

Registered number: 08094234 (England and Wales)

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	P Henton (resigned 15 July 2016) M Deacon (appointed 16 July 2016, resigned 22 September 2016) D Payn P Tullis N Nanda (appointed 22 September 2016)
Trustees	P Henton, Chair of Trustees (resigned 15 July 2016) ¹ M Deacon, Chair of Trustees (resigned 22 September 2016) ¹ N Nanda, Chair of Trustees (appointed 27 October 2015) ¹ S Bulled (appointed 27 October 2015) A Forrest D Payn ¹ B Rai A Russell, Principal (resigned 31 December 2015) ¹ K Sharp W Stannard (resigned 2 September 2016) ¹ G Williams, Principal (appointed 1 January 2016) ¹ P Tullis

¹ The Finance Committee

Company registered number	08094234
Company name	Winstanley Community College Academy Trust
Registered office	Kingsway North Braunstone Town Leicester Leicestershire LE3 3BD
Principal operating office	Kingsway North Braunstone Town Leicester Leicestershire LE3 3BD
Company secretary	K M Tuckwood
Senior management team	A J Russell, Principal (Resigned 31 December 2015) G Williams, Principal (Appointed Principal 1 January 2016) F Le Cras, Vice Principal W J Stannard, Assistant Principal S Fawcett, Assistant Principal
Independent auditors	Clear & Lane Limited Chartered Accountants 340 Melton Road Leicester LE4 7SL
Bankers	National Westminster Bank Plc 1 Granby Street Leicester Leicestershire LE1 6EJ

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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

The Trust operates an Academy for pupils aged 11 to 16 serving a catchment area in Braunstone. It has a pupil capacity of 600 and had a roll of 590 in the school census on 1st October 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 6 June 2012 and converted to Academy Trust Status on 1 August 2012, when its operations, assets and liabilities were transferred to the academy from the local authority. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The Governors act as the Trustees for the charitable activities of Winstanley Community College Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Winstanley Community College.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on 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 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**

In accordance with normal practice the academy has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on school business. The cover under this policy is £3 million and the cost for the year 1 September 2015 to 31 August 2016 is £694.51 (2015 £1,243).

• **Method of recruitment and appointment or election of Trustees**

The Governing Body of Winstanley Community College is constituted as laid down in its Articles of Association and is made up of not less than three Trustees but has no stated maximum, allowing us to adjust membership to reflect the needs of the school as it evolves. All Trustees, other than the Principal, serve for a term of four years after which they are required to be re elected/re appointed. Staff Trustees are appointed through open election for all eligible members of staff.

Trustees can be nominated or appointed by members of the academy:
Members for 15/16 year: P Henton, M Deacon, D Payn, & R Tullis.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

- **Policies and procedures adopted for the induction and training of Trustees**

Trustees attend an induction programme on appointment. The training and induction for new Trustees will depend on their existing experience and will be tailored specifically to the needs of the individual. Trustees regularly review training needs and attend appropriate courses as required. Copies of minutes, accounts, budgets, plans and other documents needed to undertake their role are available in hard copy on request. Here a training need is identified the appropriate training is procured which may be on site, on line or by attendance at an external event. The Governing Body hold a budget to allow for training needs to enable such needs to be financed where necessary. Reports of training undertaken and any action subsequently identified are submitted to the full Governing Body.

- **Organisational structure**

The Trustees who are also the charity trustees are responsible for the overall management and control of the school and meet a minimum of four times each academic year.

The work involved in reviewing and ratifying policies is delegated to the members of the Finance Committee, Health & Safety, Steering Group and Teaching & Learning subcommittees. These meet at least once per term and work as directed by a chair appointed at the first full Governors meeting at the start of the academic year. Terms of reference of these committees are reviewed and ratified annually at this meeting. The clerk to the Trustees' is responsible for arranging full governors meetings, supporting the work of the Trustees, the preparation of agendas and the review of matters arising. The Bursar is responsible for the preparation of income and expenditure accounts and the agenda of the Finance subcommittee, the Principal's PA is responsible for the minutes. Other committees have a member of SLT nominated to convene.

Trustees were not paid any remuneration or expenses for carrying out their duties.

The Principal is responsible for the day to day running of the school including teaching and learning, pastoral and administrative functions and is supported by the Senior Leadership Team. Day to day administration is undertaken within the policies and procedures agreed by the Trustees with major expenditure and other significant decisions being referred to the Trustees in line with agreed policy/procedure.

The Principal oversees the recruitment of all educational staff. He is a Staff Trustee, Principal Accounting Officer and attends all Governing body and sub-committee meetings.

- **Pay policy for key management personnel**

Pay and remuneration of key management personnel is set in line with National Teachers terms & conditions or local authority support staff terms and conditions.

- **Connected organisations, including related party relationships**

The Principal and other members of the Senior Leadership Team are members of several professional organisations and regularly attend a range of local and county wide meetings to enable them to keep up to date with current educational policies/practice and thinking.

OBJECTIVES AND ACTIVITIES

- **Objects and aims**

The principal objective of Winstanley Community College as a charitable company is to provide the best education it can for pupils of different abilities between the ages of 11-16 years.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

• **Objectives, strategies and activities**

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing of establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum and to promote for the benefit of individuals living in the surrounding areas, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life and prospects of said individuals.

Mission Statement:

Learning is at the heart of all college activity.
Winstanley prepares students to face challenges with confidence, tolerance and enthusiasm in an ever
changing world.

The College has high expectations in all aspects of our work.

It is committed to:

- Raising achievement and promoting high standards
- Providing the skills necessary for success
- Developing independent and collaborative working
- Encouraging participation, responsibility and respect for others
- Valuing individuals and responding to their needs
- Challenging bullying and all forms of discrimination
- Building partnerships with students, parents and our community

The College aims to create a supportive and enjoyable learning environment in which all forms of success are celebrated.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

• **Public benefit**

The Academy's Trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission.

'Winstanley Community College Academy Trust is a charitable trust which seeks to benefit the public through pursuit of its stated aims.

The three underlying principles for the Charity are as follows;

- it must be clear what the benefits are.
- the benefits must be related to the aims.
- benefits must be balanced against detriment or harm.

The aims and objectives of Winstanley Community College are outlined in the section above but in ensuring the school focuses upon these aims the following has been taken into account by the Governing Body;

- the beneficiaries must be appropriate to the aims.
- where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted.
- any private benefits must be incidental.

These principles underline the work undertaken at Winstanley Community College and, through monitoring and evaluation of procedures and policies, the Governing Body ensure that the academy has complied with its duties.

The Academy's intake includes Braunstone Town and Thorpe Astley as its traditional catchment area, with more students coming from city areas which are classed as out of catchment. First time admissions to the school are made in accordance with the 2015 Leicestershire County Council admissions policy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

● **Review of activities**

Following an Ofsted visit in June 2015. Ofsted stated that:

1. Students have good attitudes to learning.
2. The school prepares students for life in modern Britain well.
3. Relationships between teachers and students are good.
4. Students behave well in and around the school.
5. Leaders have secured improvements in the quality of teaching.
6. Where teaching is effective, teachers provide exciting lessons that engage students.
7. The school's commitment to art, music and sport contributes to students' moral, social and cultural development.
8. Standards in English, art and music are high and rising further.
9. The behaviour of pupils is good.
10. Students said that their teachers were really helpful and that they received both praise and support from them.
11. Students were complimentary about the sport provided at the school.
12. Most students work hard and want to do well.
13. There is evidence of more rapid progress for current students (compared to historically).
14. Middle leaders approach their work with enthusiasm and commitment.
15. The school's breakfast club provides a good start to the day for those students who arrive early.
16. The school's work to keep pupils safe and secure is good.
17. Teachers regularly mark students' work. In the best examples, teachers' comments tell students exactly what they need to do to improve their work.
18. Reading is well developed in the school.
19. The Principal and leadership team know what needs to be done to improve the school.

● **Going concern**

After making appropriate enquiries, the Board of Trustees 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **Financial review**

The academy had a net movement in funds for the year ended 31 August 2016 of £566,883, including fixed assets movements. As at 31 August 2016 the academy held £98,111 of unrestricted reserves plus £292,483 of unspent (non-fixed asset) restricted funds. The academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £390,594.

The academy trust had a pension deficit on their Local Government Pension Scheme of £1,559,000 at 31 August 2016 and a fixed asset reserve of £7,085,037 being the book value of past purchases.

There are no significant factors going forward that are expected to impact on the normal continuing operation of the academy. The principle financial management policies adopted in the period are included in the academy's internal financial policies and are typical for an academy trust of this size and type. There were no unusual significant events worthy of comment during the year other than £610,981 of insurance proceeds in relation to a swimming pool fire to match repair costs. (Damage to property only caused when a fire started during roof works.)

The principal sources of funding for the academy are the General Annual Grant (GAG) and other EFA/DfE grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the academy trust, subject to any remaining reserves.

The academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

● **Reserves policy**

The trustees have developed a reserves policy for the school which is reviewed at least annually. The academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately 7% of the annual budget, being approximately £300,000.

Actual free reserves plus unspent GAG as at 31 August 2016 were £390,292, being £90,292 above the target level set by the trustees. The excess will be utilised on current pupils in the year to 31 August 2017. The academy also held other restricted funds at the year end of £302. Total available reserves, being both figures above, at 31 August 2016 were £390,594. Cash at bank at 31 August 2016 was £375,021 higher than this figure due mainly to unpaid recent capital works costs.

At 31 August 2016 the academy's fixed asset reserve of £7,085,037 represented funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £1,559,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

● **Investment policy and performance**

The cash flow and bank account is monitored on a weekly basis to ensure that the immediate financial commitments of payroll and payments can be met and that the Academy has adequate balances to meet planned future commitments.

The fund balance is reviewed on a six monthly basis to consider interest rates and possible investment opportunities. The Academy's current policy is only to invest funds in financial institutions covered by the government's compensation scheme.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

• **Principal risks and uncertainties**

The risks faced by the academy are outlined in the Risk Register agreed by the Trustees, who are continually aware and are monitoring any risks associated with the academy. This policy area will be reviewed annually by the Trustees and updated as necessary.

The principal risks for the academy during the future are;

1. Competition from other organisations for the same students.
2. Changes to the funding formula. The Principal, Bursar, and governors' Finance Committee monitor and aim to analyse the impact of any national and local changes and adjust the running of the academy to mirror these trends where possible.

The risks faced by the academy are outlined in the Risk Register agreed by the Trustees, who are continually aware and are monitoring any risks associated with the academy. This policy area will be reviewed annually by the Trustees and updated as necessary.

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy (and its finances) and systems are in place to mitigate those risks. The Governors assessed the risks that the academy faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and relation to the control of finance. A risk register is in place taking account of established good practice, to ensure any financial risks identified are fully and properly assessed and necessary mitigation put in place. The Governors monitor systems, including operational procedures (vetting of DBS – previously CRB checks and cash flow monitoring) and internal financial controls in order to minimise risk. The academy has an effective system of internal financial controls which has been approved by recent audit from the LA internal audit team.

The academy has inherited the Local Government defined pension benefit scheme deficit for support staff which is being addressed by means of contribution rates as decided upon by the pension scheme actuaries. As at 31 August 2016 the deficit amounted to £1,559,000 (2015 - £1,115,000). The academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Change in contribution rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

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

PLANS FOR FUTURE PERIODS

• **Future developments**

The future plans for the school are;

- To become part of the LIFE Multi-Academy Trust in Autumn 2016.
- Further replacement of Roofing and Windows

Funds held as custodian

The Academy does not hold funds on behalf of any other organisations.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Disclosure of information to auditors

Insofar as the Trustees are aware:

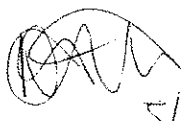
- there is no relevant audit information of which the charitable company's auditors are unaware
- the Trustees have taken all the steps that ought to have been taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Auditors

The auditors, Clear & Lane Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 29 November 2016 and signed on the board's behalf by:

N Nanda
Chair of Trustees



5/12/16

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Winstanley Community College Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Henton, Chair of Trustees	6	6
M Deacon, Chair of Trustees	3	6
N Nanda, Chair of Trustees	4	5
S Bulled	5	5
A Forrest	5	6
D Payn	5	6
B Rai	4	6
A Russell, Principal	3	3
K Sharp	5	6
W Stannard	5	6
G Williams, Principal	3	3
P Tullis	6	6

The Governing Body at Winstanley Community College has undergone some changes in the year covered by this report. We have seen the resignation and replacement of both the Chair of Governors and the Principal.

The section 8 Ofsted report from January 2016 states:

- Senior Leaders and Governors are taking effective action to tackle the areas requiring improvement.
- The Board of Trustees are fully effective. They have a growing understanding of the school's performance information data and how this compares with other schools nationally. However, historically, they have not challenged senior leaders rigorously enough in order to improve students' progress rapidly and consistently in all subjects and in all year groups, this has now been addressed through a full review of governance.
- They know the school's main strengths and areas for development, including a reasonable knowledge of teaching. They have supported the Headteacher well in managing the performance of teachers. They show an awareness of the school's pay and ensure good performance is rewarded and poor outcomes are challenged and appropriate action taken to address it.
- The Board of Trustees manage their budget effectively, including the additional funds for the pupil premium. They know how the funds are allocated and the positive impact they are having on students' achievement. Governors are supportive and committed to driving the school forward. They fulfil their statutory duties and have undertaken some training in order to execute their roles more effectively.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

Governance reviews:

The Academy conducts a self evaluation review or an external governance review annually. A full review of governance was undertaken in the year ended 31 August 2016 as described above.

The Finance Committee is a sub committee of the main governing body. Its purpose is to ensure that the Academy meets the highest standards of financial control. During the year of accounts the committee has met on 5 occasions.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P R Henton, Chair of Trustees	5	5
D Payn	5	5
W J Stannard	5	5
G Williams, Principal	2	2
A J Russell, Principal	3	3

Review of Value for money

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

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

- improving educational outcomes by partnership working with local schools and investigating the formation of a Multi-academy Trust with Bosworth Academy
- ensuring that pupil premium students make more progress than their peers nationally

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 Winstanley Community College Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County 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. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The latest internal audit visit was in May 2016. No material control issues were identified as a result of the internal auditor's review work.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

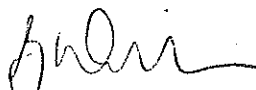
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 29 November 2016 and signed on their behalf, by:



5/12/16

N Nanda
Chair of Trustees



G Williams
Accounting Officer

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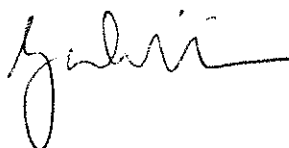
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

G Williams
Accounting Officer



Date: 29 November 2016

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

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


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

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

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

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

Approved by order of the members of the Board of Trustees on 29 November 2016 and signed on its behalf by:

 5/12/16

N Nanda
Chair of Trustees

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST**

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

This report is made solely to the 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 Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WINSTANLEY COMMUNITY COLLEGE 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.



Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Clear & Lane Limited

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester

LE4 7SL

Date: 08/12/16

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO WINSTANLEY
COMMUNITY COLLEGE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 10 February 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Winstanley Community College Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Winstanley Community College Academy Trust's accounting officer and the reporting auditors

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

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO WINSTANLEY
COMMUNITY COLLEGE 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Clear & Lane Limited

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL

Date: 08/12/16

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	-	449,390	449,390	223,422
Charitable activities	5	-	3,717,658	-	3,717,658	3,158,157
Other trading activities	3	102,077	-	-	102,077	156,237
Investments	4	3,119	-	-	3,119	4,654
Other income	6	-	-	610,981	610,981	-
TOTAL INCOME		105,196	3,717,658	1,060,371	4,883,225	3,542,470
EXPENDITURE ON:						
Raising funds		87,329	-	-	87,329	100,043
Charitable activities		-	3,485,155	384,858	3,870,013	3,497,304
TOTAL EXPENDITURE	8	87,329	3,485,155	384,858	3,957,342	3,597,347
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between funds	17	17,867	232,503 (35,340)	675,513 35,340	925,883 -	(54,877) -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		17,867	197,163	710,853	925,883	(54,877)
Actuarial losses on defined benefit pension schemes	22	-	(359,000)	-	(359,000)	(19,000)
NET MOVEMENT IN FUNDS		17,867	(161,837)	710,853	566,883	(73,877)
RECONCILIATION OF FUNDS:						
Total funds brought forward		80,244	(1,104,680)	6,374,184	5,349,748	5,423,625
TOTAL FUNDS CARRIED FORWARD		98,111	(1,266,517)	7,085,037	5,916,631	5,349,748

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST

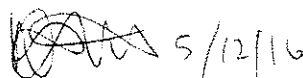
(A company limited by guarantee)

REGISTERED NUMBER: 08094234

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	2015 £
FIXED ASSETS				
Tangible assets	13		7,085,037	6,334,196
CURRENT ASSETS				
Stocks	14	2,290		4,957
Debtors	15	225,010		93,233
Cash at bank and in hand		765,615		697,658
		<u>992,915</u>		<u>795,848</u>
CREDITORS: amounts falling due within one year	16	(602,321)		(665,296)
NET CURRENT ASSETS			<u>390,594</u>	<u>130,552</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,475,631</u>	<u>6,464,748</u>
Defined benefit pension scheme liability	22		<u>(1,559,000)</u>	<u>(1,115,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>5,916,631</u></u>	<u><u>5,349,748</u></u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted income fund	17	292,483		10,320
Fixed asset fund	17	7,085,037		6,374,184
Restricted funds excluding pension liability		<u>7,377,520</u>		<u>6,384,504</u>
Pension reserve		<u>(1,559,000)</u>		<u>(1,115,000)</u>
Total restricted funds			<u>5,818,520</u>	<u>5,269,504</u>
Unrestricted income funds	17		<u>98,111</u>	<u>80,244</u>
TOTAL FUNDS			<u><u>5,916,631</u></u>	<u><u>5,349,748</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 29 November 2016 and are signed on their behalf, by:


N Nanda
Chair of Trustees

The notes on pages 22 to 44 form part of these financial statements.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>140,166</u>	<u>583,736</u>
Cash flows from investing activities:			
Interest received		3,119	4,654
Purchase of tangible fixed assets		(1,135,699)	(640,508)
Capital grants from DfE and other capital income		449,390	224,422
Other capital funding received		<u>610,981</u>	<u>-</u>
Net cash used in investing activities		<u>(72,209)</u>	<u>(411,432)</u>
Change in cash and cash equivalents in the year		67,957	172,304
Cash and cash equivalents at 1 September 2015		<u>697,658</u>	<u>525,354</u>
Cash and cash equivalents at 31 August 2016		<u>765,615</u>	<u>697,658</u>

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Winstanley Community College Academy Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

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 Trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

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

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

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

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

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

1.4 EXPENDITURE

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

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Leasehold buildings	-	4% Straight line
Leasehold land (125 year lease)	-	over 125 years
Flat roof repair (included within land and buildings)	-	6% Straight line
Fixtures and fittings	-	15% Straight line
Computer equipment	-	25% Straight line

1.7 OPERATING LEASES

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

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.9 TAXATION

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 CASH AT BANK AND IN HAND

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

1.11 LIABILITIES AND PROVISIONS

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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

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

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

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class assets.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Capital grants	-	-	449,390	449,390	223,422

In 2015, of the total income from donations and capital grants, £ *NIL* was to unrestricted funds and £223,422 was to restricted fixed asset funds

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	101,231	-	101,231	155,090
Other income	846	-	846	1,147
	<u>102,077</u>	<u>-</u>	<u>102,077</u>	<u>156,237</u>

In 2015, of the total income from other trading activities, £156,237 was to unrestricted funds and £ *NIL* was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest received	3,119	-	3,119	4,654

In 2015, of the total investment income, £4,654 was to unrestricted funds and £ *NIL* was to restricted funds.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	3,420,956	3,420,956	2,872,245
Other DfE/EFA grants	-	232,374	232,374	214,743
	-	3,653,330	3,653,330	3,086,988
Other government grants				
Local authority grants	-	56,423	56,423	55,027
	-	56,423	56,423	55,027
Other funding				
Other grants	-	7,905	7,905	16,142
	-	7,905	7,905	16,142
	-	3,717,658	3,717,658	3,158,157

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £3,158,157 was to restricted funds.

6. OTHER INCOME

At the end of August 2015 during roof replacement works to the swimming pool, the roof caught fire and destroyed the swimming pool roof and damaged the interior of the building. Other income represents the insurance claim amounts received and provided for in relation to this event. The majority of the income represents the work completed by 31 August 2016, which has been capitalised in fixed assets.

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs - salaries	1,678,111	1,520,676
Teaching and educational support staff costs - NI	134,362	115,229
Teaching and educational support staff costs - pensions	313,495	249,911
LGPS pension interest cost (£80,000) less return on assets (£38,000)	42,000	38,000
Educational supplies	82,239	98,928
Examination fees	39,302	-
Staff development	14,084	10,545
Other direct costs	170,719	151,404
Staff restructuring costs	65,461	-
Depreciation	288,644	253,466
Technology costs	13,028	6,605
	<u>2,841,445</u>	<u>2,444,764</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs - salaries	452,526	420,003
Support staff costs - NI	26,067	21,613
Support staff costs - pensions	82,632	69,669
Recruitment	7,707	24,292
Maintenance of premises and equipment	80,985	127,615
Cleaning	5,825	5,567
Rates	20,106	35,574
Insurance	19,261	39,572
Depreciation	96,214	84,488
Catering	49,713	37,819
Bank interest and charges	1,308	1,291
Other support costs	84,490	75,429
Technology costs	29,943	20,713
Energy costs	57,896	77,354
Governance costs	13,895	11,541
	<u>1,028,568</u>	<u>1,052,540</u>
	<u><u>3,870,013</u></u>	<u><u>3,497,304</u></u>

WINSTANLEY COMMUNITY COLLEGE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising funds	77,949	-	9,380	87,329	100,043
Educational Operations:					
Direct costs	2,269,719	288,644	283,082	2,841,445	2,444,764
Support costs	561,225	280,287	187,056	1,028,568	1,052,540
	<u>2,908,893</u>	<u>568,931</u>	<u>479,518</u>	<u>3,957,342</u>	<u>3,597,347</u>

In 2015, of the total fundraising expenditure, £100,043 was to unrestricted funds and £NIL was to restricted funds.

In 2015, of total educational operations expenditure, £NIL was to unrestricted funds, £3,159,350 was to restricted funds and £337,954 to restricted fixed asset funds.

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- capitalised by the charity	384,858	337,954
Auditors' remuneration - audit	7,525	6,676
Auditors' remuneration - other services	1,607	1,901
Operating lease rentals	<u>2,237</u>	<u>2,237</u>

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10. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	2,194,010	2,011,030
Social security costs	164,490	140,396
Operating costs of defined benefit pension schemes	406,642	330,449
	2,765,142	2,481,875
Supply staff costs	78,290	141,391
Staff restructuring costs	65,461	-
	2,908,893	2,623,266

Staff restructuring costs comprise:

Redundancy payments	15,845	-
Severance payments	49,616	-
	65,461	-

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

	2016	2015
	No.	No.
Teachers	33	27
Administration and support	79	69
Management	4	5
	116	101

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	0	1
In the band £110,001 - £120,000	1	0

The above employees participated in the Teacher' Pension Scheme. During the year ended 31 August 2015, annualised pension contributions for these staff members amounted to £25,596 (2015 - £19,700).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust £448,509 (2015 - £407,096).

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Non Statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £49,616 (2015: £NIL). Individually, the payments were £49,616.

11. TRUSTEES' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 5 Trustees (2015 - 5) in respect of defined benefit pension schemes.

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

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

A Russell (Principal and Trustee) (Resigned 31 December 2015)

Remuneration £110,000 - £115,000 (2015: £80,000 - £85,000)

Employer's pension contributions £0,000 - £5,000 (2015: £10,000 - £15,000)

G Williams (Principal and Trustee) (Appointed 1 January 2016)

Remuneration £45,000 - £50,000 (2015: £NIL)

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

W Stannard (Staff Trustee)

Remuneration £45,000 - £50,000 (2015: £40,000 - £45,000)

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

B Rai (Staff Trustee)

Remuneration £15,000 - £20,000 (2015: £15,000 - £20,000)

Employer's pension contributions £0,000 - £5,000 (2015: £0,000 - £5,000)

K Sharp (Staff Trustee)

Remuneration £35,000 - £40,000 (2015: £20,000 - £25,000)

Employer's pension contributions £5,000 - £10,000 (2015: £0,000 - £5,000)

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

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

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 £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £695 (2015 - £1,243).

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13. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2015	6,559,659	249,122	332,477	7,141,258
Additions	1,085,656	31,210	18,833	1,135,699
At 31 August 2016	7,645,315	280,332	351,310	8,276,957
DEPRECIATION				
At 1 September 2015	642,311	59,804	104,947	807,062
Charge for the year	258,448	39,657	86,753	384,858
At 31 August 2016	900,759	99,461	191,700	1,191,920
NET BOOK VALUE				
At 31 August 2016	6,744,556	180,871	159,610	7,085,037
At 31 August 2015	5,917,348	189,318	227,530	6,334,196

The land and buildings are held on a 125 year lease with the Local Authority. The cost of the land and buildings was arrived at in the period ended 31 August 2013 using the EFA standard valuation on a depreciated replacement cost basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

14. STOCKS

	2016 £	2015 £
Classroom and other materials	2,290	4,957

15. DEBTORS

	2016 £	2015 £
Trade debtors	265	2,547
VAT repayable	73,268	14,793
Prepayments and accrued income	151,477	75,893
	225,010	93,233

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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	141,782	-
Taxation and social security	48,496	42,080
Other creditors	45,569	261,063
Accruals and deferred income	366,474	362,153
	<u>602,321</u>	<u>665,296</u>
	2016	2015
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2015	182,650	15,192
Resources deferred during the year	275,927	182,650
Amounts released from previous years	(182,650)	(15,192)
Deferred income at 31 August 2016	<u>275,927</u>	<u>182,650</u>

The closing balance of deferred income relates to Condition Improvement Funds received for the replacement roofing project phase I not completed at the year end of £65,244, phase II not completed at the year end of £103,033 and the replacement windows project phase II at the year end of £101,893 plus other grants or income received in advance of related activities of £5,757.

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17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DESIGNATED FUNDS						
MUGA surface replacement	42,000	-	-	(42,000)	-	-
UNRESTRICTED FUNDS						
General Funds	38,244	105,196	(87,329)	42,000	-	98,111
Total Unrestricted funds	80,244	105,196	(87,329)	-	-	98,111
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	3,420,956	(3,093,435)	(35,340)	-	292,181
Pupil Premium	-	224,874	(224,874)	-	-	-
Other DfE/EFA Grants	-	7,500	(7,500)	-	-	-
Local Authority Grants	-	56,423	(56,423)	-	-	-
Other Grants	10,320	7,905	(17,923)	-	-	302
Pension reserve	(1,115,000)	-	(85,000)	-	(359,000)	(1,559,000)
	(1,104,680)	3,717,658	(3,485,155)	(35,340)	(359,000)	(1,266,517)
RESTRICTED FIXED ASSET FUNDS						
Transfer from local authority on conversion	4,970,321	-	(220,344)	-	-	4,749,977
DfE/EFA capital grants	234,820	431,890	(25,196)	20,095	-	661,609
Capital expenditure from GAG	912,392	-	(125,791)	14,090	-	800,691
Other capital grants	256,651	17,500	(13,527)	1,155	-	261,779
Other income	-	610,981	-	-	-	610,981
	6,374,184	1,060,371	(384,858)	35,340	-	7,085,037
Total restricted funds	5,269,504	4,778,029	(3,870,013)	-	(359,000)	5,818,520
Total of funds	5,349,748	4,883,225	(3,957,342)	-	(359,000)	5,916,631

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

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17. STATEMENT OF FUNDS (continued)

Designated funds

Designated funds are funds set aside for the future potential replacement of the surface of the Multiple Use Games Area (MUGA), the Trustees have decided to eliminate the designation and transfer the funds back to general funds.

Restricted general funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupil of all abilities and to close the gaps between them and their peers. All funds have been spent in full within the first year.

Other DfE/EFA restricted fund grants consists of Year 7 Catch Up.

Local Authority grants consists of Special Educational Needs and Looked After Pupils Grants.

Other restricted fund grants consists of an Apprenticeship Grant, Schools Direct Trainees funding, EMI Music grants, The Mighty Creatives, Teach First Mentoring grants and STEM My Science Funding all of which were fully spent during the year. The funds carried forward of £302 are for a Braunstone Town Council grant to fund the making of an electric car.

The pension reserve relates to the academy's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset funds

The transfer from Local Authority relates to the value of buildings and moveable assets transferred from the Local Authority to the Academy on conversion less depreciation charged to date.

DfE/EFA capital grants relate to funding received to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where GAG is received, to the restricted fixed assets fund where it had been spent.

Other capital grants received in the year includes £15,000 received from Wooden Spoon to be used towards the cost to purchase outdoor gym equipment and £2,500 to be used towards the purchase of some Real Care Babies. The closing balance relates to the net book value of these assets and the net book value of the new maths block built with funding received from the Local Authority.

Other income is in relation to insurance claims received for the work required to reconstruct and refurbish the swimming following a roof fire in August 2015.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Year to 31 August Total funds 2016 £	Year to 31 August Total funds 2015 £
Tangible fixed assets	-	-	-	-	6,334,196
Current assets	98,111	422,643	7,085,037	7,085,037	-
Current assets	-	(130,160)	472,161	992,915	795,848
Pension scheme liability	-	(1,559,000)	(472,161)	(602,321)	(665,296)
	-	(1,559,000)	-	(1,559,000)	(1,115,000)
	<u>98,111</u>	<u>(1,266,517)</u>	<u>7,085,037</u>	<u>5,916,631</u>	<u>5,349,748</u>

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	925,883	(54,877)
Adjustment for:		
Depreciation charges	384,858	337,954
Interest receivable	(3,119)	(4,654)
Decrease in stocks	2,667	22,601
(Increase)/decrease in debtors	(131,777)	89,900
(Decrease)/increase in creditors	(62,975)	339,234
Capital grants from DfE and other capital income	(1,060,371)	(224,422)
Defined benefit pension scheme cost less contributions payable	43,000	40,000
Defined benefit pension scheme finance cost	42,000	38,000
Net cash provided by operating activities	<u>140,166</u>	<u>583,736</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	765,615	697,658
Total	<u>765,615</u>	<u>697,658</u>

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21. CAPITAL COMMITMENTS

At 31 August 2016 the academy had capital commitments as follows:

	2016	2015
	£	£
Contracted for but not provided in these financial statements	<u>353,587</u>	<u>253,356</u>

The above commitments for the year ended 31 August 2016 are in relation to the cost of the roof and windows replacement phase II and the swimming pool refurbishment following a roof fire, for the year ended 31 August 2015 the commitments were in relation to the roof replacement phase I.

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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 Leicestershire County Council. Both are Multi-employer defined benefit pension 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.

Contributions amounting to £45,569 were payable to the schemes at 31 August 2016 (2015 - 37,379) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £212,163 (2015 - £163,691).

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

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22. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £194,000 (2015 - £163,000), of which employer's contributions totalled £152,000 (2015 - £126,000) and employees' contributions totalled £42,000 (2015 - £37,000). The agreed contribution rates for future years are 21.4 - 22.4% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	3.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %
Inflation assumption (CPI)	2.10 %	2.60 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2016	2015
Retiring today		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	956,000	627,000
Bonds	239,000	199,000
Property	119,000	104,000
Cash	13,000	19,000
	<hr/>	<hr/>
Total market value of assets	1,327,000	949,000
	<hr/>	<hr/>

The actual return on scheme assets was £38,000 (2015 - £34,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS102 report for Fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the year (i.e. as at 1 September 2015 for the year to 31 August 2016, or date of joining the fund if later).

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22. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(195,000)	(166,000)
Net interest cost	(42,000)	(38,000)
Total	<u>(237,000)</u>	<u>(204,000)</u>

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

	2016 £	2015 £
At 1 September	2,064,000	1,824,000
Current service cost	195,000	166,000
Interest cost	80,000	70,000
Employee contributions	42,000	37,000
Actuarial losses	540,000	21,000
Benefits paid	(35,000)	(54,000)
At 31 August	<u>2,886,000</u>	<u>2,064,000</u>

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

	2016 £	2015 £
At 1 September	949,000	806,000
Return on plan assets (excluding net interest on the net defined pension liability)	38,000	32,000
Actuarial gains and (losses)	181,000	2,000
Employer contributions	152,000	126,000
Employees contributions	42,000	37,000
Benefits paid	(35,000)	(54,000)
At 31 August	<u>1,327,000</u>	<u>949,000</u>

Sensitivity analysis

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

Change in assumptions as at 31 August 2016:

	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	13%	368,000
1 year increase in member life expectancy	3%	87,000
0.5% increase in the Salary Increase Rate	4%	129,000
0.5% increase in the Pension Increase Rate	8%	228,000

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23. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	7,428	2,237
Between 1 and 5 years	21,135	2,610
Total	<u>28,563</u>	<u>4,847</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 the trust 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 either the current or prior period.

25. MEMBERS' LIABILITY

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

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**NOTES TO THE FINANCIAL STATEMENTS
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26. FIRST TIME ADOPTION OF FRS 102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

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

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		5,479,662	5,423,625
Total funds reported under FRS 102		<u>5,479,662</u>	<u>5,423,625</u>

Reconciliation of net (expenditure)	Notes	31 August 2015
		£
Net (expenditure) previously reported under UK GAAP		(39,877)
Change in recognition of LGPS interest cost	A	(15,000)
Net (expenditure) reported under FRS 102		<u>(54,877)</u>

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

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £15,000 and increase the debit in other recognised gains and losses in the SOFA by an equivalent amount.