

EXTOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

Registered number: 08561360



EXTOL ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its directors and advisers	1
Directors' report	2 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Directors' responsibilities statement	14
Independent auditors' report	15 - 16
Independent reporting accountant's assurance report on regularity	17 - 18
Statement of financial activities	19 - 20
Balance sheet	21
Cash flow statement	22
Notes to the financial statements	23 - 43

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

Directors

Julie Deville
Stephen Wallace
Carole Bradley
Paul Hamilton
Jacqueline Butterworth
Leo Gillen (appointed 5 March 2015)

Company registered number

08561360

Principal and registered office

Eldon Grove Academy, Eldon Grove, Hartlepool, Cleveland, TS26 9LY

Clerk to directors

Geraldine Fitchett-Bell

Senior management team

J Deville, Executive Headteacher
C Bradley, Head of School
A Brahimi, Deputy Headteacher

Independent auditors

Waltons Clark Whitehill Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

Bankers

Lloyds Commercial, 102 Grey Street, Newcastle upon Tyne, NE1 6AG

Solicitors

Bond Dickinson, St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX

Members

Jacqueline Butterworth (Chair)
Patricia Vaughan
Michael Bretherick

EXTOL ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The directors present their annual report together with the audited financial statements and auditors' report of Extol Academy Trust (the academy) for the year to 31 August 2015. The directors confirm that the annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operates a primary academy in Hartlepool. It has a pupil capacity of 420 plus 78 nursery places and has a roll of 483 in the school census on 1 October 2015.

Structure, governance and management

● **CONSTITUTION**

Extol Academy Trust is a charitable company limited by guarantee and exempt charity (registration number 8561360). The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

Details of the directors who served during the year are included in the Reference and Administrative details on page 1

● **DIRECTORS' LIABILITY**

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

TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act 2006 and Article 6.3 every director or other officer or auditor of the Company shall be indemnified out of the assets of the company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted by them to the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

● **METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS**

The initial members of the Multi Academy Trust were nominated by the Governing Body of Eldon Grove School. The number of directors as set out in the Articles of Association and Funding Agreement shall not be less than 3.

Subject to Articles 48-49, the Company shall have the following directors:

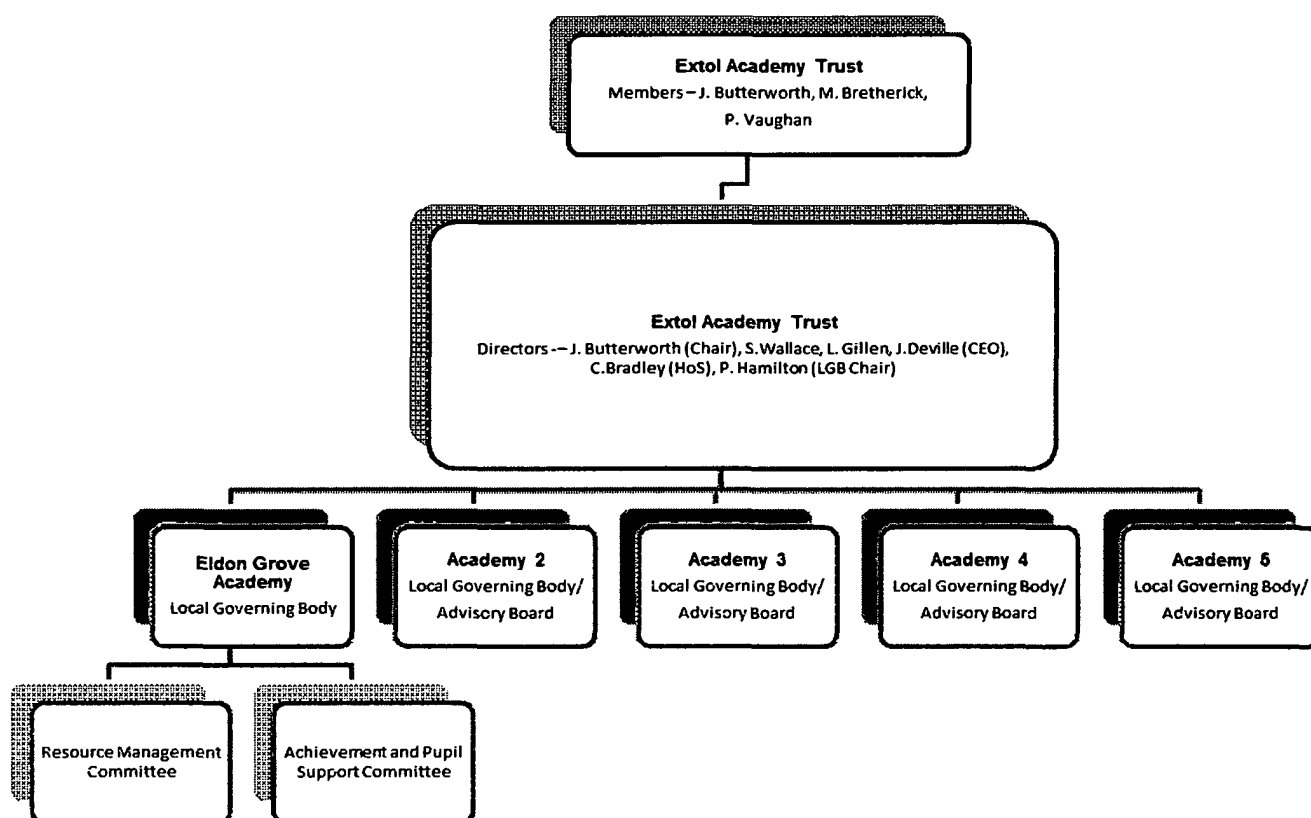
- Up to 6 directors, appointed under Article 50;
- the Chief Executive Officer;
- up to 5 Principals appointed pursuant to Article 51A;
- up to 5 Chairs of the Local Governing Bodies appointed pursuant to Article 51B;
- a minimum of 2 parent directors if appointed under Articles 53-56D.

The management of the academy is the responsibility of the directors who are elected and co opted under the terms of the Trust deed.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

● **ORGANISATIONAL STRUCTURE**



Extol Academy Trust Board is ultimately responsible to the Department for Education and must ensure that its academies act in accordance with the Master Funding Agreement, Supplementary Funding Agreement, Academies Financial Handbook and all other relevant legislation. The Academy Board has established a Local Governing Body in Eldon Grove Academy in accordance with the Local Governing Body Terms of reference. Each Local Governing Body receives delegated authority from the Trust Board as set out in Scheme of Delegation; to support the Board in fulfilling its obligation.

Local Governing Body Membership

- Head of School
- Representative from Academy Trust (CEO)
- 3 Parental Representatives
- 2 Staff
- Six Representatives from the Local Community

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

● **POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS**

During the year 2014/15 the directors held three meetings.

Following their appointment/election all new trustees/directors/governors will receive an induction to their role from Chair of Directors and Executive Headteacher. This will include a tour of the Academy and the opportunity to meet members of the Senior Leadership Team, staff and pupils.

Training and induction will be dependent on their existing experience. Extol Academy is committed to providing training opportunities so as to enable directors to undertake their role more effectively, and provides them with copies of policies, procedures, minutes, accounts, budgets, plans and other documentation.

● **RISK MANAGEMENT**

Extol Academy has been through a process to assess its current and future risks and to identify and implement strategies for addressing these risks. The Trust Board have reviewed the risks to which the Trust is exposed, and considered in particular those relating to the strategic development of the Trust, as well as its operational activities, and its finances.

The Academy has an effective system of internal controls and this is explained in more detail in the governance statement. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Objectives and Activities

● **OBJECTS AND AIMS**

The principle objective and activity of the Academy, in accordance with the Articles of Association, is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

Ethos:

- Everyone can succeed
- Everyone deserves the widest opportunities to achieve success
- Good pupil behaviour is expected at all times
- Outstanding standards are expected
- External factors must not be a barrier to learning or success
- Staff are expected to provide the highest standards as role models

● **OBJECTIVES, STRATEGIES AND ACTIVITIES**

The overarching target for all schools in our Trust:

Each school should be an outstanding school; developing young people who achieve highly and are well rounded, ambitious individuals equipped in all respects for a modern, diverse society.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

● **ACTIVITIES FOR ACHIEVING OBJECTIVES**

The Academy endeavours to make a real difference to schools within the Trust. We have invested in resources to develop educational performance.

- Highly effective leadership and management; NSS - Executive Headteacher, successful NLE deployments undertaken
- A proven track record of raising standards and achievement, achieved an "outstanding" judgement in pupil outcomes in the recent Ofsted inspection (February 2015)
- Successful impact on narrowing the gap for FSM pupils
- The capacity to facilitate further improvement in other schools; i.e. Lead Practitioner, SLEs, Inclusion Lead, links with Hartlepool Teaching School

● **PUBLIC BENEFIT**

The primary purpose of the Trust is to provide the highest quality of education to the communities it serves. We see the role within the schools as being integral to the community, in raising aspirations and helping local people strive for a better life.

The directors have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Commission.

Strategic report

Achievements and performance

● **KEY FINANCIAL PERFORMANCE INDICATORS**

Attainment in line or above national.
Progress in line or above national.
Successful Ofsted inspection.
Retain national support school status
To set a balanced budget and not to overspend.

● **REVIEW OF ACTIVITIES**

During the period, priority has been given to the development of capacity within the organisation. As a National Support School it has developed its senior and middle leaders through nationally recognised accredited training; to allow key personnel to support other local schools whilst maintaining high performance within Eldon Grove Academy.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

The following tables demonstrate real areas of strength in the performance of the Academy and this had been validated by an Ofsted inspection in February 2015 when the Academy was judged as "Outstanding" in all key areas.

Early Years Foundation Stage

% of pupils in school achieving GLD	% of pupils achieving GLD Nationally
78.2	66.3

Year 1 Phonics Screening

% of pupils in school meeting standard	% of pupils meeting standard Nationally
95	77

National Results 2015 KS1 Assessments

%	L2c+	L2b+	L3+
Reading	90	82	32
Writing	88	72	18
Mathematics	93	82	26

School KS1 Results

%	L2c+	L2b+	L3+
Reading	96.5	93.0	45.6
Writing	94.7	84.2	33.3
Mathematics	98.2	93.0	40.4

Key Stage Two

% Achieving L4 or above in Reading, Writing and Maths

School	National
80.0%	80%

% Achieving L5 or above in Reading, Writing and Maths

School	National
28.0%	24.0%

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

National Results for KS2 2015

%	Level 4+	Level 5+
Reading	89	48
Writing	87	36
Mathematics	87	41

School Results for KS2 2015

%	Level 4+	Level 5+
Reading	87	45
Writing	87	52
Mathematics	87	33

% Making expected progress

Reading	Writing	Mathematics
93%	97%	92%

% Making better than expected progress

Reading	Writing	Mathematics
33%	52%	27%

Attendance Data

	2012/13		2013/14		2014/15	
	School	National	School	National	School	National
Overall Attendance	95.3	95.2	96.2	96.1	95.9	*
Persistent Absence	0.8	3.6	1.7	2.8	1.1	*
Exclusions FTE	0	0.87	0	*	0	*
Exclusions PEX	0	0.02	0	*	0	*

* data not yet confirmed

● **GOING CONCERN**

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

● **INVESTMENT POLICY AND PERFORMANCE**

The academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The school does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

● **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties are centred around changes in the level of EFA/DfE funding. In addition the Trust is a member of a local government pension scheme, which has resulted in the the recognition of a significant deficit on the Trust's balance sheet.

● **RESERVES POLICY**

The purpose of carrying forward reserves is to ensure the stability of the school's organisational operations, to enable the Trust to manage unplanned one off costs. Reserves are also held to support larger projects such as contributions to fund capital expenditure. Holding reserves also enables the Trust to smooth out fluctuations in funding received from the Education Funding Agency and external income.

Free reserves at 31 August 2015 total £0.409m, of which £132k is held by the Trust and £277k by the school (see note 17). Of this amount £47k was used to set the 2015/16 budget. Funds also totalling £80k have been earmarked to support two capital schemes at the school, relating to a contribution to a grant bid for the School hall and a scheme to develop an outside play area. The remaining balance £0.300m has been retained to support the strategic aims of the Trust and cover timing differences between expending resources and receipt of income.

The reserve policy will be reviewed by the Trust annually to ensure the policy is in accordance with the latest guidance.

● **FINANCIAL REVIEW**

The majority of the Trust's income is obtained from Department for Education via the Education Funding Agency, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received and the associated expenditure are shown in the Statement of Financial Activities.

In addition capital grants are received and these are shown as restricted income in the fixed asset fund. Total income for the year excluding capital funds and funds transferred on conversion was £2,241k and expenditure, excluding depreciation, was £2,155k giving a surplus for the year of £86k.

All expenditure in the year was in furtherance of the Trust's objectives.

At 31 August 2015 the net book value of fixed assets was £4,244k and the movements in the year are shown in note 14. All assets are used exclusively for providing education and associated support services to pupils of the Trust.

The provision of FRS 17 Retirement Benefits have been applied resulting in a deficit of £266k. Payments to fund the deficit will be made out of future income

At 31 August the Trust held fund balances of £4,404k being £3,995k restricted funds and £409k of unrestricted funds.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

● **FUTURE DEVELOPMENTS**

Extol Academy Trust is keen to develop its MAT to encompass other schools, either by schools joining the Trust as a converter academy or by the Trust acting as sponsor for an underperforming school. To this end we are in constant dialogue with the Regional School Commissioner and the DfE.

(END OF STRATEGIC REPORT)

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Waltons Clark Whitehill Limited, have indicated their willingness to continue in office. The Designated directors will propose a motion re-appointing the auditors at a meeting of the directors.

This report, incorporating the strategic report, was approved by order of the board of directors, as the company directors, on **17/11/15** and signed on the board's behalf by:

Jacqueline Butterworth
Chair of Directors



EXTOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As directors, we acknowledge we have overall responsibility for ensuring that Extol 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 directors has delegated the day-to-day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Extol Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the directors' report and in the directors' responsibilities statement. The board of directors has formally met 3 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Director	Meetings attended	Out of a possible
Julie Deville	3	3
Stephen Wallace	2	3
Carole Bradley	2	3
Paul Hamilton	3	3
Jacqueline Butterworth	2	3
Leo Gillen	1	2

The Trust does not have a committee structure and the finance and audit committee roles are carried out by the full board of directors.

Governance reviews:

Governance was reviewed as part of the OFSTED inspection under leadership and management, which was assessed as outstanding. No recommendations for improvement were made and the report said that the directors were very knowledgeable, challenged the academy very effectively whilst providing excellent support.

A self evaluation of governance will be carried out in 2015/2016.

REVIEW OF VALUE FOR MONEY

As accounting officer the chief executive 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 directors 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:

1. Improving Educational Standards

The academy was judged as outstanding in all five Ofsted judgements and this is an improvement on its previous inspection grading of Good. A bespoke curriculum has been developed which reflects the new National Curriculum; attainment and progress are measured by Key Performance Indicators of the age related Programmes of Study, this enabled leaders to continue to ensure high educational standards.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

2. Financial governance and oversight

The Full Local Governing Body approved the annual budget as per scheme of delegation from the Trust. It was mindful of the need to balance expenditure against income, whilst ensuring best possible pupil outcomes. The academy also instigated internal audit to verify that financial procedures were compliant.

3. Better purchasing and ensuring value for money

The Governors and school managers applied the principles of best value when making decisions about: the allocation of resources to best promote the aims and values of the school, the targeting of resources to best improve standards and the quality of provision, and the use of resources to best support the various educational needs of all pupils.

Governors, and the school managers, made comparisons with other/similar schools using data provided by the LA and the Government, e.g. RAISEonline, quality of teaching & learning, and levels of expenditure. They challenged proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets. They required suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, and redecoration. They consulted individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. Sex and Relationships Education, pupil reports, Ofsted, LA Energy Group.

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 Extol 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 board of directors 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 directors 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 board of directors.

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 directors;
- regular reviews by the board of directors 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.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The board of directors has considered the need for a specific internal audit function and has decided to appoint Hartlepool Borough Council 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. In particular the checks carried out in the current period included:

- Testing cash held to supporting documentation
- Testing 10 weeks income to see if supporting documentation was available to verify the amount banked

On an annual basis, the internal auditor reports to the board of directors on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

The Internal Auditor attended the school in May 2015.

The aim of the visit was to identify and evaluate the procedures in place and identify any improvements to controls/processes, no testing was required. A further audit was undertaken in early October 2015 and gave satisfactory assurance that, within the scope of the audit, the school's control environment is operating as intended.

REVIEW OF EFFECTIVENESS

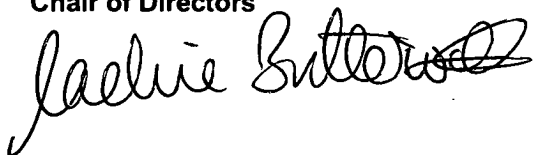
As Accounting Officer, the Executive Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- 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 board of directors and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 17 November 2015 and signed on its behalf, by:

Jacqueline Butterworth
Chair of Directors



Julie Deville
Accounting Officer



EXTOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Extol Academy Trust I have considered my responsibility to notify the academy board of directors 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.

I confirm that I and the academy board of directors 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.

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 directors and EFA.



Julie Deville
Accounting Officer

Date: 17 November 2015

EXTOL ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The directors (who act as governors of Extol Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the directors' report (including the strategic 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 directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors 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 directors 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 directors 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 directors on 17/11/15 and signed on its behalf by:



Jacqueline Butterworth
Chair of Directors

EXTOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXTOL ACADEMY TRUST

We have audited the financial statements of Extol 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 DIRECTORS AND AUDITORS

As explained more fully in the directors' responsibilities statement, the directors (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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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 directors' report, incorporating the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.


EXTOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXTOL 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Heather O'Driscoll FCA (senior statutory auditor)

for and on behalf of

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX
1 December 2015

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 25 April 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 Extol 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 Extol Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Extol 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 Extol Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF EXTOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Extol 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.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 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.



Heather O'Driscoll FCA (senior statutory auditor)

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

1 December 2015

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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 2014 £
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Funds transferred from Local Authority on conversion	2	1,723	-	-	1,723	4,690,258
Other voluntary income	2	13,873	206	-	14,079	13,990
Activities for generating funds	3	152,688	-	-	152,688	114,790
Investment income	4	534	-	-	534	392
Incoming resources from charitable activities	5	-	2,075,062	9,056	2,084,118	2,287,933
TOTAL INCOMING RESOURCES		168,818	2,075,268	9,056	2,253,142	7,107,363
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	7	31,768	-	-	31,768	39,415
Charitable activities	8	382	2,089,350	72,977	2,162,709	2,413,548
Governance costs	9	-	34,086	-	34,086	32,243
Other resources expended	10	-	-	-	-	123,000
TOTAL RESOURCES EXPENDED	6	32,150	2,123,436	72,977	2,228,563	2,608,206
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		136,668	(48,168)	(63,921)	24,579	4,499,157

EXTOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		136,668	(48,168)	(63,921)	24,579	4,499,157
Transfers between funds	17	-	(11,419)	11,419	-	-
NET INCOME FOR THE YEAR		136,668	(59,587)	(52,502)	24,579	4,499,157
Actuarial gains and losses on defined benefit pension schemes		-	(1,000)	-	(1,000)	(118,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		136,668	(60,587)	(52,502)	23,579	4,381,157
<i>Total funds at 1 September 2014</i>		272,375	(187,295)	4,296,077	4,381,157	-
TOTAL FUNDS AT 31 AUGUST 2015		409,043	(247,882)	4,243,575	4,404,736	4,381,157

All activities relate to continuing operations.

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

The notes on pages 23 to 43 form part of these financial statements.

EXTOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08561360

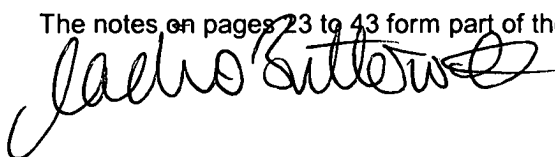
BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		4,243,575		4,296,077
CURRENT ASSETS					
Debtors	15	133,650		52,311	
Cash at bank		430,838		384,777	
		<u>564,488</u>		<u>437,088</u>	
CREDITORS: amounts falling due within one year	16	(137,327)		(104,008)	
NET CURRENT ASSETS			<u>427,161</u>		<u>333,080</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,670,736</u>		<u>4,629,157</u>
Defined benefit pension scheme liability	22	(266,000)		(248,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>4,404,736</u>		<u>4,381,157</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	18,118		60,705	
Restricted fixed asset funds	17	4,243,575		4,296,077	
Restricted funds excluding pension liability		<u>4,261,693</u>		<u>4,356,782</u>	
Pension reserve		<u>(266,000)</u>		<u>(248,000)</u>	
Total restricted funds			3,995,693		4,108,782
Unrestricted funds	17		409,043		272,375
TOTAL FUNDS			<u>4,404,736</u>		<u>4,381,157</u>

The financial statements were approved by the directors, and authorised for issue, on and are signed on their behalf, by:

Jacqueline Butterworth
Chair of Directors

The notes on pages 23 to 43 form part of these financial statements.



EXTOL ACADEMY TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	19	55,223	57,512
Returns on investments and servicing of finance	20	534	392
Capital expenditure and financial investment	20	(11,419)	(44,930)
Cash transferred on conversion to an academy trust		1,723	371,803
INCREASE IN CASH IN THE YEAR		46,061	384,777

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

	2015 £	2014 £
Increase in cash in the year	46,061	384,777
MOVEMENT IN NET FUNDS IN THE YEAR	46,061	384,777
Net funds at 1 September 2014	384,777	-
NET FUNDS AT 31 AUGUST 2015	430,838	384,777

The notes on pages 23 to 43 form part of these financial statements.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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. 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, 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 directors.

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.

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.

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

Other income, including the sale of uniforms, 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.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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 directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. New projects which require purchasing in bulk will also be capitalised with subsequent replacements written off to repairs in the year of purchase.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on longterm leasehold 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:

Long term leasehold property	-	50 years straight line
Plant & machinery	-	10 years straight line
Furniture & equipment	-	5 years straight line
Computer equipment	-	3-5 years straight line

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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 the 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 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.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Funds transferred from Local Authority on conversion	1,723	-	1,723	4,690,258
Donations	13,873	206	14,079	13,990
Voluntary income	15,596	206	15,802	4,704,248

3. FUNDRAISING INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering income	38,417	-	38,417	60,709
Breakfast club	5,205	-	5,205	3,727
Provision of staff	57,210	-	57,210	531
Uniform sales	2,474	-	2,474	14,779
Educational visits and trips	34,182	-	34,182	28,594
Receipts from supply teacher insurance claims	15,200	-	15,200	6,450
	152,688	-	152,688	114,790

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	534	-	534	392

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General annual grant (GAG)	-	1,572,424	1,572,424	1,868,225
Pupil premium	-	182,487	182,487	137,159
Capital grants	-	9,056	9,056	9,113
Sponsorship grant	-	-	-	45,000
Nursery milk income	-	2,074	2,074	1,556
Universal free school meals	-	56,810	56,810	-
	-	1,822,851	1,822,851	2,061,053
Other government grants				
School improvement grant	-	-	-	16,520
Funding for higher educational needs	-	88,783	88,783	65,566
Early years funding	-	144,604	144,604	131,043
	-	233,387	233,387	213,129
Other funding				
NLE Deployment fund	-	12,000	12,000	11,000
Teacher training income	-	15,880	15,880	1,751
New heads support grant	-	-	-	1,000
	-	27,880	27,880	13,751
	-	2,084,118	2,084,118	2,287,933

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

6. RESOURCES EXPENDED

	Staff costs	Non pay expenditure		Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Costs of generating voluntary income	-	-	31,768	31,768	39,415
Costs of generating funds	-	-	31,768	31,768	39,415
Academy's educational operations:					
Direct costs	1,502,708	-	154,930	1,657,638	1,835,553
Support costs	88,062	109,391	307,618	505,071	577,995
Subtotal charitable activities	1,590,770	109,391	462,548	2,162,709	2,413,548
Governance	20,252	-	13,834	34,086	32,243
Other resources expended	-	-	-	-	123,000
	1,611,022	109,391	508,150	2,228,563	2,608,206

7. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2015	2015	2015	2014
	£	£	£	£
Trips and activities	29,930	-	29,930	24,882
Uniforms	1,838	-	1,838	14,533
	31,768	-	31,768	39,415

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

8. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,244,922	1,382,442
National insurance	82,752	91,329
Pension cost	175,033	196,214
Educational supplies	45,994	80,485
Staff development and training	24,589	10,322
Insurance	19,812	21,483
HR and professional costs	9,932	8,972
Other staff costs	54,604	44,306
	<u>1,657,638</u>	<u>1,835,553</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	53,160	63,053
National insurance	1,587	2,454
Pension cost	33,315	19,744
Depreciation	72,977	76,420
Uniforms	-	9,000
Catering	128,940	80,696
Postage and telephone	5,370	9,206
Repairs and maintenance	49,696	101,328
Energy costs	22,399	23,091
Rates	15,555	26,793
Cleaning	24,801	36,017
Travel	11,121	8,832
Insurance	17,599	21,804
Printing postage and stationery	14,914	32,529
HR and professional costs	30,843	38,015
Bank and finance charges	796	524
Other staff costs	30,998	33,489
Pension finance cost	(9,000)	(5,000)
	<u>505,071</u>	<u>577,995</u>
	<u><u>2,162,709</u></u>	<u><u>2,413,548</u></u>

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

9. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Governance internal audit costs	-	921	921	1,943
Auditors' remuneration	-	6,000	6,000	9,000
Accountancy fees	-	3,445	3,445	950
Legal and professional fees	-	3,468	3,468	2,166
Legal fees for conversion	-	-	-	8,184
Wages & salaries	-	20,252	20,252	10,000
	-	34,086	34,086	32,243

10. OTHER RESOURCES EXPENDED

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Pension deficit inherited on conversion	-	-	-	123,000

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	72,977	76,420
Auditors' remuneration	6,000	9,000
Governance internal audit costs	921	1,943
Operating lease rentals:		
- other operating leases	8,160	20,361
Auditors' remuneration - non audit	750	950

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

12. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,288,965	1,426,808
Social security costs	84,338	93,783
Other pension costs (Note 22)	208,349	215,958
	<u>1,581,652</u>	<u>1,736,549</u>
Supply teacher costs	15,055	17,180
Compensation payments	14,315	11,508
	<u><u>1,611,022</u></u>	<u><u>1,765,237</u></u>

b. Staff severance payments

Included in compensation payments is one non statutory/non contractual severance payment totalling £13,800 (2014: £11,508).

c. Staff numbers

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

	2015 No.	2014 No.
Teaching staff	46	46
Administration and support	5	6
	<u>51</u>	<u>52</u>

d. Higher paid staff

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

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

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

12. STAFF (continued)

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2015 employer's pension contributions for these staff amounted to £20,644 (2014: £23,600).

Related party transactions - directors' remuneration and expenses

The executive headteacher and other staff directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as directors. Other directors did not receive any payments, other than expenses, from the academy trust in respect of their role as directors. The value of directors' remuneration was as follows:

J Deville (Executive Headteacher and director)

Remuneration £80,000 - £85,000 (2014: £80,000 - £85,000)

Employer's pension £10,000 - £15,000 (2014: £10,000 - £15,000)

C Bradley (staff director)

Remuneration £75,000 - £80,000 (2014: £60,000 - £65,000)

Employer's pension £5,000 - £10,000 (2014: £5,000 - £10,000)

During the year ended 31 August 2015, travel and subsistence expenses totalling £209 (2014: £1,988) were reimbursed to 4 (2014: 4) trustees.

Other related party transactions involving the trustees are set out in note 24.

13. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,259 (2014 - £2,254). The cost of this insurance is included in the total insurance cost.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

14. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	4,282,170	52,124	-	38,203	4,372,497
Additions	-	-	10,099	10,376	20,475
At 31 August 2015	4,282,170	52,124	10,099	48,579	4,392,972
Depreciation					
At 1 September 2014	60,640	6,081	-	9,699	76,420
Charge for the year	52,063	5,212	526	15,176	72,977
At 31 August 2015	112,703	11,293	526	24,875	149,397
Net book value					
At 31 August 2015	4,169,467	40,831	9,573	23,704	4,243,575
At 31 August 2014	4,221,530	46,043	-	28,504	4,296,077

Included in long term leasehold property is land at cost of £1,679,000 (2014: £1,679,000) which is not depreciated.

15. DEBTORS

	2015 £	2014 £
Trade debtors	60,653	152
VAT	13,224	21,333
Accrued income	30,410	30,826
Other debtors	2,094	-
Prepayments	27,269	-
	<u>133,650</u>	<u>52,311</u>

16. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	-	455
Accruals and deferred income	137,327	103,553
	<u>137,327</u>	<u>104,008</u>

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

16. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2014	31,492
Resources deferred during the year	33,140
Amounts released from previous years	(31,492)
	<u>33,140</u>
Deferred income at 31 August 2015	<u>33,140</u>

At the balance sheet date the academy was holding funds received in advance relating to grant funding for free school meals in the 2015-16 academic year.

17. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	272,375	168,818	(32,150)	-	-	409,043
Restricted funds						
General Annual Grant	53,205	1,572,630	(1,609,798)	(11,419)	-	4,618
Pupil Premium	-	182,487	(182,487)	-	-	-
Teacher Training Income	-	15,880	(15,880)	-	-	-
National Leader of Education Deployment Fund	-	12,000	(6,000)	-	-	6,000
Sponsor Grant	7,500	-	-	-	-	7,500
Funding for Higher Educational Needs	-	88,783	(88,783)	-	-	-
Early Years Funding	-	144,604	(144,604)	-	-	-
Nursery Milk Income	-	2,074	(2,074)	-	-	-
Universal Free School Meals	-	56,810	(56,810)	-	-	-
Pension Reserve	(248,000)	-	(17,000)	-	(1,000)	(266,000)
	<u>(187,295)</u>	<u>2,075,268</u>	<u>(2,123,436)</u>	<u>(11,419)</u>	<u>(1,000)</u>	<u>(247,882)</u>

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Assets Transferred on Conversion	4,246,763	-	(61,449)	-	-	4,185,314
Other Capital Grants	40,625	9,056	(6,621)	-	-	43,060
Capital expenditure from GAG	8,689	-	(4,907)	11,419	-	15,201
	<u>4,296,077</u>	<u>9,056</u>	<u>(72,977)</u>	<u>11,419</u>	<u>-</u>	<u>4,243,575</u>
Total restricted funds	<u>4,108,782</u>	<u>2,084,324</u>	<u>(2,196,413)</u>	<u>-</u>	<u>(1,000)</u>	<u>3,995,693</u>
Total of funds	<u>4,381,157</u>	<u>2,253,142</u>	<u>(2,228,563)</u>	<u>-</u>	<u>(1,000)</u>	<u>4,404,736</u>

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

General Annual Grant - this is the money provided to the academy for normal school running costs.

The Pupil Premium is paid based upon the number of pupils with service parents or who are entitled to free school meals. This funding has paid for support assistants within classrooms.

The Teacher Training Income was for the training of new teachers.

The NLE Deployment Fund was to help another school with training and support and has been spent on a leadership conference and books and materials.

The Sponsor Grant was additional funding supplied for help with the costs of conversion and improvement of a second academy when one is added to the trust. This funding remains unspent at the year end.

The Funding for Higher Educational Needs and Early Years has been used to pay for classroom assistants.

Nursery Milk Income is money received from the NHS to pay for milk for nursery children.

The Universal Free School Meals funding was to allow the provision of free school meals to all pupils in reception, year 1 and year 2.

The Assets Transferred on Conversion represents the land and buildings and other assets transferred to the school at nil consideration from Hartlepool Borough Council upon conversion to an Academy. This fund is being depreciated in line with the assets represented.

Other Capital Grants are government funds received for the purchase of capital equipment and expenditure on repairs projects. The amount carried forward represents assets purchased in the period at their net book value and funding yet to be spent.

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.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

**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 £
Eldon Grove Primary School	287,303
Central fund	139,858
	<hr/>
Total before fixed asset fund and pension reserve	427,161
Restricted fixed asset fund	4,243,575
Pension reserve	(266,000)
	<hr/>
Total	4,404,736
	<hr/>

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 £
Eldon Grove Primary School	1,474,707	98,314	45,994	448,317	2,067,332
Central fund	38,000	-	-	47,193	85,193
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,512,707	98,314	45,994	495,510	2,152,525
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
General funds	272,375	168,818	(32,150)	-	-	409,043
Restricted funds	(187,295)	2,075,268	(2,123,436)	(11,419)	(1,000)	(247,882)
Restricted fixed asset funds	4,296,077	9,056	(72,977)	11,419	-	4,243,575
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,381,157	2,253,142	(2,228,563)	-	(1,000)	4,404,736
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

EXTOL ACADEMY TRUST
(A company limited by guarantee)

**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 2014 £
Tangible fixed assets	-	-	4,243,575	4,243,575	4,296,077
Current assets	409,043	155,445	-	564,488	437,088
Creditors due within one year	-	(137,327)	-	(137,327)	(104,008)
Provisions for liabilities and charges	-	(266,000)	-	(266,000)	(248,000)
	<u>409,043</u>	<u>(247,882)</u>	<u>4,243,575</u>	<u>4,404,736</u>	<u>4,381,157</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	24,579	4,499,157
Returns on investments and servicing of finance	(534)	(392)
Assets on conversion	(1,723)	(4,690,257)
Depreciation of tangible fixed assets	72,977	76,420
Capital grants from DfE	(9,056)	(9,113)
Increase in debtors	(81,339)	(52,311)
Increase in creditors	33,319	104,008
FRS 17 adjustments	17,000	130,000
Net cash inflow from operations	<u>55,223</u>	<u>57,512</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest paid	<u>534</u>	<u>392</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(20,475)	(54,043)
Capital grants from DfE	<u>9,056</u>	<u>9,113</u>
Net cash outflow capital expenditure	<u>(11,419)</u>	<u>(44,930)</u>

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

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:	384,777	46,061	-	430,838
Net funds	384,777	46,061	-	430,838

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 Hartlepool Borough Council. Both are multi employer defined benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

- total scheme liabilities 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; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3% 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 £132,984 (2014: £145,832).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £65,000, of which employer's contributions totalled £49,000 and employees' contributions totalled £16,000. The agreed contribution rates for future years are 14.2% 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.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

**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:

	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	483,101	7.50	481,927
Government bonds	9,979	2.90	11,153
Property	36,394	6.80	31,698
Corporate bonds	9,392	3.30	25,828
Cash	37,568	1.10	22,893
Other	10,566	7.50	13,501
Total market value of assets	<u>587,000</u>		<u>587,000</u>
Present value of scheme liabilities	<u>(853,000)</u>		<u>(835,000)</u>
(Deficit)/surplus in the scheme	<u><u>(266,000)</u></u>		<u><u>(248,000)</u></u>

The adoption of FRS 102 in the next accounting period removes the requirement to recognise an expected return on assets item in the profit and loss charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. As the expected return on assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at 31 August 2015.

The amounts recognised in the balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(913,000)	(835,000)
Fair value of scheme assets	<u>647,000</u>	<u>587,000</u>
Net liability	<u><u>(266,000)</u></u>	<u><u>(248,000)</u></u>

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

	2015 £	2014 £
Current service cost	(75,000)	(70,000)
Interest cost	<u>9,000</u>	<u>5,000</u>
Total	<u><u>(66,000)</u></u>	<u><u>(65,000)</u></u>
Actual return on scheme assets	<u><u>(8,000)</u></u>	<u><u>54,000</u></u>

EXTOL ACADEMY TRUST
(A company limited by guarantee)

**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:

	2015 £	2014 £
Opening defined benefit obligation	835,000	577,000
Current service cost	75,000	70,000
Contributions by scheme participants	20,000	22,000
Actuarial losses	(49,000)	133,000
Benefits paid	(1,000)	(1,000)
Interest cost	33,000	34,000
	<u>913,000</u>	<u>835,000</u>
Closing defined benefit obligation	<u>913,000</u>	<u>835,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	587,000	454,000
Actuarial gains and (losses)	(50,000)	15,000
Contributions by employer	49,000	58,000
Contributions by employees	20,000	22,000
Benefits paid	(1,000)	(1,000)
Expected return on assets	42,000	39,000
	<u>647,000</u>	<u>587,000</u>
	<u>647,000</u>	<u>587,000</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £(119,000) (2014 - £(118,000)).

The academy expects to contribute £138,996 to its defined benefit pension scheme in 2016.

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

	2015	2014
Equities	82.30 %	82.10 %
Government bonds	1.70 %	5.40 %
Corporate bonds	1.60 %	4.40 %
Property	6.20 %	5.40 %
Cash	6.40 %	3.90 %
Other	1.80 %	2.30 %

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

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	- %	5.70 %
Rate of increase in salaries	3.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.00 %	2.10 %
Inflation assumption (CPI)	2.00 %	2.10 %

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

22. 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:

	2015	2014
Retiring today		
Males	23	22.9
Females	25.2	25.1
Retiring in 20 years		
Males	25.5	25.4
Females	27.8	27.7

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(913,000)	(835,000)
Scheme assets	647,000	587,000
Deficit	(266,000)	(248,000)
Experience adjustments on scheme assets	(50,000)	15,000

23. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	2,940	2,940

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a directors 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 period of account.

EXTOL ACADEMY TRUST
(A company limited by guarantee)

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

25. MEMBERS' LIABILITY

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

26. ACCOUNTING PERIOD

The prior period financial statements were prepared from the date of incorporation, 7 June 2013, to 31 August 2014.