

Radcliffe Academy
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2016

**Company Registration Number:
09334026 (England and Wales)**

Period of account: 1 September 2015 – 31 August 2016

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Radcliffe Academy

Reference and Administrative Details

Members

Gloria Walker
Anthony Scott
Venetia Mayman

Trustees

Gloria Walker (Chairperson) * +
Anthony Scott – Community Trustee *
Emma Canter – Co-opted Trustee *
Hannah MacDiarmid – Partnership Trustee +
Jessie Dobson – Parent Trustee +
Nicola Partridge – Headteacher * + (Appointed 01.01.2016)
Jolie Kirby – Partnership Trustee * (Appointed 01.09.2016)
Lucy Mettyear – Co-opted Trustee * (Appointed 05.12.2016)
Andrew Creese – Headteacher * + (Resigned 31.12.2015)
Katherine Ryan – Partnership Trustee * (Resigned 31.08.2016)
Mark Jenner – Partnership Trustee * (Resigned 01.03.2016)
Helen Downs (formerly Sandland) – Parent Trustee +
(Resigned 31.08.2016)

*members of the Business Committee

+members of the Leading Learning Committee

Company Secretary

Blake Morgan LLP

Radcliffe Academy

Reference and Administrative Details (continued)

Senior Management Team

- Andrew Creese (Retired 31.12.2015) Headteacher and Accounting Officer
- Nicola Partridge (Appointed 01.01.2016) Headteacher and Accounting Officer
- Jacqueline West (Appointed 01.09.2015) Assistant Headteacher
- Caroline Duncan Assistant Headteacher
- Joanna Robinson Assistant Headteacher
- Beverley O'Toole KS3 & Bridges Programme Lead Manager
- Jessie Dobson VOC & WRL Team Leader
- Brenda Mundy Business Manager

Company Name Radcliffe Academy

Principal and Registered Office The Harlow Centre
Raymund Road
Old Marston
Oxford
OX3 0SW

Company Registration Number 09334026 (England and Wales)

Independent Auditor Critchleys LLP
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

Bankers Lloyds Bank
29 High Street
Chippenham
Wiltshire
SN15 3HA

Solicitors Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Radcliffe Academy

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 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 Alternative Provision (AP) Academy, Meadowbrook College, for pupils aged 5 to 16 serving a catchment area across Oxfordshire. It has a pupil capacity of 106 and had a roll of 80 Single registered students in the school census on 19th May 2016.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Radcliffe Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Radcliffe Academy.

Details of the Trustees who served during the year 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

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the academy trust purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in accordance with the Articles of Association. All Trustees are recruited on the basis of possessing appropriate skills, a knowledge and understanding of education and in particular alternative provision.

Members may appoint up to 1 Trustee.

Parent Trustee vacancies are filled through advertisement and election. In appointing a Parent Trustee or Parent member of a Local Governing Body or Advisory Body the Trustees shall appoint a person who is the parent of a registered pupil at an Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Trustees may appoint:

- The Headteacher Trustee
- 1 person nominated by the LA
- 1 person nominated by OSSHTA (Oxfordshire Secondary School Heads Association) may be appointed as Partnership Trustee
- 1 person nominated by the VIP+ charity may be appointed as Partnership Trustee

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Trustees' Report (continued)

Other Trustee appointments are addressed through personal recommendation and consideration by the whole Board of Trustees.

During 2015, a key action for Trustees was to appoint a new Headteacher. Andrew Creese resigned with effect from 31st December 2015 after long and distinguished service leading alternative provision for young people in Oxfordshire. The Trustees undertook a rigorous and extended recruitment process and were pleased to appoint Nicola Partridge to the role of Headteacher and Headteacher Trustee with effect from January 1st 2016. Since her appointment the Headteacher has reviewed current provision, and brought new and exciting ideas to further enhance and develop opportunities for our students, working closely with Headteacher colleagues across the County. We look forward to the continued success and growth of Meadowbrook College under her leadership and guidance. The Trust has complete confidence that the Headteacher has the knowledge, skills, vision and commitment to work with Trustees and lead and manage the growth of the Trust through its next period of development.

Policies and Procedures Adopted for the Induction and Training of Trustees

All Trustees receive training on Academy Governance and Trustee's responsibilities through access to online resources. Specifically focused training sessions will be offered as required. In addition all Trustees visit the school throughout the year.

New Trustees receive an individual induction package tailored to meet the needs of the individual and, where necessary training is also provided on education, legal and financial matters. All new Trustees are given a tour of the Academy and the opportunity to meet students and staff.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education.

The Board of Trustees, which meets on at least three occasions a year, is responsible for the strategic direction of the Multi Academy Trust (MAT). The Board of Trustees delegates certain functions to two committees: the Business Committee and the Leading Learning Committee. These meetings are attended by members of the Senior Leadership Team and Finance Officer. The committees review progress towards educational objectives and results, approve major expenditure requests, set the budget for the following year and set the organisational staffing structure, and agree the performance management objectives of the Headteacher. Any decisions made at committee level are taken to the Board of Trustees for ratification.

The Headteacher is the designated Accounting Officer and has overall responsibility of the day to day financial management of the Academy Trust. The Headteacher has delegated responsibility for low values of expenditure. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team. The Senior Leadership Team meets frequently to discuss emerging matters and to help develop strategies for future development to be put to the Headteacher and Board of Trustees for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspect of the Academy.

Arrangements for setting pay and remuneration of key management personnel

Radcliffe Academy Trust has a pay policy which sets out the basis on which we determine teachers' pay. Senior Leaders who are qualified teachers are paid on either the Leadership scale or the Green Book scale; the range is decided by the Trustees, and their roles and responsibilities are defined in a job description. Qualified and Unqualified Teachers are subject to the STPCD. All other members of staff are paid according to the Green Book and have had their pay scales evaluated as per the guidance. Progression through all pay scales at Meadowbrook College is determined following an annual Appraisal process which reviews targets set at an annual Appraisal Review. All staff working directly with young people will have three targets as follows:

- Whole-school progress target;
- Target linked to reflection of the Teacher Standards or as defined in the job description (Green Book staff);
- Personal Development target - as identified through lesson observation/work scrutiny or 1-1 challenge & support meetings throughout the year. This target may also include a target to improve a colleague's leadership skills i.e. as a subject leader or programme leader;
- Senior Leadership member targets will relate directly to the roles and responsibilities of their post e.g. teaching and learning/curriculum development/safeguarding.

The Headteacher reviews the performance of all Senior Leaders. Deadlines for the reviews to be completed are as follows: all qualified/unqualified teachers, including Senior Leadership, should be completed by October 31 and all other staff by December 31 each year. Where targets have been met and a member of staff is recommended for pay progression, the Headteacher will consider these applications in the first instance and take the recommendations to the Trustee meeting in December each year for agreement.

Any staff who are refused pay progression in any academic year will be able to appeal, should they wish, through the procedures for determining pay appeals, as found in the Pay Policy for Teachers October 2016 (protection).

The Trustees will determine the pay range of the Headteacher when they propose to make a new appointment or if there has been a significant change in the responsibilities of the Headteacher, or at any time if they consider it necessary to review the range to retain a Headteacher. The Trustees will decide a range of seven pay points from the range of points available for the Headteacher group of the school. The Headteacher's pay range should only be reviewed if it is necessary to take account of a change of size or group of the school, or if there is a significant change to the responsibilities of the post or if a review is necessary to maintain consistency with pay arrangements for new appointments to the leadership team.

Remuneration of expenses for Trustees

Trustees are able to recoup any expenses incurred in respect of the Radcliffe Academy Trust business e.g. travel expenses to meetings. Expense claims should be submitted to the Clerk at each meeting.

Related Parties and other Connected Charities and Organisations

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

The Academy Trust maintains a register of pecuniary interests of the Board of Trustees which is regularly reviewed and updated.

For further details of related parties and transactions during the year see Notes 10 and 25.

Objectives and Activities

Objects and Aims

Following conversion from a LA PRU to an AP Academy and MAT in February 2015 the key objectives have been to maintain effective governance and the required financial and business systems to enable successful operation as an AP Academy.

Vision Statement

The Radcliffe Academy Trust delivers exceptional education and alternative provision for children and young people, regardless of their starting point, opening the door to the future of their choice

Strategic Objectives (2015 - 16)

Our goals are to:

- Achieve an outstanding culture for learning
- Maximise student learning and outcomes
- Promote and develop professional learning

During the year the Academy has worked to:

- Develop our students as independent and resilient learners
- Improve overall attainment and progress
- Further expand the courses and opportunities offered to students
- Secure successful transitions from education to further education, employment or training
- Develop the quality of teaching by an ongoing dialogue around professional standards
- Improve attendance
- Develop the environment for learning
- Provide value for money from the funds expended
- Comply with all statutory and curriculum requirements as applied to Alternative Provision academies
- Conduct the Academy Trust's business in accordance with the highest standards of integrity

The over-riding ambition of the Radcliffe Academy Trust is to get the best for and from every student, ensuring that each student makes progress towards achieving their full academic, creative and physical potential, developing positive social, moral and British values.

Trustees have monitored the progress in fulfilling our aims through regular meetings, frequent reports from the Headteacher and senior leaders and visits to our sites across Oxfordshire. Feedback from students and parents has been monitored through the Academy's regular assessment of Pupil Attitudes to Self and School (PASS).

Public Benefit

The Trustees of Radcliffe Academy confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The Academy provides education for students who are at risk of exclusion or are permanently excluded from mainstream schools and academies across Oxfordshire. Students are allocated places through the county In Year Fair Access Panels. We support a small number of students following direct referral which the schools and academies commission directly from us. Outreach support and advice is also offered to schools, and we liaise closely with families, carers and other agencies such as the Police, Social Services and voluntary groups.

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Trustees' Report (continued)

Our services (and premises) have been used throughout the year by local primary and secondary schools as well as Oxfordshire County Council, to benefit children and young people across Oxfordshire. The majority of our students are referred to our Academy by schools and academies in Oxfordshire and by the Local Authority's Exclusions and Reintegration Team, Virtual School and SEN Service.

Students come to the Academy from school years 3-11 (aged 8-16). The Radcliffe Academy, as required, provides a core curriculum of English, Maths and Science - with appropriate accreditation and qualifications. The specific personal, social and academic needs of all students are properly identified on referral and their individual, customised programme helps them overcome barriers to attainment, and improves their motivation and self-confidence, attendance and engagement with education. The Academy supports students with their next steps following their placement in the Academy - reintegration into mainstream education, further education, training or employment. Preparation for the world of work, and skills for employment form an important part of our programme for Key Stage 4 students.

Strategic Report

Achievements and Performance

The Academy Trust was incorporated on 1st December 2014. Meadowbrook College converted to Academy status and joined the Radcliffe Academy Trust on 1st February 2015. Meadowbrook College (as a local maintained provision) was last inspected by Ofsted in May 2012 and judged Good across all four key areas of the inspection: achievement of pupils, quality of teaching, behaviour and safety of pupils and leadership and management. Regular self-evaluation evidence confirms that progress continues in the context of the changing Ofsted framework. The 2015/16 Self-Evaluation Form (SEF) for Meadowbrook College judges the Academy to be in the position below:

Overall Effectiveness: the quality and standards of education	1
Effectiveness of Leadership and Management	2
Quality of Teaching, Learning and Assessment	1
Personal Development, Behaviour and Welfare	2
Outcomes for Pupils	1

The Academy Trust made these self-evaluation judgements based on improvements in provision at Meadowbrook College since its conversion to Academy status:

- Leadership and Management at both SLT and Trustee level have developed and become more effective.
- Representation on the Board of Trustees reflects a wider range of expertise, and strategic involvement with schools and community groups is impacting on sustaining and increasing numbers on roll, while clearly defined roles of senior leaders has improved accountability.
- Expansion of the curriculum has enabled students to acquire relevant and appropriate qualifications and accreditation.
- Achievement of students at Meadowbrook College outperforms 'average' performance of students in AP nationally (according to historical statistical release data).
- Significant progress has been made by students in their academic subjects, personal attitude to self and school, and behaviour.
- The quality of teaching has improved with appointments to the core subjects and art and adjustments in deployment of staff.

Radcliffe Academy

Trustees' Report (continued)

Key Performance Indicators

The Trustees receive regular information which enable them to monitor the performance of the Academy against its aims, the effectiveness of its strategies and its finances. The performance information since the Academy opened, shows good performance in all key areas including demand for provision; variety of provision; progress of students; stakeholder surveys (PASS) and financial health.

The Academy measures its success through a series of performance indicators. These indicators comprise:

- Demand for provision from LA and local schools
- Indicators of student performance including accreditation outcomes and destinations
- Stakeholder survey outcomes
- Financial health

Key Stage 4 examination results for 2015/16:

- 54% of students achieved 5 or more A*-G Grade GCSEs or equivalent
- 88% of students achieved appropriate accreditation in Maths and English qualification
- 25% of students achieved a C or above at English GCSE and 28% met or exceeded their Expected KS2-4 progress indicator for English (this means they managed to get 'back on track' to where they were supposed to be for their age despite having left their mainstream setting)
- 69% of students achieved a Level 1 or 2 in a Vocational Qualification (Construction/ Hospitality/ Sport/ Caring for Children/ Hair & Beauty)

Key Stage 3

Attainment and progress at Key Stage 3 is defined by a variety of factors: successful reintegration back to the child's mainstream school, attendance, attainment of PiXL (Partners in Excellence) and Arts Awards (where appropriate) and parent and school feedback.

- Attendance across all KS3 programmes was 90%
- 37 students went through the KS3 Discovery programme/48 through the Bridges programmes
- 32 Discovery student achieved Arts Award, 31 at Explorer level and 1 at Discover level, 32 PiXL Alternative Edge awards at Apprentice level, 32 achieved the St John's Ambulance certificate
- 75% of students returned to their own school or were reintegrated into a new school, 6% moved onto a Special School, 2% moved out of county, 9% continued in other Meadowbrook provision, 3% have remained on programme (needing more time), 5% have not been placed by county into new provision
- Parent and School feedback following time on the On Course programme is consistently positive

Key issues:

- We continue to develop improved systems and structures to support our work and to ensure that the best possible opportunities are available for our students, leading to improved outcomes for all.
- Careful monitoring of expenditure is a high priority as we recognise that developments must be managed within a balanced budget.
- We are carefully monitoring the wider national agenda regarding Free Schools, expansion of MATs and also looking for opportunities to improve our buildings as bid opportunities arise. These will be key areas for development in the coming year.
- Attendance across all programmes in the Academy remains an area for improvement. A robust action plan is in place to address the attendance issues identified following a comprehensive review of attendance protocols and procedures across the Academy. The overall attendance figure for 2015/16 was 68.23% and a challenging target of 85% has been set for 2016/17.

Radcliffe Academy

Trustees' Report (continued)

The number of students who are given Local Authority places at Meadowbrook College will fluctuate throughout the year. At any one time in the year we refer to our 'Full Time Equivalent' figure. As students return to new schools and we expect new students following a Referral and Induction process, the 106 number will change. Schools also apply for places on our Technical/Vocational courses and this is on a commissioned basis so will take our Full Time Equivalent numbers over the 106 throughout the year. Our final number at the end of August 2016 was 187.

Going Concern

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

Financial Review

The principal sources of funding for the Trust are the General Annual Grant (GAG) and 'top up' funding from the LA. For the period 1st September 2015 to 31st August 2016 the Trust received £2,764k of GAG and LA 'top up' funding. In addition the Trust receives other grants from the EFA (£53k) and generates income from alternative provision and services made to local schools (£230k). A high percentage of this income is spent on wages and salaries (78%) to deliver the Academy's primary objective of the provision of alternative education.

The Trust received £6k of DFCG capital funding during the period which was unspent at 31st August 2016.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs. The Trustees aim to set a balanced budget with annual income balancing annual expenditure.

The Trustees review the reserves level annually. This review encompasses the nature of income and expenditure together with the need to match income with commitments and the nature of reserves. The Trustees have taken the decision that the appropriate level of free reserves should be available to be equivalent to one month's gross salary expenditure which is currently £200,407. The reserve for 2016-17 should be increased to £210k. The reason for this is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a buffer to deal with unexpected emergencies such as maintenance and repairs.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £2,631k. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

On 31 August 2016 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£
Unrestricted General Funds	284,364
Restricted Capital Funds	12,793
Restricted General Funds	<u>281,280</u>
Reserves at 31 August 2016	<u>578,437</u>

This has been built up largely from the balance transferred from the predecessor Pupil Referral Unit but also includes locally raised income.

Radcliffe Academy

Trustees' Report (continued)

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer or employee contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

Investment Policy

An investment policy is due to be approved by the Board of Trustees in the Autumn Term, 2016. The investment policy at this time is to invest funds in risk free savings accounts.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Academy does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Business Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an Alternative Provider Academy, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy has considerable reliance on Government funding through the EFA and on 'top up' funding from the LA, there is no assurance that LA or Government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

- Fraud and mismanagement of funds - The Academy has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff and Trustee awareness.

In the period 1st September 2015 to 31st August 2016 financial systems have been internally and externally audited and prioritised reports received.

Plans for Future Periods

The Academy Trust will continue to develop and implement the strong strategic direction it has identified since its formation as part of the academy conversion process on 1st February 2015.

The Academy will continue to strive to meet its key objectives and deliver outstanding opportunities for its students. There will be a focus on strong governance and leadership, proactive strategic planning, sound financial planning, continuing staff development and succession planning.

The demand for Alternative Provision is growing year on year, and is expected to continue to grow as the workforce, housing stock and number of schools in Oxfordshire grows in the next decade. The Academy is therefore looking at expansion through a number of Free School developments, along with the opportunity this will provide to improve our current Harlow Centre premises, possibly through redevelopment of the site in conjunction with the River Learning Trust.

Funds Held as Custodian Trustee on Behalf of Others

The trust holds no Assets and Funds as Custodian Trustee on behalf of others.

Auditor

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 5 December 2016 and signed on the Board's behalf by:

Gloria Walker
Chair of Trustees

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Radcliffe Academy 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 Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Radcliffe Academy 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 seven 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
Gloria Walker	6	7
Anthony Scott	4	7
Katherine Ryan	6	7
Mark Jenner	3	3
Jessie Dobson	7	7
Helen Downs (formerly Sandland)	5	7
Hannah MacDiarmid	6	7
Emma Canter	4	7
Andrew Creese	2	2
Nicola Partridge	5	5

Resignations and Appointments during the year:

- There were three resignations during the year. Andrew Creese (31.12.15), Mark Jenner (01.03.16) and Katherine Ryan (31.08.16). One new appointment was made, Nicola Partridge (01.01.16).

Particular challenges which have occurred for the board during the year include:

- The key challenge during the year was to recruit and appoint a new Headteacher. Andrew Creese indicate his wish to retire from August 31st 2015, but kindly agreed to stay on until December 31st as we were unable to appoint in the summer term. Trustees advertised three times before suitable candidates were found for interview, but we were then delighted to be able to appoint Nicola Partridge, who has outstanding Alternative Provision skills, knowledge and understanding.
- The Academy budget remains a constant challenge, as it does for all schools, but through development of new relationships with schools, growth of the Academy provision, some restructuring to address anomalies and careful accounting, we are pleased that we have maintained a healthy financial position for the year.

Governance Reviews

The Trustees carried out a self-evaluation exercise in order to identify impact and effectiveness for the academic year and identify areas for development for the current year. Key findings from the review, and recommendations, were as follows:

- The Trust has grown and developed its skills during the first full year of operation, as we learn and understand more fully the requirements and expectations placed upon us;
- We share our values and have a vision for the development of the Academy;
- Trustees have a range of skills and are confident in providing challenge to Academy senior leaders;
- Trustees are focussed on the Academy's strategic priorities, and most particularly outcomes for students;
- Trustees would benefit from growth in their number through recruitment of Trustees with specific skills including project management, financial management and business development;
- Trustees should visit the various centres which make up Meadowbrook College more frequently to fully understand the daily challenges faced by staff;
- The Board would benefit from developing their business plan.

Committees

The Business Committee is a sub-committee of the main Board of Trustees. Its purpose is:

1. To review the Academy's internal and external financial statements and reports to ensure that they reflect best practice and meet statutory guidelines.
2. To consider all relevant reports, including reports on the accounts, achievement of value for money and the response to any External audit management letters.
3. To review the effectiveness of the internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.
4. To ensure that best practice is adopted to ensure that internal systems and outcomes of the Academy meet with the specified standards set out by the EFA in the Academies Handbook.
5. To implement and regularly review the Risk Register.
6. To consider internal and external finance reports, including value-for-money reports and the arrangements for their implementation.
7. To monitor the effectiveness of any agreed audit recommendations.
8. To consider any other business related matters where requested to do so by the Trustees.
9. To report at least twice a year to the Board of Trustees on the discharge of the above duties.
10. To evaluate and monitor the Business Continuity Plan.
11. To receive reports and make recommendations to the Board of Trustees in relation to Health & Safety and Sites & Buildings.

Key issues for the Business Committee were:

- Clear understanding of budget pressures and monitoring spend
- Ensuring value for money
- Ensuring that legal requirements were all satisfied
- Maintaining a balanced budget
- Receiving Health and Safety reports and updates on premises
- Discussion of business development opportunities

Radcliffe Academy Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Katherine Ryan	3	3
Gloria Walker	3	3
Anthony Scott	3	3
Mark Jenner	2	2
Emma Canter	2	3
Andrew Creese	1	1
Nicola Partridge	2	2

The Business Committee also acts as:

- an Audit Committee
- a Health and Safety Committee
- a Business Development Committee

Review of Value for Money

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

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

- Additional Income has been maximised through the work of the new Headteacher with Headteacher colleagues across the county to ensure that our work meets their needs as they are our main client group.
- Collaboration with our Oxford City Learning and Oxfordshire Teaching School Alliance (OTSA) schools and academies offers the opportunity to access free/reduced cost Continuing Professional Development opportunities for our staff.
- Effectively managing of staffing and the timetable to manage the individual needs of our most vulnerable students.
- Collaborative working with other Academies for payroll provider and Finance management system also using a combined tendering process for both Gas and Electricity has produced savings across these areas.
- Closely looked at staffing to student ratio, streamlining the number of staff required through natural wastage.

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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust 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 Radcliffe Academy for the period 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Academy Trust'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 Business 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 specific internal audit function and has decided:

- To appoint Critchleys as Internal Auditor from September 2015.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Looking at the income relating to the traded services which included a review of the income schedule up to the end of term 3 and considering the systems for advising finance of invoicing;
- Review of the self-assessment progress since the June 2015 internal Audit report.

The internal auditor reports to the Board of Trustees, through the Business Committee, on the operation of systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Academy Trust can confirm that the internal auditor has delivered their schedule of work as planned and that there have been no material control issues arising requiring remedial action.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust 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 Business Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 5 December 2016 and signed on its behalf by:

Gloria Walker
Chair of Trustees

Nicola Partridge
Accounting Officer

Radcliffe Academy

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Radcliffe Academy 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 the EFA.

Nicola Partridge
Accounting Officer

5 December 2016

The Trustees (who act as governors of Radcliffe Academy 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 published 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 in 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; and
- 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 5 December 2016 and signed on its behalf by:

Gloria Walker
Chair of Trustees

We have audited the financial statements of Radcliffe Academy for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the EFA.

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

Respective responsibilities of trustees and auditor

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the EFA's Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Andrew Rodzynski (Senior statutory auditor)
For and on behalf of Critchleys LLP
Statutory Auditor
Oxford

Date:

Radcliffe Academy

Independent Reporting Accountant's Assurance Report on Regularity to Radcliffe Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 14 April 2015 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 Radcliffe Academy during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Radcliffe Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Radcliffe Academy's funding agreement with the Secretary of State for Education dated 29 January 2015 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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 trust's income and expenditure.

Radcliffe Academy

Independent Reporting Accountant's Assurance Report on Regularity to Radcliffe Academy and the Education Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

Conclusion

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

Critchleys LLP
Reporting Accountant
Oxford

Date:

Radcliffe Academy
Statement of Financial Activities
For the period ended 31 August 2016
(including Income and Expenditure Account)

The 2015 comparative figures represented a 7 month period of activity from conversion to 31 August 2015

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	592	-	6,430	7,022	6,756
Transfer from local authority on conversion	26	-	-	-	-	(66,731)
Charitable activities						
Funding for the Academy's educational operations	3	-	2,816,958	-	2,816,958	1,629,132
Other income for educational operations	4	238,987	-	-	238,987	188,835
Other trading activities	5	19,112	-	-	19,112	2,631
Investments	6	607	-	-	607	143
Total		259,298	2,816,958	6,430	3,082,686	1,760,766
Expenditure on:						
Raising funds	7	-	-	-	-	-
Charitable activities						
Academy's educational operations	8	238,987	2,681,208	78,685	2,998,880	1,796,709
Total		238,987	2,681,208	78,685	2,998,880	1,796,709
Net income / (expenditure) before transfers		20,311	135,750	(72,255)	83,806	(35,943)
Transfers between funds	15	-	(27,053)	27,053	-	-
Net income/(expenditure) for the period		20,311	108,697	(45,202)	83,806	(35,943)
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	15,24	-	(1,324,000)	-	(1,324,000)	344,000
Net movement in funds		20,311	(1,215,303)	(45,202)	(1,240,194)	308,057
Reconciliation of Funds						
Funds brought forward at 1 September 2015		264,053	(1,134,417)	1,178,421	308,057	-
Funds carried forward at 31 August 2016		284,364	(2,349,720)	1,133,219	(932,137)	308,057

All of the Academy's activities derive from continuing operations and acquisitions in the previous accounting period (see note 26).

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Radcliffe Academy
Balance sheet
As at 31 August 2016

Company number:
09334026

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	12		1,120,426		1,151,285
Current assets					
Debtors	13	72,585		87,100	
Cash at bank and in hand		632,241		527,714	
		<u>704,826</u>		<u>614,814</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(126,389)</u>		<u>(162,042)</u>	
Net current assets			<u>578,437</u>		<u>452,772</u>
Total assets less current liabilities			1,698,863		1,604,057
Net assets excluding pension liability			<u>1,698,863</u>		<u>1,604,057</u>
Defined benefit pension scheme liability	24		<u>(2,631,000)</u>		<u>(1,296,000)</u>
Net (liabilities)/assets including pension liability			<u>(932,137)</u>		<u>308,057</u>
Funds of the academy:					
Restricted fixed asset funds	15		1,133,219		1,178,421
Restricted funds					
Restricted funds excluding pension liability	15	281,280		161,583	
Pension reserve	15	<u>(2,631,000)</u>		<u>(1,296,000)</u>	
			(2,349,720)		(1,134,417)
Total restricted funds			<u>(1,216,501)</u>		<u>44,004</u>
Unrestricted funds	15		284,364		264,053
Total funds			<u>(932,137)</u>		<u>308,057</u>

The financial statements on pages 23 to 42 were approved by the trustees and authorised for issue on 5 December 2016 and are signed on their behalf by:

Gloria Walker
Chair of Trustees

Radcliffe Academy
Statement of Cash Flows
For the period ended 31 August 2016

The 2015 comparative figures represented a 7 month period of activity from conversion to 31 August 2015

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	146,002	254,516
Cash flows from investing activities			
	20	(41,475)	(8,854)
Change in cash and cash equivalents in the reporting period		<u>104,527</u>	<u>245,662</u>
Reconciliation of net cash flow to movement in net funds			
Cash transferred on conversion to an academy trust		-	282,052
Cash and cash equivalents at 1 September 2015		527,714	-
Cash and cash equivalents at 31 August 2016	21	<u><u>632,241</u></u>	<u><u>527,714</u></u>

All of the cash flows are derived from continuing operations and acquisitions in the previous accounting period.

Radcliffe Academy
Notes to the financial statements
For the period ended 31 August 2016

The 2015 comparative figures represented a 7 month period of activity from conversion to 31 August 2015

1 Statement of Accounting Policies

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

Basis of Preparation

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 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.

Radcliffe Academy meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Radcliffe Academy 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 Radcliffe Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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. The academy is in a net liabilities position due to a large pension deficit provision. The existence of this pension deficit is not considered to be a threat to going concern on the basis that the liability is not expected to crystallise in the near future.

Income

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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.

1 Statement of Accounting Policies (continued)

Donations

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

Other Income

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

Donated goods, facilities and services

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

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

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

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

1 Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 12 for further details).

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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold buildings	20 years from conversion
Leasehold improvements	10-20 years
Fixtures, fittings and equipment	7 years
ICT equipment	5 years
Motor Vehicles	5 years

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

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.

Liabilities

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

Provisions

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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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 Statement of Accounting Policies (continued)

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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 gains and losses.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders 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/donor and include grants from the Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 24).

Radcliffe Academy
Notes to the financial statements
For the period ended 31 August 2016

The 2015 comparative figures represent a 7 month period of activity from conversion to 31 August 2015

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE/EFA capital grants				
Devolved formula capital grant	-	6,430	6,430	6,363
	-	6,430	6,430	6,363
Other donations	592	-	592	393
	<u>592</u>	<u>6,430</u>	<u>7,022</u>	<u>6,756</u>

The income from donations and capital grants was £7,022 (2015: £6,756) of which £592 was unrestricted (2015: £393), £Nil restricted (2015: £Nil) and £6,430 restricted fixed assets (2015: £6,363).

3 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,106,614	1,106,614	524,860
Other DfE grants	-	52,766	52,766	20,993
	-	1,159,380	1,159,380	545,853
Other Government grants				
Local authority revenue funding	-	1,657,578	1,657,578	1,083,279
	-	1,657,578	1,657,578	1,083,279
	-	2,816,958	2,816,958	1,629,132
	<u>-</u>	<u>2,816,958</u>	<u>2,816,958</u>	<u>1,629,132</u>

The funding for the academy's educational operations was £2,816,958 (2015: £1,629,132) of which £Nil was unrestricted (2015: £Nil), £2,816,958 restricted (2015: £1,629,132) and £Nil restricted fixed assets (2015: £Nil).

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4 Other income for educational operations

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
Catering income	7,427	-	7,427	4,807
Other income	231,560	-	231,560	184,028
	<u>238,987</u>	<u>-</u>	<u>238,987</u>	<u>188,835</u>

The other income for educational operations was £238,987 (2015: £188,835) of which £238,987 was unrestricted (2015: £188,835), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

5 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
Hire of facilities	19,112	-	19,112	2,631
	<u>19,112</u>	<u>-</u>	<u>19,112</u>	<u>2,631</u>

The other trading activities income was £19,112 (2015: £2,631) of which £19,112 was unrestricted (2015: £2,631), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

6 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
Short term deposits	607	-	607	143
	<u>607</u>	<u>-</u>	<u>607</u>	<u>143</u>

The investment income was £607 (2015: £143) of which £607 was unrestricted (2015: £143), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

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7 Expenditure

	Staff Costs £	Non Pay Premises Costs £	Expenditure Other Costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations					
Direct costs (note 8)	2,099,044	-	205,009	2,304,053	1,024,918
Allocated support costs (note 8)	242,759	158,391	293,677	694,827	771,791
	<u>2,341,803</u>	<u>158,391</u>	<u>498,686</u>	<u>2,998,880</u>	<u>1,796,709</u>
	<u>2,341,803</u>	<u>158,391</u>	<u>498,686</u>	<u>2,998,880</u>	<u>1,796,709</u>

The expenditure on academy's educational operations was £2,998,880 (2015: £1,796,709) of which £238,987 was unrestricted (2015: £189,228), £2,681,208 restricted (2015: £1,566,189) and £78,685 restricted fixed assets (2015: £41,292).

Net income/(expenditure) for the period includes:

	2016 £	2015 £
Operating lease rentals	-	-
Depreciation	78,685	41,292
(Gain)/loss on disposal of fixed assets	686	
Fees payable to auditor for:		
Audit	7,000	7,350
Other services	7,865	5,200

Included within expenditure are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Compensation payments	268	-	-
Fixed asset losses	686	-	-

8 Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	2,304,053	1,024,918
Support costs - educational operations	694,827	771,791
	<u>2,998,880</u>	<u>1,796,709</u>

Analysis of support costs

	Educational operations £	Total 2016 £	Total 2015 £
Support staff costs	231,759	231,759	426,037
Depreciation	78,685	78,685	41,292
Technology costs	47,006	47,006	28,972
Premises costs	158,391	158,391	55,597
Other support costs	149,756	149,756	76,398
Governance costs	18,230	18,230	29,495
Other pension costs	65,000	65,000	63,000
Other finance costs (FRS102 pension)	(54,000)	(54,000)	51,000
Total support costs	<u>694,827</u>	<u>694,827</u>	<u>771,791</u>

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9 Staff Costs

	2016	2015
	£	£
Staff costs during the period were:		
Wages and salaries	1,864,830	1,057,877
Social security costs	161,905	68,961
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	304,068	159,503
FRS102 Other pension and finance costs	11,000	114,000
	<u>2,341,803</u>	<u>1,400,341</u>
Agency supply staff costs	-	1,610
Staff restructuring costs	-	-
	<u><u>2,341,803</u></u>	<u><u>1,401,951</u></u>

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

	2016	2015
	No.	No.
Teachers	18	21
Administration and support	55	57
Management	7	7
	<u>80</u>	<u>85</u>

There were no employees whose emoluments were over £60,000 in the year.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1-2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £379,846 (2015 - 7 month period: £208,608).

10 Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment.

	2016	2015
	£	£
A Creese (Headteacher, accounting officer and staff trustee until 31 December 2015)		
Remuneration	25k-30k	45k-50k
Employer's pension contributions paid	0k-5k	5k-10k
J Dobson (Staff member and trustee)		
Remuneration	35k-40k	20k-25k
Employer's pension contributions paid	5k-10k	0k-5k
N Partridge (Headteacher, accounting officer and staff trustee from 1 January 2016)		
Remuneration	45k-50k	-
Employer's pension contributions paid	5k-10k	-

During the period ended 31 August 2016, travel and subsistence expenses totalling £918 were reimbursed or paid directly to 2 trustees (2015: £177 to 1 trustee).

11 Trustees and officers insurance

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

The cost of this insurance is included in the total insurance cost.

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12 Tangible fixed assets

	Leasehold Buildings £	Motor Vehicles £	Furniture & Equipment £	Computer Equipment £	Total £
Cost					
At 1 September 2015	1,140,992	38,977	2,368	10,240	1,192,577
Additions	-	-	41,534	6,978	48,512
Disposals	-	-	-	(990)	(990)
As at 31 August 2016	<u>1,140,992</u>	<u>38,977</u>	<u>43,902</u>	<u>16,228</u>	<u>1,240,099</u>
Depreciation					
At 1 September 2015	33,658	5,684	197	1,753	41,292
Charges in period	57,699	10,511	6,272	4,203	78,685
Disposals	-	-	-	(304)	(304)
As at 31 August 2016	<u>91,357</u>	<u>16,195</u>	<u>6,469</u>	<u>5,652</u>	<u>119,673</u>
Net book values					
As at 31 August 2016	<u>1,049,635</u>	<u>22,782</u>	<u>37,433</u>	<u>10,576</u>	<u>1,120,426</u>
As at 31 August 2015	<u>1,107,334</u>	<u>33,293</u>	<u>2,171</u>	<u>8,487</u>	<u>1,151,285</u>

Leasehold property

The academy trust took out 125 year leases over the property at the date of conversion. Leasehold buildings are recognised in the accounts as the academy trust has the right to use the property. The valuation was arranged by the EFA and was carried out on a desktop depreciated replacement cost basis. Due to restrictions in the leases on the use of the land, the Trustees consider that the land has no value and as such it is included in the financial statements at nil value. The freehold of this property is owned by the Local Authority.

13 Debtors

	2016 £	2015 £
Trade debtors	38,005	44,106
VAT recoverable	16,538	16,619
Prepayments and accrued income	18,042	26,375
	<u>72,585</u>	<u>87,100</u>

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	35,076	13,521
Other taxation and social security	45,762	77,652
Other creditors	31,923	28,347
Accruals and deferred income	13,628	42,522
	<u>126,389</u>	<u>162,042</u>

Deferred income

	2016 £	2015 £
Deferred income at 1 September	-	-
Released from previous years	-	-
Resources deferred in the period	5,282	-
Deferred income at 31 August	<u>5,282</u>	<u>-</u>

Deferred income represents funding received specifically for next financial year.

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15 Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	161,583	1,106,614	(959,864)	(27,053)	281,280
Pupil Premium funding	-	39,510	(39,510)	-	-
Other DfE funding	-	13,256	(13,256)	-	-
Local authority revenue funding	-	1,657,578	(1,657,578)	-	-
Pension reserve (note 24)	(1,296,000)	-	(11,000)	(1,324,000)	(2,631,000)
	<u>(1,134,417)</u>	<u>2,816,958</u>	<u>(2,681,208)</u>	<u>(1,351,053)</u>	<u>(2,349,720)</u>
Restricted fixed asset funds					
Transfer on conversion	20,773	-		(20,773)	-
EFA Devolved Formula Capital	6,363	6,430			12,793
Fixed asset fund (note 12)	1,151,285		(78,685)	47,826	1,120,426
	<u>1,178,421</u>	<u>6,430</u>	<u>(78,685)</u>	<u>27,053</u>	<u>1,133,219</u>
Total restricted funds	<u>44,004</u>	<u>2,823,388</u>	<u>(2,759,893)</u>	<u>(1,324,000)</u>	<u>(1,216,501)</u>
Unrestricted funds					
Unrestricted funds	264,053	259,298	(238,987)	-	284,364
Total unrestricted funds	<u>264,053</u>	<u>259,298</u>	<u>(238,987)</u>	<u>-</u>	<u>284,364</u>
Total funds	<u>308,057</u>	<u>3,082,686</u>	<u>(2,998,880)</u>	<u>(1,324,000)</u>	<u>(932,137)</u>

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

16 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	1,120,426	1,120,426
Current assets	284,364	407,669	12,793	704,826
Current liabilities	-	(126,389)	-	(126,389)
Pension Scheme liability	-	(2,631,000)	-	(2,631,000)
Total net assets	<u>284,364</u>	<u>(2,349,720)</u>	<u>1,133,219</u>	<u>(932,137)</u>

17 Capital commitments

	2016 £	2015 £
Contracted for, but not provided in the financial statements	<u>-</u>	<u>-</u>

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18 Commitments under operating leases

Operating leases

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

	2016	2015
	£	£
Amounts due within one year	-	-
Amounts due between one and five years	-	-
Amounts due after five years	-	-
	<u>-</u>	<u>-</u>

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016	2015
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	83,806	(35,943)
Adjusted for:		
Cash transferred on conversion	-	(282,052)
Depreciation (note 12)	78,685	41,292
Loss on disposal of fixed assets	686	-
Capital income re fixed assets transferred on conversion	-	(1,177,217)
Capital grants from DfE and other capital income	(6,430)	(6,363)
Interest receivable (note 6)	(607)	(143)
Defined benefit pension scheme obligation inherited	-	1,526,000
Defined benefit pension scheme cost less contributions payable (note 24)	65,000	63,000
Defined benefit pension scheme finance cost (note 24)	(54,000)	51,000
(Increase)/decrease in debtors	14,515	(87,100)
Increase/(decrease) in creditors	(35,653)	162,042
Net cash (used in)/provided by operating activities	<u>146,002</u>	<u>254,516</u>

20 Cash flows from investing activities

	2016	2015
	£	£
Dividends, interest and rents from investments	607	143
Purchase of tangible fixed assets	(48,512)	(15,360)
Capital grants from DfE	6,430	6,363
Net cash provided by/(used in) investing activities	<u>(41,475)</u>	<u>(8,854)</u>

21 Analysis of cash and cash equivalents

	At 1 September 2015	Cash flows	At 31 August 2016
	£	£	£
Cash at bank and in hand	527,714	104,527	632,241
	<u>527,714</u>	<u>104,527</u>	<u>632,241</u>

22 Contingent liabilities

There are no contingent liabilities that require disclosure.

23 Members liability

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

24 Pension and similar obligations

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

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

Contributions amounting to £31,995 were payable to the schemes at 31 August 2016 (2015: 28,280) 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' Pension 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)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £111,897 (2015: £48,813).

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

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

24 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £254,000 (2015: £144,000), of which employer's contributions totalled £192,000 (2015: £109,000) and employees' contributions totalled £62,000 (2015: £35,000). The agreed contribution rates for future years are 14.4% for employers and 5.5-12.5% for employees until 31st March 2017. In addition, employer top-up contributions of £49,400 are due for the year ended 31st March 2017. The next full triennial valuation will be carried out as at 31 March 2016 with new contribution rates set from 1 April 2017.

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

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.10%	4.50%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

Sensitivity analysis	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	3,719,000	3,834,000	3,953,000
Projected service cost	408,000	421,000	434,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	3,853,000	3,834,000	3,815,000
Projected service cost	421,000	421,000	421,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	3,934,000	3,834,000	3,737,000
Projected service cost	434,000	421,000	409,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	3,934,000	3,834,000	3,736,000
Projected service cost	432,000	421,000	411,000

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.3	23.3
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.6	25.5
Females	28.1	28.0

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24 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	787,000	552,000
Gilts	152,000	103,000
Other bonds	43,000	29,000
Property	86,000	57,000
Cash	42,000	27,000
LLPs	44,000	29,000
Diversified growth fund	49,000	38,000
Total market value of assets	1,203,000	835,000
Present value of scheme liabilities		
- Funded	(3,834,000)	(2,131,000)
Surplus/(deficit) in the scheme	(2,631,000)	(1,296,000)

The actual return on scheme assets was £141,000 (2015: £9,000).

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	257,000	172,000
Net interest cost	48,000	28,000
Administration expenses	1,000	-
Total operating charge	306,000	200,000

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24 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Changes in the present value of defined benefit obligations were as follows:

	2016	2015
	£	£
At 1 September	2,131,000	2,227,000
Upon conversion		
Current service cost	257,000	172,000
Interest cost	86,000	42,000
Employee contributions	62,000	35,000
Actuarial (gain)/loss	1,324,000	(344,000)
Estimated benefits paid net of transfers in	(26,000)	(1,000)
At 31 August	<u>3,834,000</u>	<u>2,131,000</u>

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

	2016	2015
	£	£
At 1 September	835,000	701,000
Interest income	38,000	14,000
Return on plan assets (excluding net interest on the net defined pension liability)	103,000	(23,000)
Administration expenses	(1,000)	-
Employer contributions	192,000	109,000
Employee contributions	62,000	35,000
Benefits paid	(26,000)	(1,000)
At 31 August	<u>1,203,000</u>	<u>835,000</u>

Reconciliation of opening and closing deficit

	2016		2015	
	£	£	£	£
Pension deficit at 1 September		(1,296,000)		(1,526,000)
Current service cost	(257,000)		(172,000)	
Employer contributions	<u>192,000</u>		<u>109,000</u>	
Additional pension cost		(65,000)		(63,000)
Other finance costs		54,000		(51,000)
Actuarial gains/(losses)		<u>(1,324,000)</u>		<u>344,000</u>
Pension deficit at 31 August		<u>(2,631,000)</u>		<u>(1,296,000)</u>

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25 Related party transactions

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

26 Additions to the academy trust

The following disclosure relates to the comparative period to 31 August 2015

On 1 February 2015 Meadowbrook College (Local Authority maintained school) converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Radcliffe Academy from Oxfordshire County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities ("SOFA") as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total £
Tangible fixed assets:				
Leasehold buildings			1,128,000	1,128,000
Other tangible fixed assets			49,217	49,217
Budget surplus on LA funds	236,868		20,773	257,641
Budget surplus on other school funds	24,411			24,411
	<u>261,279</u>	-	1,197,990	1,459,269
LGPS pension deficit		(1,526,000)		(1,526,000)
Net assets	<u>261,279</u>	<u>(1,526,000)</u>	<u>1,197,990</u>	<u>(66,731)</u>

The above net assets include £282,052 that was transferred as cash at bank.

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27 Explanation of transition to 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 UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

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

Reconciliation of total funds

	1 September 2014	31 August 2015
Notes	£	£
Total funds under previous UK GAAP	-	308,057
Total funds reported under FRS 102	-	308,057

Reconciliation of net income/(expenditure)

	Notes	31 August 2015
		£
Net income/(expenditure) previously reported under UK GAAP		(2,943)
Change in recognition of LGPS interest cost	A	(33,000)
Net income/(expenditure) reported under FRS 102		(35,943)

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/expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £33,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.