

Radcliffe Academy
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Period from 1 December
2014 to 31 August 2015

Company Registration Number:
09334026 (England and Wales)

Period of account: 1 December 2014 – 31 August 2015

Radcliffe Academy

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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 *
Katherine Ryan – Partnership Trustee * (Appointed 12.01.15)
Mark Jenner – Partnership Trustee * (Appointed 12.01.15)
Emma Canter – Co-opted Trustee *
Hanna MacDiarmid – Partnership Trustee +
Helen Sandland – Parent Trustee +
Jessie Dobson – Parent Trustee +
Andrew Creese – Headteacher * +
Rachel Hills – (Resigned 19.01.15)
Clive Peters - (Resigned 12.01.15)
Theresa Davey - (Resigned 12.01.15)
Diana Roberts - (Resigned 12.01.15)
Jacqueline Piper – (Resigned 12.01.15)

*members of the Business Committee

+members of the Leading Learning Committee

Company Secretary

Blake Morgan LLP

Radcliffe Academy

Reference and Administrative Details (continued)

Senior Leadership Team

- | | |
|--------------------|--------------------------------------|
| • Andrew Creese | Headteacher and Accounting Officer |
| • Caroline Duncan | Assistant Headteacher |
| • Joanna Robinson | Assistant Headteacher |
| • Caroline Duncan | Assistant Headteacher |
| • Beverley O'Toole | KS3 & Bridges Programme Lead Manager |
| • Jessie Dobson | VOC & WRL Team Leader |

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 December 2014 to 31 August 2015. 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 for pupils aged 5 to 16 serving a catchment area across Oxfordshire. It has a pupil capacity of 130 and had a roll of 82 in the school census on 21st May 2015.

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 period 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

Subject to the provisions of the Companies Act 2006 every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

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.

Radcliffe Academy

Trustees' Report (continued)

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

Other Trustee appointments are addressed through personal recommendation and consideration by the whole governing body.

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 Governing Body, which meets on at least three occasions a year, is responsible for the strategic direction of the Multi Academy Trust (MAT). The full Governing Body 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 full Governing Body 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 Governing Body for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspect of the academy.

Connected Organisations including Related Party Relationships

Owing to the nature of the academy's operations and the composition of the Governing Body 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.

Radcliffe Academy

Trustees' Report (continued)

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

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 establish effective governance and implement the required financial and business systems to enable successful operation as an AP Academy.

Objectives, Strategies and Activities

During the year the academy has worked towards achieving these aims by:

- ensuring that every student has access to, and enjoys, high quality education relative to their needs, in terms of resourcing, tuition and care.
- raising the standard of educational achievement of all students.
- providing support to local schools and contributing to the development of effective and inclusive education across Oxfordshire.
- improving the effectiveness of the academy by keeping the curriculum and organisational structure under continual review.
- providing value for money from the funds expended.
- complying with all statutory and curriculum requirements as applied to Alternative Provision academies.
- conducting the Academy Trust's business in accordance with the highest standards of integrity.

The Radcliffe Academy aims to get the best for and from every student. We intend to enable each student to make progress towards achieving their full academic, creative and physical potential and to develop positive social and moral values.

Public Benefit

The Trustees of Radcliffe Academy have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The Academy Trust Trustees 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. Our facilities have been used on many occasions by the local school and local authority services for the benefit of other children.

Radcliffe Academy

Trustees' Report (continued)

Strategic Report

Achievements and Performance

The Academy Trust was incorporated on 1st December 2014. Meadowbrook College converted to academy status and joined Radcliffe Academy on 1st February 2015. Meadowbrook College 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.

Key Performance Indicators

The Trustees receive regular information which enable them to monitor the performance of the Academy against its aims, strategies and financial budgets. The performance information for the first 7 months since the academy opened shows good performance in all key areas.

The Academy measures its success partly 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 2014/15:

- 76% students achieved 5 or more A*-G Grade GCSEs or equivalent (increased from 62% for 2013/14 and 59% for 2012/13).
- 95% of students achieved a maths qualification at an appropriate level.
- 93% an English qualification at an appropriate level.
- 69% of students met or exceed their predicted outcomes in Maths and 81% in English.

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 has adopted a 'going concern' basis in preparing the financial statements. Further details regarding the adoption of a '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 February 2015 to 31st August 2015 the Trust received £1,608k of GAG and LA 'top up' funding. In addition the Trust receives other grants from the EFA (£21k) and generates income from alternative provision and services made to local schools (£184k). A high percentage of this income is spent on wages and salaries and support costs 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 2015.

Revenue funds transferred on conversion amounted to £261K and capital funds transferred on conversion were £21k.

Radcliffe Academy

Trustees' Report (continued)

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 £194,694. The reserve for 2015-16 should be £200k. 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 FRS17, the Academy is recognising a significant pension fund deficit of £27,867. 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 2015 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£'000
Unrestricted General Funds	264
Restricted General Funds	162
Restricted Capital Funds - General	<u>27</u>
Reserves at 31 August 2015	453

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

The LGPS 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 Governing Body in the Autumn Term, 2015. 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.

Radcliffe Academy

Trustees' Report (continued)

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 period by improving the process and ensuring staff and Trustee awareness.

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

Radcliffe Academy

Trustees' Report (continued)

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.

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 30 November 2015 and signed on the board's behalf by:



Gloria Walker
Chair of Trustees

Radcliffe Academy

Governance Statement

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 5 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	5	5
Anthony Scott	4	5
Katherine Ryan	5	5
Mark Jenner	5	5
Jessie Dobson	5	5
Helen Sandland	4	5
Hannah MacDiarmid	4	4
Emma Canter	2	4
Andrew Creese	5	5
Jacqueline Piper	0	1
Clive Peters	0	1
Rachel Hills	0	1
Diana Roberts	0	1
Theresa Davey	0	1

Resignations and Appointments during the year:

- There were 5 resignations just prior to conversion (01.02.15) but after formation of the MAT (1 December 2014). Jacqueline Piper (12.01.15), Clive Peters (12.01.15), Diana Roberts (12.01.15), Theresa Davy (12.01.15) and Rachel Hills (19.01.15). The resignations were from Oxfordshire Hospital School Trustees who decided to withdraw OHS from conversion under the Radcliffe Academy MAT. Two new appointments were made, Katherine Ryan (12.01.15) and Mark Jenner (12.01.15).

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

- Initial back office systems set up following conversion on 1st February 2015
- Recruitment of a Headteacher for September 2015
- Replacement of the Boiler at the Harlow Centre following its failure in February 2015

Radcliffe Academy

Governance Statement (continued)

Governance Reviews

To be undertaken on a self-evaluation basis in January 2016.

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 ensure that the Internal Auditor has the fullest co-operation of staff.
3. To consider all relevant reports by the Internal Auditor, including reports on the accounts, achievement of value for money and the response to any External audit management letters.
4. 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.
5. (i) 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.
(ii) To ensure that best practice is adopted so that internal systems and procedures are fit for purpose and followed.
6. To implement and regularly review the Risk Register and to consider the reports produced by the Internal Auditor.
7. To consider internal finance reports, including value-for-money reports and the arrangements for their implementation.
8. To consider any other matters where requested to do so by the Trustees.
9. To report at least twice a year to the Trustees on the discharge of the above duties.
10. To monitor the effectiveness of any agreed audit recommendations.
11. To evaluate and monitor the Business Continuity Plan.
12. Receive reports and make recommendations in relation to Health & Safety and Sites & Buildings.

Key issues for the Business Committee were -

- Establishing appropriate and effective systems
- Budget Planning
- Dealing with unforeseen sites and buildings issues

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Katherine Ryan	3	3
Anthony Scott	3	3
Gloria Walker	3	3
Mark Jenner	3	3
Emma Canter	0	3
Andrew Creese	3	3

The Business Committee also acts as

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

Radcliffe Academy

Governance Statement (continued)

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 period by:

- Jointly procuring payroll and PSF finance system with other Oxfordshire Academies and achieving a discount as a result of this.
- The change of our ICT network to a cloud based system to avoid the purchase of an expensive server based network. This was a replacement for the ICT network provided by the LA prior to conversion.
- We analysed staff absence data from the last two years and cancelled the insurance. This has proved to be more cost effective.

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 February 2015 to 31 August 2015 and up to the date of approval of the annual report and financial statements. Our first internal report was carried out by Oxfordshire County Council Finance team and no material control issues arose. Critchleys were appointed from September 2015 to carry out future internal audits, we are awaiting a schedule of works.

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 February 2015 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

Radcliffe Academy

Governance Statement (continued)

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 Oxford County Council Schools Finance team as internal auditor.
- Initial audit carried out by OCC Schools Finance Team.
- From September 2015, to appoint Critchley's as internal auditor.

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:

- Procurement
- Accounting System
- Personnel
- Payroll
- Income
- Financial Reporting

On a quarterly basis, the auditor reports to the board of Trustees 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.

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Governance Statement (continued)

Review of Effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 30 November 2015 and signed on its behalf by:



Gloria Walker
Chair of Trustees



Andrew Creese
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.

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.

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



Andrew Creese
Accounting Officer

30 November 2015

Radcliffe Academy

Statement of Trustees' Responsibilities

The Trustees (who act as Trustees 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 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 30 November 2015 and signed on its behalf by:



Gloria Walker
Chair of Trustees

Radcliffe Academy

Independent Auditor's Report to the members of Radcliffe Academy

We have audited the financial statements of Radcliffe Academy for the period ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the 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's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Academies Accounts Direction 2014 to 2015 issued by the EFA.

Radcliffe Academy

Independent Auditor's Report to the members of Radcliffe Academy (continued)

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 period 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.



Michael Good (Senior statutory auditor)
For and on behalf of Critchleys LLP
Statutory Auditor
Oxford

Date:

17 December 2015

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 2014 to 2015, 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 February 2015 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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 February 2015 to 31 August 2015 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:

17 December 2015

Radcliffe Academy
Statement of Financial Activities
For the period ended 31 August 2015
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income - transfer on conversion	2,29	261,279	(1,526,000)	1,197,990	(66,731)
Other voluntary income	3	393	-	-	393
Activities for generating funds	4	2,631	-	-	2,631
Investment income	5	143	-	-	143
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	6	-	1,629,132	6,363	1,635,495
Other income for educational operations	7	188,835	-	-	188,835
Total incoming resources		453,281	103,132	1,204,353	1,760,766
Resources expended					
<i>Cost of generating funds:</i>					
Costs of activities for generating funds	8	-	-	-	-
<i>Charitable activities:</i>					
Academy's educational operations	8,9	189,228	1,503,694	41,292	1,734,214
Governance costs	8,10	-	29,495	-	29,495
Total resources expended		189,228	1,533,189	41,292	1,763,709
Net incoming / (outgoing) resources before transfers		264,053	(1,430,057)	1,163,061	(2,943)
Gross transfers between funds	17	-	(15,360)	15,360	-
Net income/(expenditure) for the period		264,053	(1,445,417)	1,178,421	(2,943)
Other recognised gains and losses					
Actuarial gains and losses in period for defined benefit pension schemes	17,27	-	311,000	-	311,000
Net movement in funds		264,053	(1,134,417)	1,178,421	308,057
Funds carried forward at 31 August 2015		264,053	(1,134,417)	1,178,421	308,057

All of the Academy's activities derive from acquisitions in the current accounting period.

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 2015

Company number:
09334026

	Notes	2015 £	2015 £
Fixed assets			
Tangible assets	14		1,151,285
Current assets			
Debtors	15	87,100	
Cash at bank and in hand		<u>527,714</u>	
		614,814	
Creditors: Amounts falling due within one year	16	(162,042)	
Net current assets			<u>452,772</u>
Total assets less current liabilities			1,604,057
Net assets excluding pension liability			<u>1,604,057</u>
Pension scheme liability	27		<u>(1,296,000)</u>
Net assets including pension liability			<u><u>308,057</u></u>
Funds of the academy:			
Restricted fixed asset funds	17		1,178,421
Restricted funds			
Restricted funds excluding pension liability	17	161,583	
Pension reserve	17	<u>(1,296,000)</u>	
Total restricted funds			(1,134,417)
Unrestricted funds	17		264,053
Total funds			<u><u>308,057</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 30 November 2015.

Signed on behalf of the Board of Trustees



Gloria Walker
Chair of Trustees

Radcliffe Academy
Cash Flow Statement
For the period ended 31 August 2015

	Notes	2015 £
Net cash flow from operating activities	21	254,516
Returns on investments and servicing of finance	22	143
Capital expenditure and financial investment	23	(8,997)
Increase/(decrease) in cash in the period	24	245,662
Reconciliation of net cash flow to movement in net funds		
Cash transferred on conversion to an Academy Trust		282,052
Net funds at 31 August 2015		527,714

All of the cash flows are derived from acquisitions in the current accounting period (see note 29).

1 Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Academy conversion

The conversion from a Local Authority maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred have been valued at their fair value in accordance with the accounting policies set out below. Property has been valued on a depreciated replacement cost basis (see note 14). The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

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 one year from the date of approval of the financial statements.

1 Statement of Accounting Policies (continued)

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated Services and gifts in kind

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

Resources Expended

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

Costs of generating funds

These are costs incurred in activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance Costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and any reimbursed expenses.

All resources expended are inclusive of any irrecoverable VAT.

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 14 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to spread 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.

Leased Assets

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

Stock

Any significant catering stocks are valued at the lower of cost or net realisable value.

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.

Radcliffe Academy
Notes to the financial statements
For the period ended 31 August 2015

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 and the assets are held separately from those of the academy trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 and other funders.

2 Voluntary income on conversion to academy

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Fixed assets transferred to academy	-	1,177,217	1,177,217
LGPS pension deficit transferred to academy	-	(1,526,000)	(1,526,000)
Other capital funds	-	20,773	20,773
Other revenue funds:			
Budget surplus on LA funds	236,868	-	236,868
Other school funds	24,411	-	24,411
	<u>261,279</u>	<u>(328,010)</u>	<u>(66,731)</u>

Further information can be found in note 29.

3 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Other grants and donations	<u>393</u>	<u>-</u>	<u>393</u>
	<u>393</u>	<u>-</u>	<u>393</u>

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Hire of facilities / other lettings	<u>2,631</u>	<u>-</u>	<u>2,631</u>
	<u>2,631</u>	<u>-</u>	<u>2,631</u>

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Bank interest	<u>143</u>	<u>-</u>	<u>143</u>
	<u>143</u>	<u>-</u>	<u>143</u>

6 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
DfE/EFA capital grants			
Devolved formula capital grant	-	6,363	6,363
	-	6,363	6,363
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	524,860	524,860
Other DfE grants	-	20,993	20,993
	-	545,853	545,853
Other Government grants			
Local authority revenue funding	-	1,083,279	1,083,279
	-	1,083,279	1,083,279
	-	1,635,495	1,635,495

7 Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Catering income	4,807	-	4,807
Other income	184,028	-	184,028
	188,835	-	188,835

8 Resources Expended

	Staff Costs £	Premises Costs £	Other Costs £	Total 2015 £
Costs of activities for generating funds	-	-	-	-
Academy's educational operations				
Direct costs (note 9)	861,914	-	163,004	1,024,918
Allocated support costs (note 9)	507,037	55,597	146,662	709,296
	<u>1,368,951</u>	<u>55,597</u>	<u>309,666</u>	<u>1,734,214</u>
Governance costs (note 10)	-	-	29,495	29,495
	<u>1,368,951</u>	<u>55,597</u>	<u>339,161</u>	<u>1,763,709</u>

Incoming/outgoing resources for the period include:

	2015 £
Operating leases:	
Plant and machinery	-
Other	-
Fees payable to auditor for:	
Audit	7,350
Other services	5,200
	<u>12,550</u>

9 Charitable Activities - Academy's educational operations

	Total 2015 £
<i>Direct costs</i>	
Teaching and educational support staff costs	861,914
Educational supplies, trips and transport costs	131,193
Examination fees	8,967
Staff development	3,906
Other direct costs	18,938
	<u>1,024,918</u>
<i>Allocated support costs</i>	
Support staff costs	426,037
Depreciation	41,292
Technology costs	28,972
Recruitment and support	4,777
Maintenance (excluding staff costs)	16,489
Cleaning (excluding staff costs)	18,780
Rates	3,825
Energy	16,503
Security and transport	39,080
Catering costs	16,943
Risk Protection Arrangement	1,539
Other pension costs	63,000
Other finance costs (FRS17 pension)	18,000
Other support costs	14,059
	<u>709,296</u>
Total	<u><u>1,734,214</u></u>

10 Governance Costs

	Total 2015 £
Legal and professional fees	16,945
Auditors' remuneration	
Audit services	7,350
Other services	5,200
	<u>29,495</u>

11 Staff Costs

	2015
	£
Staff costs for the period were:	
Wages and salaries	1,057,877
Social security costs	68,961
Operating costs of defined benefit pension schemes	
Employer contributions to pension schemes	159,503
FRS17 Other pension and finance costs	81,000
	<u>1,367,341</u>
Agency supply teacher costs	1,610
Staff restructuring costs	-
	<u><u>1,368,951</u></u>

The average number of persons (including senior leadership team) employed by the academy during the period expressed as full time equivalents was as follows:

	2015
	No.
Charitable Activities	
Teachers	12
Administration and support	49
Management	7
	<u><u>68</u></u>

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

	2015
	No.
£70,001 - £80,000	<u><u>1</u></u>

The above employees also participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £6,573.

12 Trustees' remuneration and expenses

The Headteacher and staff trustees only receive remuneration in respect their employment to undertake the roles of Headteacher and staff and not in respect of their additional roles as trustees. Other trustees did not receive any payments from the academy in respect of their role as trustees. Remuneration for the period (including employers' pension contributions) is disclosed in £5,000 bands for trustees, as follows:

	2015
	£
A Creese (Headteacher governor and trustee)	
Remuneration	45k-50k
Employer's pension contributions	5k-10k
J Dobson (Staff governor and trustee)	
Remuneration	20k-25k
Employer's pension contributions	0k-5k

During the period ended 31 August 2015, £177 was reimbursed to trustees for costs incurred in their roles as trustees.

13 Trustees and Officers Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10m on any one claim and the cost for the period ended 31 August 2015 was £1,539.

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

14 Tangible Fixed Assets

	Leasehold Buildings £	Motor Vehicles £	Furniture & Equipment £	Computer Equipment £	Total £
Cost					
Transfer on conversion	1,128,000	38,977	-	10,240	1,177,217
Additions	12,992	-	2,368	-	15,360
As at 31 August 2015	1,140,992	38,977	2,368	10,240	1,192,577
Depreciation					
Charges in period	33,658	5,684	197	1,753	41,292
As at 31 August 2015	33,658	5,684	197	1,753	41,292
Net book values					
As at 31 August 2015	1,107,334	33,293	2,171	8,487	1,151,285

Transfers on conversion during period ended 31 August 2015

The Academy Trust took out 125 year leases over land and buildings occupied by the Academy Trust. Leasehold buildings have been valued by Mouchel as commissioned by the EFA. The valuation was carried out on a desktop depreciated replacement cost basis as at 31 March 2015.

The freehold of this property is owned by the Local Authority. Leasehold buildings are recognised in the accounts as the academy trust has the right to use the property.

Additions in the year represent capital works to existing buildings.

15 Debtors

	2015 £
Trade debtors	44,106
VAT recoverable	16,619
Prepayments and accrued income	26,375
	<u>87,100</u>

16 Creditors: amounts falling due within one year

	2015 £
Trade creditors	13,521
PAYE and NIC creditor	77,652
Other creditors	28,347
Accruals and deferred income	42,522
	<u>162,042</u>

17 Funds

	Balance at 1 February 2015 £	Incoming Resources £	Resources Expended £	Transfers & actuarial loss on pension £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant (GAG)	-	524,860	(347,917)	(15,360)	161,583
Pupil Premium funding	-	19,445	(19,445)	-	-
Other DfE funding	-	1,548	(1,548)	-	-
Local authority revenue funding	-	1,083,279	(1,083,279)	-	-
Pension reserve (note 27)	-	(1,526,000)	(81,000)	311,000	(1,296,000)
	-	103,132	(1,533,189)	295,640	(1,134,417)
Restricted fixed asset funds					
Devolved Formula Capital	-	6,363	-	-	6,363
Capital funds transferred on conversion	-	20,773	-	-	20,773
Fixed asset fund (note 14)	-	1,177,217	(41,292)	15,360	1,151,285
	-	1,204,353	(41,292)	15,360	1,178,421
Total restricted funds	-	1,307,485	(1,574,481)	311,000	44,004
Unrestricted funds					
Unrestricted funds	-	453,281	(189,228)	-	264,053
Total unrestricted funds	-	453,281	(189,228)	-	264,053
Total funds	-	1,760,766	(1,763,709)	311,000	308,057

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 2015.

18 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	1,151,285	1,151,285
Current assets	426,095	161,583	27,136	614,814
Current liabilities	(162,042)	-	-	(162,042)
Pension Scheme liability	-	(1,296,000)	-	(1,296,000)
Total net assets	264,053	(1,134,417)	1,178,421	308,057

19 Capital commitments

2015
£

Contracted for, but not provided in the financial statements

-

20 Financial commitments

Operating leases

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

2015
£

Land and buildings

Expiring within one year

-

Expiring within two and five years inclusive

-

Expiring in over five years

-

-

Other

Expiring within one year

-

Expiring within two and five years inclusive

-

Expiring in over five years

-

-

21 Reconciliation of net income to net cash flow from operating activities

2015
£

Net income

(2,943)

Cash transferred on conversion

(282,052)

Depreciation (note 14)

41,292

Capital income re fixed assets transferred on conversion

(1,177,217)

Capital grants from DfE

(6,363)

Interest receivable (note 5)

(143)

FRS17 pension liability on transfer to Academy

1,526,000

FRS17 pension costs less contributions payable (note 27)

63,000

FRS17 pension finance income (note 27)

18,000

(Increase)/decrease in debtors

(87,100)

Increase/(decrease) in creditors

162,042

Net cash inflow/(outflow) from operating activities

254,516

22 Returns on investments and servicing of finance

2015
£

Interest received

143

Net cash inflow/(outflow) from returns on investment and servicing of finance

143

23 Capital expenditure and financial investment

2015
£

Purchase of tangible fixed assets

(15,360)

Capital grants from DfE

6,363

Receipts from sale of tangible fixed assets

-

Net cash outflow from capital expenditure and financial investment

(8,997)

24 Analysis of changes in net funds

	Transfer on conversion	Cash flows	At 31 August 2015
	£	£	£
Cash at bank and in hand	282,052	245,662	527,714
	<u>282,052</u>	<u>245,662</u>	<u>527,714</u>

25 Contingent liabilities

There are no contingent liabilities that require disclosure.

26 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.

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

Contributions amounting to £28,280 were payable to the schemes at 31 August 2015 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) (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £48,813

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

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

27 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 2015 was £144,000, of which employer's contributions totalled £109,000 and employees' contributions totalled £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 £48,400 and £49,400 are due for the years ended 31st March 2016 and 2017 respectively.

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 2015
Rate of increase in salaries	4.50%
Rate of increase for pensions in payment / inflation	2.70%
Discount rate for scheme liabilities	4.00%
Inflation assumption (CPI)	2.70%
Commutation of pensions to lump sums	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	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	2,068,000	2,131,000	2,196,000
Projected service cost	242,000	249,000	257,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	2,185,000	2,131,000	2,078,000
Projected service cost	255,000	249,000	243,000

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 2015
<i>Retiring today</i>	
Males	23.3
Females	25.7
<i>Retiring in 20 years</i>	
Males	25.5
Females	28.0

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £
Equities	*	552,000
Gilts	*	103,000
Other bonds	*	29,000
Property	*	57,000
Cash	*	27,000
LLPs	*	29,000
Hedge funds	*	-
Diversified growth fund	*	38,000
Total market value of assets		835,000
Present value of scheme liabilities		
- Funded		(2,131,000)
Surplus/(deficit) in the scheme		(1,296,000)

* For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore there is no requirement to disclose an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 5.9% per annum, which has been used to determine the profit and loss charge for the year ended 31 August 2015.

The actual return on scheme assets was £9,000.

Amounts recognised in the statement of financial activities

	2015 £
Current service cost (net of employee contributions)	172,000
Past service cost	-
Total operating charge	172,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	24,000
Interest on pension liabilities	(42,000)
Pension finance income / (costs)	(18,000)

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £311,000 loss.

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

	2015 £
At 1 February	2,227,000
Current service cost	172,000
Interest cost	42,000
Employee contributions	35,000
Actuarial (gain)/loss	(344,000)
Benefits paid	(1,000)
Past service cost	-
Curtailments and settlements	-
At 31 August	2,131,000

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

	2015 £
At 1 February	701,000
Expected return on assets	24,000
Actuarial gain/(loss)	(33,000)
Employer contributions	109,000
Employee contributions	35,000
Benefits paid	(1,000)
Settlement prices received/(paid)	-
At 31 August	835,000

Reconciliation of opening and closing deficit

	2015	
	£	£
Pension deficit at 1 February		(1,526,000)
Current service cost	(172,000)	
Employer contributions	109,000	
Additional pension cost		(63,000)
Other finance costs		(18,000)
Actuarial gains/(losses)		311,000
Pension deficit at 31 August		(1,296,000)

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The estimated value of employer contributions for the year ended 31 August 2015 is £188,000.

The history of experience adjustments is as follows:

	Period to 31 Aug 2015 £	As at 1 Feb 2015 £
Present value of defined benefit obligation	(2,131,000)	(2,227,000)
Fair value of share of scheme assets	835,000	701,000
Deficit in the scheme	<u>(1,296,000)</u>	<u>(1,526,000)</u>
Experience adjustments on scheme assets	<u>(33,000)</u>	-
Experience adjustments on scheme liabilities	<u>-</u>	<u>-</u>

28 Related party transactions

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

There were no transactions in the period with organisations in which a member of the board of trustees has any material interest.

29 Additions to the academy trust

On 1 February 2015 Meadowbrook College (Local Authority maintained school) converted to academy trust status under the Academies Act 2010. All the operations and assets and liabilities were transferred to Radcliffe Academy (academy trust) 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
	261,279	-	1,197,990	1,459,269
LGPS pension deficit		(1,526,000)		(1,526,000)
Net assets	261,279	(1,526,000)	1,197,990	(66,731)

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