academies face, particularly in operational areas, including teaching, health and safety, anti-bullying, ICT, safety and educational visits. Systems include vetting of new staff and visitors, monitoring and supervision of the school site and internal financial controls. These systems are for the purpose of minimising risk. Where significant financial risk can still be identified, the Governors/Directors have ensured they have adequate insurance cover.

## **LOUND ACADEMY TRUST**

### **TRUSTEES' REPORT (continued)** **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### **Plans for Future Periods**

The Trust will continue with our commitment to improve levels of achievement for all pupils, in line with our ethos of ensuring that all children reach their full potential. We understand what needs to be done to promote effective and sustainable school improvement and, in addition, we have a commitment to providing a broad and balanced curriculum in which attainments in Literacy and Numeracy are prioritised.

We will manage any estate and building refurbishments to ensure no impact on the teaching and learning of pupils.

#### **Funds held as custodian trustees on behalf of others**

Lound Academy Trust and its Governors do not act as the Custodian Trustees of any other Charity.

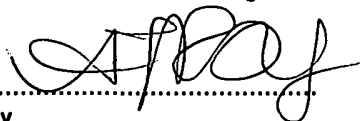
#### **Auditor**

In so far as the Trustees are aware:

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

BHP, Chartered Accountants, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year. A review of this appointment will take place before the 2016/17 financial year.

Trustees' report, incorporating a strategic report, approved by order of the Governing Body, as the company directors, on 16 December 2015 and signed on its behalf by:



**A Roy**  
Chair of Governors

## LOUND ACADEMY TRUST

### GOVERNANCE STATEMENT

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#### ***Scope of Responsibility***

As trustees, we acknowledge we have overall responsibility for ensuring that Lound 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 Governing Body has delegated the day-to-day responsibility to the headteacher, 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 Lound Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Trustees' responsibilities statement. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
C Barteczko, Headteacher and Accounting officer	2	2
Emma Bellamy, Headteacher and Accounting Officer	2	2
A Roy, Chair	6	6
A Williams	6	6
J Grainger	6	6
R Cooke	1	1
V Corke	0	1
R Davenport	0	1
R Dixey	4	4
A Garner	6	6
A Hall	0	0
D Hammond	2	4
J Harpham	3	6
N Harp	0	1
D Langley	6	6
S Liddell	4	6
S McCarthy	5	6
Z Spink	0	0
A Theaker	5	6
N Jacklin	0	1
A Bennett	2	2
S Powell	5	5
J Littlewood	4	5

E Bellamy (as Deputy Headteacher) attended 1 out of the 4 meetings.

C Cotterill (as Deputy Headteacher) attended 4 out 6 meetings.

## LOUND ACADEMY TRUST

### GOVERNANCE STATEMENT (continued)

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#### Governance reviews:

Governor practice was reviewed during our last Ofsted inspection in January 2015. The Governing Body has since introduced its own Governors Handbook and committee protocols for use from academic year 2015/16. Additionally, the Governing Body are working closely with a National Lead Governor regarding the most effective Governor structure as well as adopting recommendations for best practice in order to increase its overall effectiveness.

The Finance and Resources Committee is a sub-committee of the main Governing Body and its purpose is to manage the Academy's resources (human, physical and financial) efficiently and effectively.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Langley, Chair	3	3
Emma Bellamy, Headteacher and Accounting Officer	3	3
C Barteczko, Headteacher and Accounting Officer	1	1
J Grainger	3	3
S McCarthy, Staff Governor	1	1
A Roy	2	3
A Theaker	2	3
D Hammond	1	1
A Bennett	0	1
A Williams	1	3

C Cotterill (Deputy Headteacher) attended 2 meetings

M Wilson (Business Manager) attended 3 meetings.

Emma Bellamy and Catherine Cotterill shared Accounting Officer duties for the period 1 Jan 2015 – 12 April 2015 up to Emma Bellamy being appointed Headteacher

#### ***Review of Value for Money***

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

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

#### Improving Educational Outcomes

- The Trust annually reviews its staffing structure and deploys staff efficiently to support year groups/children that need additional support and to provide additional support for curriculum subjects such as writing, to ensure pupils have the opportunity to raise their individual level of attainment.
- The Trust works collaboratively with the Family of Schools and collaborates closely with two local primary schools to share good practice and training for staff to reduce costs. The Trust also works collaboratively with the Secondary School to drive standards.

## **LOUND ACADEMY TRUST**

### **GOVERNANCE STATEMENT (continued)**

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#### **Financial Governance & Oversight**

- Directors and Governors are aware of their responsibilities, both educationally and financially, and will undertake additional training to equip and enable them to carry out their roles in the new organisation.
- Our governance arrangements include regular monitoring by the Board of Trustees and its committees, including the Finance & Resources Sub-Committee. They receive regular financial reports and ask relevant questions as evidenced in the minutes.
- The work of these committees is further informed by regular Responsible Officer reports following on-going termly monitoring visits undertaken by BHP, Chartered Accountants.

#### **Better Purchasing**

Examples of steps taken to ensure value for money when purchasing include:

- Exploring alternative purchasing options both on-line and direct through suppliers to find the best value.
- Negotiating with suppliers/services to school to benefit from economies of scale for the Trust
- Implementing a tender process for significant purchases and/or contracts, for example IT equipment and office refurbishment.

Contracts are reviewed annually to ensure they are still fit for purpose and provide value for money, for example grounds maintenance, HR and payroll and Financial services

#### **Future Objectives**

- We recognize the need to continue developing relationships with other academies and/or local schools, in order to benefit from economies of scale in procuring products and services, developing staff and sharing knowledge, skill and expertise.
- The Trust's banking arrangements will be reviewed and, where cash flow allows, monies are transferred to a higher interest account.
- Continued negotiation to drive down costs.

#### ***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 Lound Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

#### ***Capacity to Handle Risk***

The Governing Body 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 Governing Body 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

#### ***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 Governing Body;

## LOUND ACADEMY TRUST

### GOVERNANCE STATEMENT (continued)

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- regular reviews by the Resources 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governing Body have appointed BHP, Chartered Accountants, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current year included:

- testing of payroll systems
- testing of purchase systems
- testing of petty cash systems
- testing of credit card systems
- review of meeting minutes

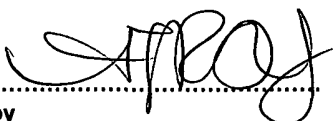
#### ***Review of Effectiveness***

As accounting officer, the headteacher 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 external auditors;
- the reports from the responsible officer;
- 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.
- regular scrutiny of financial and other performance monitoring data.

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 Resources 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 Governing Body on 16 December 2015 and signed on its behalf, by:

  
.....  
**A Roy**  
Chair of Governors

  
.....  
**E Bellamy**  
Accounting Officer



**LOUND ACADEMY TRUST**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As accounting officer of Lound Academy Trust I have considered my responsibility to notify the academy Governing Body 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy Governing Body are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2014.

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 Governing Body and EFA.

.....*E Bellamy*.....  
**E Bellamy**  
Accounting Officer

Date: 16 December 2015

## LOUND ACADEMY TRUST

### TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

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The Trustees (who act as governors of Lound 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:

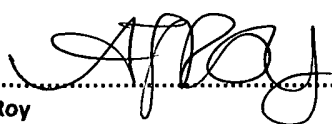
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 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 Governing Body on 16 December 2015 and signed on its behalf by:

  
.....  
**A Roy**  
Chair of Governors

## **LOUND ACADEMY TRUST**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOUND ACADEMY TRUST**

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

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

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' responsibilities statement, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

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

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

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

**LOUND ACADEMY TRUST**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOUND ACADEMY TRUST**

---

**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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Philip Allsop (Senior statutory auditor)

for and on behalf of

**BHP, Chartered Accountants**

Statutory Auditors

2 Rutland Park

Sheffield

S10 2PD

16 December 2015

## **LOUND ACADEMY TRUST**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LOUND ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 20 January 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lound Academy Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of Lound Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Lound Academy Trust's funding agreement with the Secretary of State for Education dated 27 June 2013, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

The work undertaken to draw our conclusions includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;
- Review of the academy's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that EFA approval has been obtained for relevant transactions;
- Discussions with Governors, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

**LOUND ACADEMY TRUST**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LOUND ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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**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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Philip Allsop (Senior statutory auditor)

**BHP, Chartered Accountants**

Statutory Auditors

2 Rutland Park  
Sheffield  
S10 2PD

16 December 2015

**LOUND ACADEMY TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES**

*(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)*  
**FOR THE YEAR ENDED 31 AUGUST 2015**

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 14 months 2014 £
	Note					
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Transfers from local authority on conversion	2	-	-	-	-	4,025,941
Other voluntary income	2	-	66,609	-	66,609	59,026
Activities for generating funds	3	370	23,230	-	23,600	414
Investment income	4	265	-	-	265	224
Incoming resources from charitable activities	5	-	1,815,742	24,713	1,840,455	2,031,141
<b>Total incoming resources</b>		<b>635</b>	<b>1,905,581</b>	<b>24,713</b>	<b>1,930,929</b>	<b>6,116,746</b>
<b>Resources expended</b>						
Costs of generating funds:						
Costs of generating voluntary income		-	71,628	-	71,628	48,132
Charitable activities		59	1,721,607	112,829	1,834,495	2,091,941
Governance costs	8	-	38,409	-	38,409	31,224
<b>Total resources expended</b>	6	<b>59</b>	<b>1,831,644</b>	<b>112,829</b>	<b>1,944,532</b>	<b>2,171,297</b>
<b>Net incoming / (outgoing) resources before revaluations</b>		<b>576</b>	<b>73,937</b>	<b>(88,116)</b>	<b>(13,603)</b>	<b>3,945,449</b>
Actuarial gains and losses on defined benefit pension schemes		-	(32,000)	-	(32,000)	(163,000)
<b>Net movement in funds for the year</b>		<b>576</b>	<b>41,937</b>	<b>(88,116)</b>	<b>(45,603)</b>	<b>3,782,449</b>
Total funds at 1 September 2014		68,078	(834,089)	4,548,460	3,782,449	-
<b>Total funds at 31 August 2015</b>		<b>68,654</b>	<b>(792,152)</b>	<b>4,460,344</b>	<b>3,736,846</b>	<b>3,782,449</b>

All of the academy's activities derive from continuing operations in the current period.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 44 form part of these financial statements.

**LOUND ACADEMY TRUST**  
**REGISTERED NUMBER: 08550854**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	2014 £
<b>Fixed assets</b>				
Tangible assets	14		4,453,412	4,548,460
<b>Current assets</b>				
Debtors	15	46,475	55,122	
Cash at bank and in hand		309,403	214,114	
		<u>355,878</u>	<u>269,236</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(124,444)</u>	<u>(145,247)</u>	
<b>Net current assets</b>			<u>231,434</u>	<u>123,989</u>
<b>Total assets less current liabilities</b>			<u>4,684,846</u>	<u>4,672,449</u>
Defined benefit pension scheme liability	22		<u>(948,000)</u>	<u>(890,000)</u>
<b>Net assets including pension scheme liability</b>			<u><u>3,736,846</u></u>	<u><u>3,782,449</u></u>
<b>Funds of the academy</b>				
Restricted funds :				
Restricted funds	17	155,848	55,911	
Restricted fixed asset funds	17	4,460,344	4,548,460	
Restricted funds excluding pension liability		<u>4,616,192</u>	<u>4,604,371</u>	
Pension reserve		<u>(948,000)</u>	<u>(890,000)</u>	
Total restricted funds			<u>3,668,192</u>	<u>3,714,371</u>
Unrestricted funds	17		<u>68,654</u>	<u>68,078</u>
<b>Total funds</b>			<u><u>3,736,846</u></u>	<u><u>3,782,449</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 16 December 2015 and are signed on their behalf, by:

.....  
**A Roy**  
Chair of Governors

The notes on pages 24 to 44 form part of these financial statements.



**LOUND ACADEMY TRUST****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 AUGUST 2015**

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		<b>31 August</b>	<b>14 months ended</b>
		<b>2015</b>	<b>31 August</b>
	<b>Note</b>	<b>£</b>	<b>2014</b>
			<b>£</b>
Net cash flow from operating activities	19	<b>88,092</b>	16,009
Returns on investments and servicing of finance	20	<b>265</b>	224
Capital expenditure and financial investment	20	<b>6,932</b>	(75,948)
Cash transferred on conversion to an academy trust		-	142,441
<b>Increase in cash in the year</b>		<b>95,289</b>	<b>82,726</b>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS****FOR THE YEAR ENDED 31 AUGUST 2015**

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	<b>31 August</b>	<b>14 months ended</b>
	<b>2015</b>	<b>31 August</b>
	<b>£</b>	<b>£</b>
Increase in cash in the year	<b>95,289</b>	82,726
<b>Movement in net funds in the year</b>	<b>95,289</b>	82,726
Net funds at 1 September 2014	<b>214,114</b>	131,388
<b>Net funds at 31 August 2015</b>	<b>309,403</b>	<b>214,114</b>

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The notes on pages 24 to 44 form part of these financial statements.

## LOUND ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

---

#### 1. Accounting Policies

##### 1.1 *Basis of preparation of financial statements*

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

##### 1.2 *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 Governors.

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

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

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

##### 1.3 *Incoming resources*

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

Sponsorship income 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.

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

**1. Accounting Policies (continued)**

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 donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**1.4 Resources expended**

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

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

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**1. Accounting Policies (continued)**

**1.6 Tangible fixed assets and depreciation**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	land - not depreciated; buildings - straight line over 30 years
Fixtures and fittings	-	10% straight line
Computer equipment	-	33.3% straight line

**1.7 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.8 Taxation**

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

**1. Accounting Policies (continued)**

**1.9 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**2. Voluntary income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 14 months 2014 £
Transfers from local authority on conversion	-	-	-	4,025,941
Sundry income	-	66,609	66,609	59,026
Voluntary income	-	66,609	66,609	4,084,967

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**3. Activities for generating funds**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 14 months 2014 £
Other	370	23,230	23,600	414

**4. Investment income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 14 months 2014 £
Bank interest	265	-	265	224

**5. Incoming resources from charitable activities**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 14 months 2014 £
Education	-	1,840,455	1,840,455	2,031,141

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**Funding for Academy's educational operations**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 14 months 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant	-	1,641,309	1,641,309	1,922,667
Other DfE/EFA grants	-	150,984	150,984	82,204
Capital grants	-	24,713	24,713	13,400
	-	1,817,006	1,817,006	2,018,271
<b>Other government grants</b>				
SEN	-	23,449	23,449	12,870
	-	23,449	23,449	12,870
	-	1,840,455	1,840,455	2,031,141

**6. Resources expended**

	Staff costs 2015 £	Premises 2015 £	Non Pay Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	-	-	71,628	71,628	48,132
<b>Costs of generating funds</b>	-	-	71,628	71,628	48,132
Direct costs	942,967	107,862	128,809	1,179,638	1,313,487
Support costs	333,403	38,060	283,394	654,857	778,454
<b>Charitable activities</b>	1,276,370	145,922	412,203	1,834,495	2,091,941
<b>Governance</b>	6,499	-	31,910	38,409	31,224
	1,282,869	145,922	515,741	1,944,532	2,171,297

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**7. Charitable Activities**

	2015 £	14 months 2014 £
<b><i>Direct costs - educational operations</i></b>		
Wages and salaries	789,599	941,071
National insurance	46,816	53,232
Pension costs	106,552	116,780
Staff development	11,367	19,641
Technology costs	26,716	13,728
Educational supplies	50,026	35,996
Educational consultancy	4,733	1,651
Depreciation	112,829	131,388
	<b>1,148,638</b>	<b>1,313,487</b>
<b><i>Support costs - educational operations</i></b>		
Wages and salaries	246,181	327,610
National insurance	10,910	16,544
Pension costs	76,312	65,209
Pension finance costs (note 12)	31,000	36,000
Staff development	5,665	5,804
Technology costs	4,682	8,893
Maintenance of premises	29,594	31,058
Cleaning	10,666	8,422
Water and rates	9,674	11,846
Heat and light	23,384	31,566
Insurance	42,336	56,683
Catering	55,864	1,113
Bank interest and charges	128	156
Office costs	17,163	10,957
Bought back services	118,369	159,615
Other costs	3,929	6,978
	<b>685,857</b>	<b>778,454</b>
<b>Total direct and support costs</b>	<b>1,834,495</b>	<b>2,091,941</b>



**LOUND ACADEMY TRUST****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015****8. Governance costs**

	Total funds 2015 £	Total funds 14 months 2014 £
Auditors' remuneration	8,160	8,000
Auditors' non audit costs	1,306	-
Legal and professional	22,444	17,037
Wages and salaries	5,213	6,187
Governance expense - NI	472	-
Governance expense - pension costs	814	-
	<b>38,409</b>	<b>31,224</b>

**9. Staff****a. Staff costs**

Staff costs were as follows:

	31 August 2015 £	14 months ended 31 August 2014 £
Wages and salaries	1,016,808	1,191,684
Social security costs	58,198	69,776
Other pension costs (Note 22)	183,678	181,989
	<b>1,258,684</b>	<b>1,443,449</b>
Supply teacher costs	24,185	34,847
Compensation payments	-	48,337
	<b>1,282,869</b>	<b>1,526,633</b>

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**9. Staff (continued)**

**b. Staff numbers**

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	<b>31 August 2015</b>	<b>14 months ended 31 August 2014</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>15</b>	<b>15</b>
Administration and support	<b>22</b>	<b>25</b>
Management	<b>3</b>	<b>4</b>
	<hr/>	<hr/>
	<b>40</b>	<b>44</b>
	<hr/>	<hr/>

**c. Higher paid staff**

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

	<b>31 August 2015</b>	<b>14 months ended 31 August 2014</b>
	<b>No.</b>	<b>No.</b>
In the band £ 60,001 - £ 70,000	<b>0</b>	<b>1</b>
	<hr/>	<hr/>

## LOUND ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

#### 10. Governors' remuneration and expenses

The Headteacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration, including pension contributions, was as follows: C Barteczko (former headteacher and governor) Remuneration £20,000-£25,000 (2014: £70,000-£75,000) Employer's pension contributions £0-£5,000 (2014: £10,000-£15,000), E Bellamy (headteacher and governor) Remuneration £20,000-£25,000 (2014: £nil) Employer's pension contributions £0-£5,000 (2014: £nil), A Bennett (staff governor) Remuneration £5,000-£10,000 (2014: £nil) Employer's pension contributions £0-£5,000 (2014: £nil), R Davenport (staff governor) Remuneration £0-£5,000 (2014: £40,000-£45,000) Employer's pension contributions £0-£5,000 (2014: £5,000-£10,000), A Hall (staff governor) Remuneration £0-£5,000 (2014: £20,000-£25,000) Employer's pension contributions £0-£5,000 (2014: £0-£5,000), D Hammond (staff governor) Remuneration £15,000-£20,000 (2014: £10,000-£15,000) Employer's pension contributions £0-£5,000 (2014: £0-£5,000), J Littlewood (staff governor) Remuneration £10,000-£15,000 (2014: £nil) Employer's pension contributions £0-£5,000 (2014: £nil), S McCarthy (staff governor) Remuneration £15,000-£20,000 (2014: £15,000-£20,000) Employer's pension contributions £0-£5,000 (2014: £0-£5,000).

During the period, no Governors received any reimbursement of expenses.

#### 11. Central services

No central services were provided by the academy to its academies during the year and no central charges arose.

#### 12. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £3,181 (2014 - £3,190). The cost of this insurance is included in the total insurance cost.

#### 13. Other finance income

	31 August 2015 £	14 months ended 31 August 2014 £
Expected return on pension scheme assets	14,000	11,000
Interest on pension scheme liabilities	(45,000)	(47,000)
	<u>(31,000)</u>	<u>(36,000)</u>

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**14. Tangible fixed assets**

	<b>L/Term Leasehold Property £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 September 2014	4,664,652	2,594	12,602	4,679,848
Additions	9,241	5,500	3,040	17,781
At 31 August 2015	4,673,893	8,094	15,642	4,697,629
<b>Depreciation</b>				
At 1 September 2014	126,336	151	4,901	131,388
Charge for the year	107,861	176	4,792	112,829
At 31 August 2015	234,197	327	9,693	244,217
<b>Net book value</b>				
At 31 August 2015	4,439,696	7,767	5,949	4,453,412
At 31 August 2014	4,538,316	2,443	7,701	4,548,460

Leasehold land and buildings

On conversion to Academy status, Rotherham MBC's Land and Property Team were appointed to carry out a valuation of the land and buildings transferred to the academy. The valuation was carried out on 1 July 2013. The land element of this is not depreciated.

**15. Debtors**

	<b>2015 £</b>	<b>2014 £</b>
Tax recoverable	12,884	33,593
Prepayments and accrued income	33,591	21,529
	46,475	55,122

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**16. Creditors:  
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	414	-
Other taxation and social security	17,228	18,864
Accruals and deferred income	106,802	126,383
	<u>124,444</u>	<u>145,247</u>

**Deferred income**

Deferred income at 1 September 2014	95,242
Resources deferred during the year	40,277
Amounts released from previous years	(95,242)
Deferred income at 31 August 2015	<u>40,277</u>

At the balance sheet date the academy trust was holding funds received in advance for other government grants which relate to 2015/16.

**17. Statement of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>					
General funds	<u>68,078</u>	<u>635</u>	<u>(59)</u>	<u>-</u>	<u>68,654</u>
<b>Restricted funds</b>					
General Annual Grant (GAG)	46,534	1,641,309	(1,552,351)	-	135,492
Pupil Premium	-	64,107	(64,107)	-	-
PE funding	-	17,830	(15,666)	-	2,164
Trip funding	-	22,028	(22,028)	-	-
SEN	-	23,449	(23,449)	-	-
School fund	9,377	66,609	(57,794)	-	18,192
UIFSM	-	69,047	(69,047)	-	-
Other	-	1,202	(1,202)	-	-
Pension reserve	(890,000)	-	(26,000)	(32,000)	(948,000)
	<u>(834,089)</u>	<u>1,905,581</u>	<u>(1,831,644)</u>	<u>(32,000)</u>	<u>(792,152)</u>

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**17. Statement of funds (continued)**

***Restricted fixed asset funds***

Restricted fixed asset funds	<b>4,548,460</b>	<b>24,713</b>	<b>(112,829)</b>	<b>-</b>	<b>4,460,344</b>
Total restricted funds	<b>3,714,371</b>	<b>1,930,294</b>	<b>(1,944,473)</b>	<b>(32,000)</b>	<b>3,668,192</b>
Total of funds	<b>3,782,449</b>	<b>1,930,929</b>	<b>(1,944,532)</b>	<b>(32,000)</b>	<b>3,736,846</b>

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

**Restricted general funds**

**General Annual Grant (GAG)** - The Academy's principal funding stream received from the Education Funding Agency. This must be used to fund the normal running costs of the Academy for the benefit of existing students.

**Pupil Premium** - DfE funding to address the current underlying inequalities between children eligible for free school meals (FSM) and their wealthier peers by ensuring that funding to tackle the disadvantage reaches the pupils who need it most.

**PE funding** - Funding received to provide improvements to the provision of PE and sports.

**Trip funding** - Funds received from parents to cover the costs of other school trips.

**SEN** - Costs for providing support for children with special educational needs.

**School fund** - Funds raised by students for school activities and charitable donations.

**UIFSM** - Funds provided to offer free school meals to all pupils in reception, year 1 and year 2.

**Other restricted funds** - Other funds received by the Academy to be spent on specific projects.

**Defined benefit pension liability** - The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the EFA Accounts Direction.

**Restricted fixed asset funds**

**Restricted fixed asset funds** - Assets donated to the Academy from the local authority on conversion.

**Unrestricted funds**

The unrestricted funds represent funds available to the Governors to apply for the general purposes of the academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**17. Statement of funds (continued)**

***Analysis of academies by fund balance***

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Lound Infants	88,503
Lound Juniors	135,999
Total before fixed asset fund and pension reserve	224,502
Restricted fixed asset fund	4,460,344
Pension reserve	(948,000)
Total	3,736,846

***Analysis of academies by cost***

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Lound Infants	401,233	144,501	23,852	241,107	810,693
Lound Juniors	541,734	195,401	26,174	257,701	1,021,010
	942,967	339,902	50,026	498,808	1,831,703

**Summary of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	68,078	635	(59)	-	68,654
Restricted funds	(834,089)	1,905,581	(1,831,644)	(32,000)	(792,152)
Restricted fixed asset funds	4,548,460	24,713	(112,829)	-	4,460,344
	3,782,449	1,930,929	(1,944,532)	(32,000)	3,736,846

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**18. Analysis of net assets between funds**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 14 months ended 31 August 2014 £
Tangible fixed assets	-	-	4,453,412	4,453,412	4,548,460
Current assets	81,446	267,500	6,932	355,878	269,236
Creditors due within one year	(12,792)	(111,652)	-	(124,444)	(145,247)
Provisions for liabilities and charges	-	(948,000)	-	(948,000)	(890,000)
	<b>68,654</b>	<b>(792,152)</b>	<b>4,460,344</b>	<b>3,736,846</b>	<b>3,782,449</b>

**19. Net cash flow from operations**

	31 August 2015 £	14 months ended 31 August 2014 £
Net incoming resources before revaluations	(13,603)	3,945,449
Returns on investments and servicing of finance	(265)	(224)
Fixed assets donated on conversion	-	(4,590,500)
Cash transferred on conversion to an academy trust	-	(142,441)
Depreciation of tangible fixed assets	112,829	-
Capital grants from DfE	(24,713)	(13,400)
Decrease/(increase) in debtors	8,647	(55,122)
(Decrease)/increase in creditors	(20,803)	145,247
Pension deficit inherited on conversion	-	707,000
FRS 17 adjustments	26,000	20,000
<b>Net cash inflow from operations</b>	<b>88,092</b>	<b>16,009</b>

**20. Analysis of cash flows for headings netted in cash flow statement**

	31 August 2015 £	14 months ended 31 August 2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	265	224



**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**20. Analysis of cash flows for headings netted in cash flow statement (continued)**

	31 August 2015 £	14 months ended 31 August 2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(17,781)	(89,348)
Capital grants from DfE	24,713	13,400
<b>Net cash inflow/(outflow) capital expenditure</b>	<b>6,932</b>	<b>(75,948)</b>

**21. Analysis of changes in net funds**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	214,114	95,289	-	309,403
<b>Net funds</b>	<b>214,114</b>	<b>95,289</b>	<b>-</b>	<b>309,403</b>

**22. 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 South Yorkshire Pension Fund. 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 August 2015.

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.

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

The pension costs paid to TPS in the period amounted to £81,851 (2014: £92,775).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 2015 was £127,000, of which employer's contributions totalled £102,000 and employees' contributions totalled £25,000. The agreed contribution rates for future years are 15.7% to 16.6% for employers and 5.5% to 9.9% 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.

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**22. Pension commitments (continued)**

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	59.40	165,000	61.20	154,000
Government bonds	14.30	40,000	13.10	32,000
Other bonds	5.90	17,000	6.60	16,000
Property	11.50	32,000	10.80	27,000
Cash/liquidity	1.80	5,000	1.80	4,000
Other	7.10	20,000	6.50	16,000
Total market value of assets		279,000		249,000
Present value of scheme liabilities		(1,227,000)		(1,139,000)
(Deficit)/surplus in the scheme		(948,000)		(890,000)

The amounts recognised in the Balance sheet are as follows:

	31 August 2015 £	14 months ended 31 August 2014 £
Present value of funded obligations	(1,227,000)	(1,139,000)
Fair value of scheme assets	279,000	249,000
Net liability	(948,000)	(890,000)

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

	31 August 2015 £	14 months ended 31 August 2014 £
Current service cost	(97,000)	(86,000)
Interest on obligation	(45,000)	(47,000)
Expected return on scheme assets	14,000	11,000
Gains on curtailments and settlements	-	(30,000)
Total	(128,000)	(152,000)

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**22. Pension commitments (continued)**

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

	31 August 2015 £	14 months ended 31 August 2014 £
Opening defined benefit obligation	1,139,000	-
Current service cost	97,000	86,000
Interest cost	45,000	47,000
Contributions by scheme participants	25,000	26,000
Actuarial Losses	24,000	173,000
Losses on curtailments	-	30,000
Liabilities assumed in a business combination	-	819,000
Benefits paid	(103,000)	(42,000)
	<u>1,227,000</u>	<u>1,139,000</u>
Closing defined benefit obligation	<u>1,227,000</u>	<u>1,139,000</u>

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

	31 August 2015 £	14 months ended 31 August 2014 £
Opening fair value of scheme assets	249,000	-
Expected return on assets	14,000	11,000
Actuarial gains and (losses)	(8,000)	10,000
Contributions by employer	102,000	132,000
Contributions by employees	25,000	26,000
Assets acquired in a business combination	-	112,000
Benefits paid	(103,000)	(42,000)
	<u>279,000</u>	<u>249,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £32,000 loss (2014 - £163,000 loss).

The academy expects to contribute £98,000 to its Defined benefit pension scheme in 2016.

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**22. Pension commitments (continued)**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2015</b>	<b>2014</b>
European equities	<b>59.40 %</b>	61.20 %
Government bonds	<b>14.30 %</b>	13.10 %
Other bonds	<b>5.90 %</b>	6.60 %
Property	<b>11.50 %</b>	10.80 %
Cash	<b>1.80 %</b>	1.80 %
Other	<b>7.10 %</b>	6.50 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	<b>2015</b>	<b>2014</b>
Discount rate for scheme liabilities	<b>3.95 %</b>	3.95 %
Rate of increase in salaries	<b>4.00 %</b>	3.90 %
Rate of increase for pensions in payment / inflation	<b>2.25 %</b>	2.15 %
Inflation assumption (CPI)	<b>2.25 %</b>	2.15 %

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

	<b>2015</b>	<b>2014</b>
Retiring today		
Males	<b>23.0</b>	22.9
Females	<b>25.6</b>	25.5
Retiring in 20 years		
Males	<b>25.3</b>	25.2
Females	<b>28.4</b>	28.3

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Defined benefit obligation	<b>(1,227,000)</b>	(1,139,000)
Scheme assets	<b>279,000</b>	249,000
Deficit	<b>(948,000)</b>	(890,000)
Experience adjustments on scheme liabilities	<b>(24,000)</b>	(173,000)
Experience adjustments on scheme assets	<b>(8,000)</b>	10,000

**LOUND ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**23. Operating lease commitments**

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
<b><i>Expiry date:</i></b>		
Within 1 year	169	5,178
Between 2 and 5 years	4,194	644
	<u>4,363</u>	<u>5,822</u>

**24. Related party transactions**

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

No related party transactions took place in the year.