

Joseph Leckie Academy Trust

Registered number: 07892678

Trustees' report and financial statements

For the year ended 31 August 2016

JOSEPH LECKIE ACADEMY TRUST
(A company limited by guarantee)

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JOSEPH LECKIE ACADEMY TRUST

(A company limited by guarantee)

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

Trustees	Mr M Hussain, Chair ^{1,2} Mrs K Kaur, Vice Chair ¹ Mr K Whittlestone, Principal and Accounting Officer ^{1,2} Cllr A Ditta ¹ Ms P Wade Mr P Freeman ^{1,2} Mrs H Hampshire Mr B Edge Ms P Tutrice Fr M McIntyre Mr G S Sangha ¹ Mrs S Kauser (appointed 23 October 2015) Mrs L Ingram (appointed 3 December 2015) Mr E Seedat (appointed 3 December 2015) Mrs N Kaur (appointed 17 March 2016) Mrs S Choudhury (appointed 17 March 2016)
	¹ Denotes Members of the Finance and General Purpose Committee ² Denotes Trustees of Joseph Leckie Academy Trust
Company registered number	07892678
Company name	Joseph Leckie Academy Trust
Principal and registered office	Walstead Road West Walsall West Midlands WS5 4PG
Company secretary	Mr S Bell
Senior management team	Mr K Whittlestone, Principal Miss R Cook, Vice Principal Mrs J Smith, Vice Principal Mrs R Ghale, Assistant Principal Mr A Banbery, Assistant Principal
Independent auditors	Mazars LLP Chartered Accountants 45 Church Street Birmingham West Midlands B3 2RT
Bankers	Lloyds Bank Walsall West Midlands WS1 1LQ

JOSEPH LECKIE ACADEMY TRUST
(A company limited by guarantee)

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

Advisers (continued)

Solicitors	Brown Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ
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JOSEPH LECKIE ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Joseph Leckie Academy Trust (the Academy) for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under Company Law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The Academy is a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Academy is constituted under a Memorandum of Association.

The principle object of the Academy is the operation of Joseph Leckie Academy Trust to provide education for students of different abilities between the ages of 11 and 18 providing a broad and balanced curriculum.

b. Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

Any governor elections will be held as soon as practicable after the occurrence of a vacancy. The objective will always be to ensure that the governing body's business is conducted with as many Trusteeships as possible filled and as many Trustees as possible on the governing body. Any vacancies will be advertised on the Academy website and newsletter.

We have delegated to the Principal the overall responsibility for organising the election and to also undertake the role of returning officer. At any one time the structure of the governing body must be:

- a. Up to 6 Community Trustees, appointed under Article 50
- b. 4 Staff Trustees, appointed under Articles 58A to 58C (at least 1 teacher and at least 1 support staff);
- c. 6 Parent Trustees appointed under Articles 53 58 ;
- d. the Principal; and
- e. Any Additional Trustees, if appointed under Article 62, 62A or 68A.

c. Policies and procedures adopted for the induction and training of Trustees

New Trustees are invited to meet the Principal and the Chair of Trustees before their first meeting. In addition they are sent a pack of documentation which provides guidance on the governor's role.

At their first meeting, the Trustees' subcommittee meeting structure is explained and they are invited to attend such meetings according to their expertise, experience and interests.

JOSEPH LECKIE ACADEMY TRUST (A company limited by guarantee)

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

d. Organisational structure

The Governing Body has delegated areas of its work, and in three cases decision making responsibilities, to a number of committees. All of these committees:

- Meet twice a term, elect a Chair and Vice Chair at the first meeting of the year, and have a quorum of 3 members
- Receive reports from the Principal once a term which contain key issues for the attention of the committee
- Perform a largely strategic role (setting aims and objectives, formulating, agreeing and updating policies, targets and priorities, and monitoring and reviewing aims, objectives and progress), act as a 'critical friend', delegate responsibilities to the Principal as appropriate, and make necessary decisions / recommendations.
- Work within the bounds of Policies and Practices, Local Authority and Statutory Instruments

The following committees are currently in place:

- Personnel: Chair – Mr M Hussain, Vice Chair– Mrs P Wade.

All personnel matters including establishment, development, leave of absence, pay policy, pay awards, performance management, early retirements, disciplinary action, dismissal [first committee – Full Trustees provide second or appeals' committee] overseeing freedom of information requests. Decisions are reported twice a term.

- Finance & General Purposes: Chair – Mrs K Kaur, Vice Chair – Mr P Freeman. All financial matters including preparation of draft budget, approving virements and transfers, making contractual arrangements, approving write offs, maintaining a charges and remissions policy, monitoring of expenditure, considering audit reports. Approval of the budget, Best Value Statement and virements over £100,000 will remain the responsibility of the full Trustees. Reports decisions with appropriate recommendations twice a term

- Pay Appeals: Chair – Mrs K Kaur

- Admissions: Chair – Mr M Hussain

- Sites & Buildings Health and Safety: Chair – Cllr A Ditta, Maintenance, Improvement and Security of buildings and grounds, making related contractual arrangements, health and safety, insurance, determining the Premises Development Plan and draft budget, lettings policy and charges, use of premises, community links and partnerships. Oversight of capital bids such as the Condition Improvement Fund (CIF) for the Education Funding Agency and other potential funding organisations. Decisions are reported twice a term.

- Staffing: Chair – To be determined at first meeting Vice - To be determined at first meeting. Appointments apart from Principal and Vice Principal.

- Curriculum: Chair – Mrs P Wade, Vice Chair– Mrs K Kaur

- Discipline / Exclusions: Student Exclusions. Membership for this committee is drawn from the full range of Trustees with the exception of staff Trustees. Reports are produced as appropriate / necessary.

- Principal's Performance Management Review: Chair – Cllr Ditta Vice Chair – Mr P Freeman, Mrs P Wade.

The terms of reference of each committee are approved by the full governing body and reviewed each year. They provide the sole agreed framework within which each committee operates.

JOSEPH LECKIE ACADEMY TRUST

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

e. Connected organisations including related party relationships

The Academy works in partnership with Joseph Leckie Community Association providing community education as well as other leisure and educational opportunities during the evenings, weekends and holiday periods throughout the year.

The Academy is a member of the Walsall Association of Secondary Headteachers. The Principal was Chair of this group for 4 years until September 2014. As members of this association, the Academy works with other schools in the Walsall area to work collaboratively, develop and share good practice. We are able to offer opportunities to colleagues – so, for example, our NQTs attended an Induction / Introduction to Walsall Programme' arranged and delivered by Walsall Childrens' Services. Two of our colleagues have completed the Middle Leadership Programme and the Principal is a Local Leader of Education (LLE) – an NCSL initiative allowing excellent practitioners to provide support to other Headteachers / senior colleagues in other schools. LLE applications are usually brokered by Local Authority Officers and support the Local Leaders in Education network and the National College for Teaching and Leadership (NCTL). The Principal is also a trained Ofsted Inspector.

Risk management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate the Academy's exposure to the major risks.

The Academy has a risk register that is reviewed annually by the Governing Body. It was last reviewed in October 2016. The register records the risks that have been identified and the control measures it has implemented. The statement of internal control is considered annually.

f. Trustees indemnities

The Trustees have liability Insurance with Zurich Municipal effective date 1st February 2016. There is a limit of indemnity of £5,000,000 (2015: £5,000,000).

OBJECTIVES AND ACTIVITIES

a. Objectives and aims

Joseph Leckie Academy Trust strives to be a centre of excellence, working in a spirit of openness and partnership with a wide range of organisations to meet the needs, and further the aspirations, of all of its students and the wider communities it serves.

A set of shared values underpins the positive working atmosphere and success of our Academy community:

- Respect for each other and the Academy environment
- Courtesy in all our actions
- High standards and quality in all that we do
- Recognition and celebration of achievement, both personal and collective
- Enthusiasm for all aspects of our work in the Academy
- Commitment to the securing of our goals
- Initiative, imagination and innovation in our approaches to problems and in establishing the Academy as a learning organisation

JOSEPH LECKIE ACADEMY TRUST (A company limited by guarantee)

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

b. Objectives, strategies and activities

The principle object of the Academy is the operation of Joseph Leckie Academy Trust to provide education for students of different abilities between the ages of 11 and 18, via a broad and balanced curriculum for all regardless of ability, aptitude, race or religion. At Key Stage 4 and Key Stage 5 the curriculum is increasingly personalised to accommodate differing interests and rates of progress within the constraints of staffing, rooming / facilities and the requirements of National policies.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy and that the curriculum should comply with the substance of the national curriculum with an emphasis on technology. The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

- Offering the widest possible range of academic and vocational educational opportunities to match every student's needs and ambitions thus enabling them to achieve economic well being in an increasingly 'technological' world;
- Fostering attitudes that will help all students grow into tolerant, responsible citizens in our multicultural society, who will make a positive contribution in the community;
- Providing emotional and pastoral support to help individual students meet the challenges they face in a safe, happy and caring environment;
- Nurturing positive attitudes towards personal safety and a healthy lifestyle;
- Exploiting the benefits of the technology we have to further raise individual levels of achievement and standards of performance;
- Working in close partnership with parents, outside agencies, business, civic and voluntary bodies in order to enhance and enrich the curriculum for all students, motivate students, broaden their experience, develop enterprise and help them to see the relevance of education to their future prospects in life;
- Working with schools, colleges and universities in Walsall and further afield as necessary;
- Providing an attractive and stimulating working environment with regard to buildings, facilities, equipment and furniture; and
- Making teaching and learning and assessment more productive and efficient by harnessing modern technology and promoting independent learning.

c. Public benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidelines on public benefit.

The Academy looks to promote for the benefit of the inhabitants of Delves, Palfrey, Whitehall and Caldmore areas of Walsall and the surrounding areas: the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

JOSEPH LECKIE ACADEMY TRUST (A company limited by guarantee)

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

ACHIEVEMENTS AND PERFORMANCE

a. Going concern

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

b. Key financial performance indicators

The intake numbers for September 2016 are below the Academy's Pupil Admission Number of 240 and at the time of writing were 214 students enrolled in Year 7. It is anticipated that numbers will continue to improve from September 2015 as the numbers transferring from primary to secondary increase. Mid-year admissions have increased in number throughout the year with families moving to the area from other parts of the country as well as from outside the UK.

We have some outstanding individual examination achievements at GCSE; AS and A2 with results at GCSE seeing an improvement on last year's results in the percentage number of students achieving 5A* - C grades including English and mathematics.

Students in the Academy performed particularly well at GCSE in art and design, business, food technology, drama, English Language, English Literature, health and social care, ICT; maths, physics, chemistry and biology. A full and comprehensive analysis of these results has taken place and middle, senior leaders and Trustees are developing further strategies to ensure that all of our students achieve the very best results possible in summer 2016 and beyond.

Headline Results

49.2% (52%) of students gained 5 or more A* - C grades including English and Maths
59% (77%) of students achieved A* - C grades in maths
62% (58%) of students achieved A* - C grades in English Language.
54% of all students entered attained grade A* - C in at least one science qualification
30% of all students entered attained grade A* - C in languages
41.4% of all students entered attained grade A* - C grade in geography
56.8% of all students entered attained a grade A* -C in history
10% of all students gained an EBACC qualification compared with 13% in 2015.

At Post 16:

The overall pass rate was 99% (A2 only) with 28 out of 30 curriculum areas achieving a 100% pass rate. There were a large number of individual successes leading to a large majority of students progressing to their chosen university degree courses.

98.7% of students achieved A* -E passes at A Level
A Level Average Points Score (APS) is 26.80 (C- grade)
95.5% achieved 2+ A Level qualifications
APS for Academic qualifications is 26.95 (C-grade)
100% pass rate for vocational qualifications at Level 3
99.2% of students entered achieved 2+ Level 3 qualifications.
APS for vocational subjects is 32.96 (Distinction grade)

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

Staffing achievements and appointments

- The Academy is fully staffed in all areas of the curriculum with additional teachers employed in English and maths to further support students and to reduce the gap in outcomes between various groups of students such as Pupil Premium, non-Pupil Premium, boys / girls, Looked after Children (LAC) and various ethnic groups. The quality of the applicants was generally good although numbers applying for teaching vacancies were low with the exception of PE and history.
- Successful induction of NQT's and other new to Joseph Leckie Academy teaching staff members.
- Full programme of support for ITT students from Birmingham, City of Birmingham and Wolverhampton Universities. Successful Student Associate and Teacher Taster visits.
- Appointment of lead practitioners for teaching and learning as well as for attendance and behaviour will further support other colleagues with their professional development and students with enhancing their rate of progress and increase levels of attainment.

Curriculum achievements

- Successful embedding of the Key Stage 4 academic and vocational pathways
- Development of the GCSE Study Centre (A7) and the Post 16 Study Supervision each of which has a full time member of staff supporting the tailored programmes of support.
- Further development of the 6th Form Bursary Scheme.

Ways in which we are supporting students

- Additional teachers employed in English and maths with subsequent smaller teaching groups.
- Further development of Sixth Form and Library areas.
- Sixth Form Student Leaders' selection and training
- Additional Teaching Assistants in a number of curriculum areas including English, Maths and English as an Additional Language to enable us to better support an increasing number of students from other countries such as Afghanistan, Poland, Hungary, Italy, France, Slovakia and Romania.
- Improved attendance figures following the successful embedding of the Attendance Team allied to tighter processes and procedures within the Academy.
- Year 11 Prom
- Sixth Form Prom

Primary liaison

The Transition Manager and Learning Mentors visited the main feeder Primary Schools to talk to Year 6 pupils and their teachers prior to transfer. In addition each pupil transferring to Joseph Leckie Academy spent a day undertaking a variety of activities led by teachers and student mentors in July. We have developed a programme of Peer Mentoring / Year 9 Mentors, LSA / mentor support for new Year 7 students. Holiday activities are successfully arranged during half term, Easter and summer holiday periods in a variety of sports and other activities such as Arts and Crafts, Safe Biking, Literacy and Numeracy.

Partnership working

- Member of the Walsall Association of Headteachers
- The Principal is a Local Leader of Education and has supported local schools in various ways.

Buildings & Resources works

- Major improvement in ICT facilities including major hardware replacements in several areas of the Academy.
- New CCTV servers and new and replacement cameras giving much greater coverage of the campus.
- New teaching block consisting of 16 general purpose and 5 ICT – rich classrooms with funding from the EFA's Condition Improvement Fund was completed and handed over for use.

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

Sporting achievements

The Academy has teams and clubs in a variety of sports including athletics, football, basketball, rounders and cricket and has entered teams in the Walsall inter – schools' leagues and cup competitions. Mr Radburn once again organised a very successful Walsall Schools' Athletics Championship.

JOSEPH LECKIE ACADEMY TRUST (A company limited by guarantee)

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

FINANCIAL REVIEW

a. Financial and risk management objectives and policies

The Academy's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and debtors.

The Academy has inherited the local government defined benefit pension scheme deficit for associate staff which it is reducing as advised by the West Midlands' Local Government Association the pension actuarial experts.

b. Principal risks and uncertainties

The principle risks for the Academy during the next few years are:

1. The continuing deterioration of the main teaching block and associated costs allied to the potential for the Academy to be closed wholly or for some students on a temporary basis in the event of large – scale flooding or other building related issues
2. Changes to the funding formula. The Principal is a member of the Walsall Association of Headteachers, which is the group that makes financial decisions in conjunction with the Local Authority via Schools Forum of which he is currently a member. This informs the Academy's Leadership Team and the Trustees and members of the Governing Body of impending changes to the Funding Formula.
3. Changes in the funding for Sixth Form Students. There is a planned change in the funding formula for 6th form students which will have a negative impact on the Academy's overall budget as funding for Sixth Formers is brought into line with funding within Further Education Colleges.

c. Reserves policy

The Trustees' policy is to review the reserve levels of the Academy annually. The policy of the Academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal including replacement hardware for ICT including servers and any other unforeseen contingencies plus a contribution towards future capital projects. The overall condition of the fabric of the buildings continues to be a serious cause for concern which also constrains the development of the curriculum in general and technology in particular to enhance and enrich those areas. In addition the facilities for Post 16 (where high numbers of students have been traditionally recruited across a wide range of subject areas) are in need of refurbishment and modernisation. The failure of the last two Condition Improvement Fund (CIF) applications will have an impact on the Academy and will mean keeping open a life – expired building for a longer period of time until it is replaced and demolished. A large proportion of this building is not being used but such is the heating system that the entire block has to be heated alongside the energy and other associated costs of the new Keith Whittlestone Building.

The Academy has a policy of carrying forward some internal under / overspends which contributes to an increase in the Academy's reserve or surplus.

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

d. Review of the year

As an Academy, most of our funding now comes direct from central government, via the EFA rather than from Walsall Borough Council as was the case for the predecessor school. Our Governing Body has responsibility for approving the Academy budget and for scrutinising Academy spending to ensure we manage our resources within that budget plan. The Academy is funded by the Education Funding Agency ("EFA") using the Walsall Local Authority Funding formula. In addition the Academy receives the LAGSEG funding from the EFA.

This is the third full financial year as an Academy and the results show an overall net deficit of £856,116. Total incoming resources total £8,048,156 with the majority (£7,320,370) relating to funding from the EFA, local authority and other government sources. Expenditure for the year totalled £8,047,272 with the majority (£6,219,145) relating to staff costs.

At the year end, the Academy has a positive balance sheet position with net assets totalling £17,127,420 of which £18,404,856 relates to assets owned by the Academy.

The local government pension scheme deficit has increased to £2,874,000 from the previous year, which includes a £857,000 actuarial loss for the year.

The closing restricted funds as at 31 August 2016 accumulate to a deficit of £16,343,955 as this includes £2,874,000 relating to the pension scheme deficit. The deficit is being repaid as advised by Barnett Waddingham, pension actuary experts.

The Academy is in a very good financial position for the forthcoming year.

e. Pay policy for key management personnel

The Academy's arrangements for setting pay for all employees are determined by the School Teachers' Pay and Conditions Document. Performance management reviews are undertaken by all staff during September and a mid-term review in February. These arrangements also include the Principal and other members of the Academy's Leadership Team. All appraisal documents are moderated by a Vice Principal and objectives are realistic but challenging. Trustees and members of the governing body are not paid.

JOSEPH LECKIE ACADEMY TRUST

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

PLANS FOR FUTURE PERIODS

a. Future developments

The Academy welcomes the Government initiative of Closing the Gap and the introduction of the Pupil Premium. We will continue to make this a priority of the Academy and ensure that strategies and interventions are put in place to further support every student who is Ever 6. The Academy has seen the gap reduce during the last academic year and we are striving to ensure that this trend continues in 2016 – 2017.

£3.45 million was secured in a competitive bid for a new build which will replace some of the classrooms at the east end of the main teaching block. This new facility will house History, Geography, RE and ICT faculties / departments.

Ensuring the Academy provides a first class learning and working environment remains a priority. To secure this we will endeavour to maintain a programme of judicious investment. In the coming year we intend to invest in our Academy in the following ways:

- Review the Key Stage 4 and Key Stage 5 curriculum to ensure that the former gives students more choices and that more students study the Ebacc suite of subjects.
- Seek capital funding via the Education Funding Agency's Condition Improvement Fund for the construction of additional classrooms for Music, English as an Additional Language, Library, kitchen and associated facilities, Sixth Form Centre, Administrative offices as well as providing resources to enable the Academy to demolish the current main teaching block and landscape the area.
- Look at the potential of increasing the number of science practical areas by remodelling two general purpose classrooms.
- Continue to remodel, refurbish and decorate the practical curriculum areas within the Academy as well as continuing to invest in our ICT infrastructure, hardware and software in order to enhance and enrich learning and teaching.

FUNDS HELD AS CUSTODIAN

There are no funds that are held by the Academy Trust but are not owned by them, other than the Bursary Fund which stood at £17,166.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

This report was approved by order of the board of trustees as company directors, on *8 December 2016* and signed on its behalf by:



Mr M Hussain
Chair of Trustees

JOSEPH LECKIE ACADEMY TRUST

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 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
Mr M Hussain, Chair	3	4
Mrs K Kaur, Vice Chair	4	4
Mr K Whittlestone, Principal and Accounting Officer	4	4
Cllr A Ditta	3	4
Ms P Wade	4	4
Mr P Freeman	1	4
Mrs H Hampshire	3	4
Mr B Edge	4	4
Ms P Tutrice	4	4
Fr M McIntyre	2	4
Mr G S Sangha	4	4
Mrs S Kauser	3	3
Mrs L Ingram	2	3
Mr E Seedat	2	3
Mrs N Kaur	1	2
Mrs S Choudhury	1	2

There have been a number of new members appointed during the year.

The Finance and General Purposes Committee is a sub committee of the main board of trustees. Its purpose is to oversee all financial matters including preparation of draft budget, approving virements and transfers, making contractual arrangements, approving write offs, maintaining a charges and remissions policy, monitoring of expenditure, considering audit reports.

Approval of the budget and Best Value Statement.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Cllr A Ditta	3	5
Mr P Freeman	3	5
Mr G S Sangha	3	5
Mr K Whittlestone	5	5
Mrs K Kaur	5	5
Mr M Hussain	3	5

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Joseph Leckie Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and General Purposes 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 appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

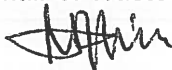
As Accounting Officer, the Principal has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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


- a) A strategic approach to ensuring Value for Money has been adopted by the Academy and has been achieved by including value for money as a feature within existing management processes rather than through the development of separate systems. Minimising the costs of resources used by the Academy but having regard to quality – achieved by ensuring all goods and services were provided at the best possible price.
- b) The costs of the school meals service have been minimised since the new contract became operational with Alliance In Partnership (AIP), whilst enhancing the nutritional quality of lunches provided to students.
- c) The curriculum gives students a broad, balanced range of subjects / qualifications which enables them to pursue a range of opportunities at subsequent Key Stages and offers good progression routes throughout the Academy and onward to further / higher education and employment with training.
- d) Financial oversight and governance has been strengthened via robust challenge of spending and other decisions both at the Finance Committee meetings as well as at other committee and full governing body meetings.
- e) Income generation has been improved and we will continue to look at this to maximise income generation as well as improved efficiencies in delivering additional activities outside the normal Academy hours of operation.

Approved by order of the members of the board of trustees on *8 December 2016* and signed on their behalf, by:

Mr M Hussain
Chair of Trustees



Mr K Whittlestone
Accounting Officer



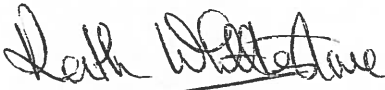
JOSEPH LECKIE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr K Whittlestone
Accounting Officer

8 December 2016

JOSEPH LECKIE ACADEMY TRUST

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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

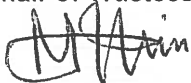
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the board of trustees on *8 December 2016* and signed on its behalf by:

Mr M Hussain
Chair of Trustees



JOSEPH LECKIE ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOSEPH LECKIE ACADEMY TRUST

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement set out on page X, the trustees (who are also the directors of the charitable company 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. This report is made solely to the trustees as a body. Our audit work has been undertaken so that we might state to the 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 Academy Trust and the members as a body for our audit work, for this report, or for the opinions we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs 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 prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

JOSEPH LECKIE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE
MEMBERS OF JOSEPH LECKIE ACADEMY TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept; or
- the 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.



Ian Holder (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

45 Church Street
Birmingham
West Midlands
B3 2RT

Date: *15 December 2016*

JOSEPH LECKIE ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOSEPH LECKIE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28th September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Joseph Leckie Academy Trust 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 Joseph Leckie Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Joseph Leckie Academy Trust and the EFA those matters we are required to state to it 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 Joseph Leckie Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF 'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of Joseph Leckie Academy Trust's funding agreement with the Secretary of State for Education dated 25th January 2012 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO JOSEPH LECKIE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY
(continued)**

CONCLUSION

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

Mazars LLP

Mazars LLP

Chartered Accountants
Statutory Auditor

45 Church Street
Birmingham
West Midlands
B3 2RT

Date: *15 December 2016*

JOSEPH LECKIE ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	3	33,487	-	495,500	528,987	3,068,228
Charitable activities	4	-	7,478,038	-	7,478,038	7,495,830
Other trading activities	5	17,536	-	-	17,536	11,744
Investment income	6	23,595	-	-	23,595	20,321
TOTAL INCOME		74,618	7,478,038	495,500	8,048,156	10,596,123
EXPENDITURE ON:						
Raising funds		27,597	-	-	27,597	20,424
Charitable activities		-	7,727,365	292,310	8,019,675	7,944,811
TOTAL EXPENDITURE	7	27,597	7,727,365	292,310	8,047,272	7,965,235
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		47,021	(249,327)	203,190	884	2,630,888
Transfers between Funds	18	-	(2,511,339)	2,511,339	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		47,021	(2,760,666)	2,714,529	884	2,630,888
Actuarial losses on defined benefit pension schemes	23	-	(857,000)	-	(857,000)	(107,000)
NET MOVEMENT IN FUNDS		47,021	(3,617,666)	2,714,529	(856,116)	2,523,888
RECONCILIATION OF FUNDS:						
Total funds brought forward		736,444	1,556,765	15,690,327	17,983,536	15,459,648
TOTAL FUNDS CARRIED FORWARD		783,465	(2,060,901)	18,404,856	17,127,420	17,983,536

The notes on pages 25 to 44 form part of these financial statements.

All activities relate to continuing operations.

The statement of financial activities includes all gains and losses recognised in the year.

JOSEPH LECKIE ACADEMY TRUST

Registered number: 07892678

(A company limited by guarantee)

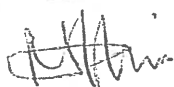
BALANCE SHEET

AS AT 31 AUGUST 2016

	Note	£	2016 £	2015 £
FIXED ASSETS				
Intangible assets	13		8,197	-
Tangible assets	14		18,396,659	15,690,327
			<u>18,404,856</u>	<u>15,690,327</u>
CURRENT ASSETS				
Stocks	15	15,700		10,077
Debtors	16	141,671		159,136
Cash at bank and in hand		1,936,396		4,631,930
		<u>2,093,767</u>		<u>4,801,143</u>
CREDITORS: amounts falling due within one year	17	<u>(497,203)</u>		<u>(588,934)</u>
NET CURRENT ASSETS			<u>1,596,564</u>	<u>4,212,209</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>20,001,420</u>	<u>19,902,536</u>
Defined benefit pension scheme liability	23		<u>(2,874,000)</u>	<u>(1,919,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>17,127,420</u></u>	<u><u>17,983,536</u></u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	18	813,099		3,475,765
Restricted fixed asset funds	18	18,404,856		15,690,327
Restricted funds excluding pension liability		<u>19,217,955</u>		<u>19,166,092</u>
Pension reserve		<u>(2,874,000)</u>		<u>(1,919,000)</u>
Total restricted funds			<u>16,343,955</u>	<u>17,247,092</u>
Unrestricted funds	18		<u>783,465</u>	<u>736,444</u>
TOTAL FUNDS			<u><u>17,127,420</u></u>	<u><u>17,983,536</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:

Mr M Hussain
Chair of Trustees



The notes on pages 25 to 44 form part of these financial statements.

JOSEPH LECKIE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	311,306	2,521,017
		<hr/>	<hr/>
Cash flows from investing activities:			
Purchase of intangible fixed assets		(12,296)	-
Purchase of property, plant and equipment		(2,994,544)	(748,869)
		<hr/>	<hr/>
Net cash used in investing activities		(3,006,840)	(748,869)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year	21	(2,695,534)	1,772,148
Cash and cash equivalents brought forward		4,631,930	2,859,782
		<hr/>	<hr/>
Cash and cash equivalents carried forward	21	1,936,396	4,631,930
		<hr/> <hr/>	<hr/> <hr/>

JOSEPH LECKIE ACADEMY TRUST

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

Joseph Leckie Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

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

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

JOSEPH LECKIE ACADEMY TRUST (A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

Charitable activities and Governance costs 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.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 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 at the following rates:

Software licenses	-	33.3% straight line
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JOSEPH LECKIE ACADEMY TRUST (A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

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

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

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

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

Long-term leasehold property	-	2% straight line
Assets under construction	-	No depreciation charged
Fixtures and fittings	-	12.5% straight line
Computer equipment	-	33.3% straight line

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Stocks

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

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.11 Cash at Bank and in hand

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

JOSEPH LECKIE ACADEMY TRUST (A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Taxation

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

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, 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.

JOSEPH LECKIE ACADEMY TRUST (A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.16 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

JOSEPH LECKIE ACADEMY TRUST (A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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 23, 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 2010 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:

Management has not made any significant judgements in the process of applying the accounting policies.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2016.

JOSEPH LECKIE ACADEMY TRUST
(A company limited by guarantee)

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	33,487	-	-	33,487	-
Capital grants	-	-	495,500	495,500	3,068,228
	<u>33,487</u>	<u>-</u>	<u>495,500</u>	<u>528,987</u>	<u>3,068,228</u>
Total donations and legacies	33,487	-	495,500	528,987	3,068,228

In 2016, of the total income from donations and capital grants, £33,487 (2015: £Nil) related to unrestricted funds and £495,500 (2015: £3,068,228) related to restricted funds.

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	6,786,374	6,786,374	6,850,535
Other DfE/EFA grants	-	482,338	482,338	542,009
	<u>-</u>	<u>7,268,712</u>	<u>7,268,712</u>	<u>7,392,544</u>
Other government grants				
Local authority grants	-	51,658	51,658	32,944
	<u>-</u>	<u>51,658</u>	<u>51,658</u>	<u>32,944</u>
Other funding				
Other income from the academy trust	-	157,668	157,668	70,342
	<u>-</u>	<u>157,668</u>	<u>157,668</u>	<u>70,342</u>
	<u>-</u>	<u>7,478,038</u>	<u>7,478,038</u>	<u>7,495,830</u>

In 2016, of the total income from charitable activities, £ NIL (2015: £Nil) related to unrestricted funds and £7,478,038 (2015: £7,495,830) related to restricted funds.

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5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	17,536	-	17,536	11,744

In 2015, of the total fundraising income, £17,536 (2015: £11,744) related to unrestricted funds and £ NIL (2015: £Nil) related to restricted funds.

6. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest	1,768	-	1,768	1,359
Short term deposits	21,827	-	21,827	18,962
	<u>23,595</u>	<u>-</u>	<u>23,595</u>	<u>20,321</u>

In 2015, of the total investment income, £20,321 related to unrestricted funds and £ NIL related to restricted funds.

7. CHARITABLE ACTIVITIES

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	6,406	19,931	1,260	27,597	20,424
Educational Operations:					
Direct costs	5,483,094	261,798	605,283	6,350,175	6,214,139
Support costs	729,645	471,988	467,867	1,669,500	1,709,672
	<u>6,219,145</u>	<u>753,717</u>	<u>1,074,410</u>	<u>8,047,272</u>	<u>7,944,235</u>

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8. SUPPORT COSTS

	Educational Operations	Total 2016	Total 2015
	£	£	£
Pension costs	73,000	73,000	49,000
Technology costs	28,487	28,487	36,761
Premises costs	441,474	441,474	635,238
Other support costs	401,847	401,847	345,770
Governance costs	37,537	37,537	43,203
Wages and salaries	482,019	482,019	424,886
National insurance	29,224	29,224	21,960
Pension cost	145,400	145,400	123,586
Depreciation	30,512	30,512	29,268
	<u>1,669,500</u>	<u>1,669,500</u>	<u>1,709,672</u>

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs include the guidance and training of Trustees along with the professional costs associated with governing the school.

In 2016, £Nil (2015: £Nil) related to unrestricted funds and £1,669,500 (2015: £1,709,672) related to restricted funds.

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2016	2015
	£	£
Depreciation and amortisation of fixed assets:		
- owned by the academy trust	292,310	310,623
Auditor's remuneration	9,000	8,750
Auditor's remuneration - non-audit	5,770	6,520
Operating lease rentals:		
- other operating leases	18,151	14,646
	<u>325,231</u>	<u>340,439</u>

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10. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	4,847,529	4,881,660
Social security costs	415,263	368,497
Other pension costs (Note 23)	737,115	669,470
	<u>5,999,907</u>	<u>5,919,627</u>
Supply teacher costs	146,238	47,423
Compensation payments	-	10,067
Other costs	73,000	49,000
	<u><u>6,219,145</u></u>	<u><u>6,026,117</u></u>

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

	2016	2015
	No.	No.
Teachers	87	89
Administration and support	90	106
Management	5	6
	<u>182</u>	<u>201</u>

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	2
In the band £80,001 - £90,000	2	0
In the band £170,001 - £180,000	0	1
In the band £190,001 - £200,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £70,031 (2015: £45,318).

There were no termination or compensation payments in 2016 (2015: £10,067). In 2015 the payment related to a non-contractual severance payment to one individual.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £700,050 (2015: £614,685).

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11. 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 Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

		2016 £	2015 £
K Whittlestone	Remuneration	190,000-195,000	170,000-175,000
	Pension contributions paid	30,000-35,000	20,000-25,000
B Edge	Remuneration	40,000-45,000	
	Pension contributions paid	0-5,000	40,000-45,000
P Tutrice	Remuneration	45,000-50,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
S Kauser	Remuneration	30,000-35,000	
	Pension contributions paid	5,000-10,000	

During the year ended 31 August 2016, expenses totalling £491 (2015 - £835) were reimbursed to 1 Trustee (2015 - 1).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 (2015: £5,000,000) on any one claim and the cost for the year ended 31 August 2016 was £778.65 (2015 - £1,537).

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13. INTANGIBLE FIXED ASSETS

	Software licenses £
Cost	
At 1 September 2015	-
Additions	12,296
At 31 August 2016	12,296
Amortisation	
At 1 September 2015	-
Charge for the year	4,099
At 31 August 2016	4,099
Carrying amount	
At 31 August 2016	8,197
At 31 August 2015	-

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	15,773,234	731,543	124,956	250,947	16,880,680
Additions	-	2,814,911	98,224	81,409	2,994,544
At 31 August 2016	15,773,234	3,546,454	223,180	332,356	19,875,224
Depreciation					
At 1 September 2015	902,034	-	50,696	237,623	1,190,353
Charge for the year	252,393	-	19,352	16,467	288,212
At 31 August 2016	1,154,427	-	70,048	254,090	1,478,565
Net book value					
At 31 August 2016	14,618,807	3,546,454	153,132	78,266	18,396,659
At 31 August 2015	14,871,200	731,543	74,260	13,324	15,690,327

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15. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	15,700	10,077

16. DEBTORS

	2016 £	2015 £
Trade debtors	831	34,276
Other debtors	129,937	115,451
Prepayments and accrued income	10,903	9,409
	<u>141,671</u>	<u>159,136</u>

17. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	138,812	238,429
Other taxation and social security	116,352	108,724
Deferred income	125,445	148,119
Other creditors	99,100	5,994
Accruals	17,494	87,668
	<u>497,203</u>	<u>588,934</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	148,119	585,239
Resources deferred during the year	125,445	148,119
Amounts released from previous years	(148,119)	(585,239)
Deferred income at 31 August 2016	<u>125,445</u>	<u>148,119</u>

The above deferred income consists of EFA grants received in advance for the 2016/17 academic year.

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18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	736,444	74,618	(27,597)	-	-	783,465
Restricted funds						
General Annual Grant (GAG)	3,453,659	6,786,374	(6,941,884)	(2,511,339)	-	786,810
Other EFA and DfE grants	-	482,338	(482,338)	-	-	-
Other Government grants	-	51,658	(51,658)	-	-	-
Other restricted reserves	22,106	157,668	(153,485)	-	-	26,289
Pension reserve	(1,919,000)	-	(98,000)	-	(857,000)	(2,874,000)
	<u>1,556,765</u>	<u>7,478,038</u>	<u>(7,727,365)</u>	<u>(2,511,339)</u>	<u>(857,000)</u>	<u>(2,060,901)</u>
Restricted fixed asset funds						
DfE/EFA capital grants	15,690,327	495,500	(292,310)	2,511,339	-	18,404,856
Total restricted funds	<u>17,247,092</u>	<u>7,973,538</u>	<u>(8,019,675)</u>	<u>-</u>	<u>(857,000)</u>	<u>16,343,955</u>
Total of funds	<u><u>17,983,536</u></u>	<u><u>8,048,156</u></u>	<u><u>(8,047,272)</u></u>	<u><u>-</u></u>	<u><u>(857,000)</u></u>	<u><u>17,127,420</u></u>

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

Unrestricted Funds

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Directors;

Restricted Funds

- Restricted funds (excluding pension and other restricted reserves) mainly represent funds received from the Department for Education and the Education Funding Agency and is specifically spent on the running of the academy. Other EFA and DfE grants carried forward are in relation to EFA Summer School funding.

- Other Government grants represents funding received from the Local Authority relating to pupil premium and high needs.

- Other restricted reserves represents funds which are restricted by the donor including school trip income and income from other organisations;

- Pension reserve represents the movements on the Local Government Pension Scheme liability;

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Restricted Fixed Asset Funds

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Intangible fixed assets	-	-	8,197	8,197	-
Tangible fixed assets	-	-	18,396,659	18,396,659	15,690,327
Current assets	473,465	1,620,302	-	2,093,767	4,801,143
Creditors due within one year	-	(497,203)	-	(497,203)	(588,934)
Provisions for liabilities and charges	-	(2,874,000)	-	(2,874,000)	(1,919,000)
Difference	310,000	(310,000)	-	-	-
	<u>783,465</u>	<u>(2,060,901)</u>	<u>18,404,856</u>	<u>17,127,420</u>	<u>17,983,536</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	884	2,630,888
Adjustment for:		
Amortisation charges on intangible assets	4,099	-
Depreciation charges on tangible fixed assets	288,212	310,623
Increase in stocks	(5,623)	(1,666)
Decrease/(increase) in debtors	17,465	(94,744)
Decrease in creditors	(91,731)	(402,084)
Defined benefit pension scheme cost less contributions payable	24,000	8,000
Defined benefit pension scheme finance cost	73,000	70,000
Defined benefit pension scheme administration costs	1,000	-
Net cash provided by operating activities	<u>311,306</u>	<u>2,521,017</u>

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21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	1,936,396	4,631,930
Total	<u>1,936,396</u>	<u>4,631,930</u>

22. CAPITAL COMMITMENTS

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

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	2,828,496

23. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the West Midlands Pension Fund. Both are Multi-employer defined benefit pension schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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23. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £[enter amount] (2015 - £386,200).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £275,000 (2015 - £267,000), of which employers' contributions totalled £213,000 (2015 - £206,000) and employees contributions totalled £62,000 (2015 - £61,000). The agreed contribution rates for future years are % for employers and % for employees.

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

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

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.75 %	4.15 %
Rate of increase for pensions in payment / inflation	2.00 %	2.40 %

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23. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	23.1	23
Females	25.8	25.6
Retiring in 20 years		
Males	25.3	25.2
Females	28.1	28

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,001	730
Government bonds	117	90
Property	134	104
Other bonds	144	123
Cash/liquidity	108	61
Other	182	112
Total market value of assets	<u>1,686</u>	<u>1,220</u>

The actual return on scheme assets was £255,000 (2015 - £51,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost	(237,000)	(214,000)
Interest on obligation	(126,000)	(114,000)
Interest on assets	53,000	44,000
Total	<u>(310,000)</u>	<u>(284,000)</u>
Actual return on scheme assets	<u>255,000</u>	<u>51,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	3,139,000	2,788,000
Current service cost	237,000	214,000
Interest cost	126,000	114,000
Contributions by scheme participants	62,000	61,000
Actuarial Losses	1,059,000	114,000
Benefits paid	(63,000)	(152,000)
	<u>4,560,000</u>	<u>3,139,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,220,000	1,054,000
Interest income	53,000	44,000
Actuarial gains and (losses)	202,000	7,000
Contributions by employer	213,000	206,000
Contributions by employees	62,000	61,000
Benefits paid	(63,000)	(152,000)
Administration expenses	(1,000)	-
	<u>1,686,000</u>	<u>1,220,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	16,249	18,277
Between 1 and 5 years	8,230	19,966
	<u>24,479</u>	<u>38,243</u>

25. MEMBERS' LIABILITY

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

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

26. RELATED PARTY TRANSACTIONS

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

One Trustee is a member of Walsall MBC but is not in a position to benefit or influence policies.

The son of a trustee is employed by the Academy. This employee received remuneration of £30,511 (2015: £21,080) (including employers pension contributions) during the financial year.

Two Trustees were on the Board of the Joseph Leckie Community Association until the Association's closure on 31st March 2016. The Academy leased the sports facilities to the Association for £11,744 (2015: £11,743) and recharged costs of £22,690 (2015: £43,553). The amount due from the Association at the year end was £Nil (2015: £1,015). The Association donated cash of £33,487 (2015: £Nil) to the Academy during the year.

27. EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no significant events since the balance sheet date.

28. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £56,739 (2015: £55,597) and disbursed £60,408 (2015: £51,924) from the fund. An amount of £17,166 (2015: £3,673) is included in other creditors relating to undistributed funds that are repayable to the EFA.

29. FIRST TIME ADOPTION OF FRS 102

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

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.