

St Osmund's CE Middle School
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2015

Company Registration Number: 08066279 (England and Wales)

St Osmund's CE Middle School
Contents

	<u>Page</u>
Reference and Administrative Details	2
Trustees' Report	4
Governance Statement	12
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18
Independent Reporting Accountant's Assurance Report on Regularity	20
Statement of Financial Activities incorporating Income and Expenditure account	22
Balance Sheet	23
Cash Flow Statement	24
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	26
Other Notes to the Financial Statements	28

St Osmund's CE Middle School
Reference and Administrative Details

Members

The Diocese of Salisbury Educational Trust
The Parochial Church Council for the Parish of Dorchester and West Stafford
Mr D Bowen (resigned 31 August 2015)
Mr N Power (resigned 26 November 2014)
Canon T Woodhouse

Trustees

Mrs L Bainbridge +
Mr D Bowen (resigned 31 August 2015)
Mr P Browne
Ms J Denham
Mr R M Fitzgerald + (appointed 1 April 2015)
Mr A J Gannon (appointed 26 November 2014)
Commander J A Holt (appointed 1 October 2014)
Mr L D House (appointed 20 April 2015)
Mrs J Jeffrey (resigned 1 July 2015)
Mrs J Lang
Mr N Power (resigned 26 November 2014)
Mrs C Pugh +
Mr M Scott (resigned 31 December 2014)
Mrs J White+ (resigned 31 December 2014)
Mrs S Wilson
Mr J Williams + (Headteacher and accounting officer)
Canon T Woodhouse
+ Staff trustee

Company Secretary

Mrs R Golledge

Senior Management Team

Head teacher Mr J Williams
Assistant head teacher Mr S Beet
Assistant head teacher Ms F Brady
Leader of pupil wellbeing Mr P Absolom
Leader of staff learning Mrs A Boon
Business manager Mrs R Golledge

Company Name

St Osmund's CE Middle School

Principal and Registered Office

Barnes Way
Rothesay Road
Dorchester
Dorset
DT1 2DZ

Company Registration Number

08066279 (England and Wales)

Independent Auditor

Albert Goodman LLP
Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

St Osmund's CE Middle School
Reference and Administrative Details

Bankers

Lloyds
49 South Street
Dorchester
Dorset
DT1 1DW

Solicitors

Parker Bullen Solicitors
8 Newbury Street
Andover
Hampshire
SP101DW

DRAFT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 9 to 13 serving a catchment area local to St Osmund's Middle School. It has a pupil capacity of 600 and had a roll of 600 in the school census on 1st October 2015.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of St Osmund's Middle School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Osmund's Middle School Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details page.

Members' Liability

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

Trustees' Indemnities

The school has taken out appropriate indemnity insurance to protect the trustees' interests.

Method of Recruitment and Appointment or Election of Trustees

Although there is not a limit on the number of trustees on the board of trustees the Church/Foundation Trustees have always to be in a majority.

The Team Rector for the Dorchester Benefice is a trustee ex officio.

The Headteacher of the school is a trustee, ex officio.

A maximum of two Staff Trustees and three Parent Trustees may be appointed. Any contested election of Staff Trustees or Parent Trustees is held by secret ballot. A Parent Trustee must be the parent of a pupil registered at the school at the time of election. A Staff Trustees must be a member of the staff of the school at the time of election and must cease to be a trustee on leaving the staff of the school.

The remainder of the trustees are appointed by a body representing the Diocese of Salisbury Academy Trust and the Archdeacon of Sherborne and including the Team Rector of the Dorchester Benefice and the Chairman of Trustees, acting on the recommendation of the Parochial Church Council of the Parish of Dorchester and West Stafford.

The trustees may appoint up to two Co-opted Trustees.

The term of office for any trustees, other than those appointed ex officio, is four years.

Policies and procedures Adopted for the Induction and training of Trustees

The induction and training of new trustees is handled by the Clerk to the Trustees. New trustees are encouraged to attend specific training courses provided by Dorset County Council. Specialist training is arranged for specific responsibilities (e.g. special educational needs). All trustees receive training in safeguarding from the Dorset Safeguarding Board. Trustees are kept up-to-date with changes to education through subscriptions to Dorset Governor and, via the Clerk to the Trustees, information from the Department for Education and the Education Funding Authority.

Organisational Structure

The full board of trustees meets at least four times each year. Certain aspects of the academy's business are delegated to the following committees, on which the Headteacher and Chairman of Trustees also sit. The school's Business Manager and members of the Senior Leadership Team also attend committees, as appropriate.

- The Finance and Premises Committee meets at least four times a year and oversees financial matters, the maintenance of the school site and premises and health and safety matters.
- The Staffing and Curriculum Development Committee meets at least termly to review the school's pay policies, to oversee the performance management process and oversee matters relating to staffing.
- The Strategic Committee meets at least four times a year to oversee the agenda for the board of trustees' meetings and deal with urgent matters.
- The Admissions and Exclusions Committee meets ad hoc to apply the school's Admission Policy in cases of over-subscription and to discharge the trustees' responsibilities with regard to the exclusion of pupils.
- The Staff Pay Committee meets ad hoc in cases of disagreement over staff pay.
- The Staff Dismissal Appeals Committee meets ad hoc in cases of staff dismissal.
- Further ad hoc panels of trustees may be convened by the Clerk to the Trustees to review unresolved complaints under the Complaints Procedure.
- The Headteacher is the accounting officer.

Related Parties and other Connected Charities and Organisations

St. Osmund's CE Middle School is an active member of the Dorchester Area Schools Partnership (DASP). The Headteacher is ex officio a director of DASP Ltd. This network provides for a programme of shared teaching and learning across the whole age range, from 4 to 18. All maintained and academy schools in the Dorchester Pyramid are members, as are the Learning Centre. Participating schools value this alliance as part of their school improvement programme.

There are also very close links between the school and the St. Osmund's Community Sports Centre, a charitable trust. A member of the school staff serves as a director and there are in place financial agreements between the school and the Sports Centre for its use, maintenance and running costs.

Objectives and Activities

Objects and Aims

The trustees seek to provide a school offering a broad and balanced education, suitable to the age, ability, aptitude and any special educational needs of its pupils, to the children living in its catchment area and to the children of parents who have expressed a preference for their being educated here, in accordance with its Admissions Policy.

Through Religious Education, Corporate worship, links with local churches and the ethos of the school, trustees endeavour to maintain and promote the religious character of the school and specifically the characteristics of the Church of England.

The school endeavours to ensure that all students learn to their full potential in an informed, caring, supportive and safe environment in which challenging learning experiences develop pupils to continue their education successfully as confident young people.

In addition to its academic provision, the school encourages all its pupils to develop their musical, artistic and sporting skills and interests through its many clubs, teams and out-of-school activities. It also aims to help its pupils become more aware of, and active in, the local, national and international community through its teaching and modelling by staff and trustees.

In partnership with parents the school aims to raise standards of achievement and progress among its pupils through the provision of a varied curriculum, high quality teaching and high expectations.

Objectives, Strategies and Activities

St. Osmund's CE Middle School has been recognised by OFSTED as an outstanding school. We aim to maintain and improve on that judgement. To that end, the school adopted during the period of this report the following in its School Improvement Plan (SIP)

1. Through an improvement in achievement and attainment in literacy and numeracy, pupils to effectively access the rest of the curriculum. In particular:
 - To increase the amount of Curriculum time in Maths by 55 minutes a week, in both Years 5 and 6
 - Pupils of Concern meetings to take place half termly. Heads of Dept will attend with the SENCO/Leader for Well Being to establish which children have been flagged as not meeting expected progress and which intervention might be relevant
 - To begin implementation of the new SEN Code of Practice from September 2014
 - Appointment of a "Reading Champion"
 - LIFT and WAVE interventions to continue
 - Appointment of a KS2 and KS3 Mathematics Head of Department

2. In order to implement effective intervention, accurately track pupil progress, ensuring all children meet their potential. In particular:
 - To implement SIMs based tracking system.
 - All staff to be confident in using SIMs and data to be entered 5 times a year (Core Subjects) and 3 times a year (Foundation Subjects)
 - To monitor the progress of Pupil Premium children across Core Subjects and Approach to Learning

3. To provide a curriculum that prepares students for an active, fulfilling and successful life. In particular:
 - For all Heads of Department to review and refine their curriculum in the light of the new National curriculum
 - To review programme of study in Year 5 English and Maths in line with the new curriculum objectives.
 - To review the Programme of Study in French
4. All pupils to develop resilience and sustain positive, healthy relationships. In particular:
 - Effective implementation of the role of Learning Mentor
 - To monitor and log levels of intervention regularly
5. To involve all stakeholders (students, staff, parents and governors) in the development of our learning community. In particular:
 - To establish the Link Governor role with Subject areas
 - To encourage collaboration between Student Voice groups throughout DASP
 - To improve the Schools website, to include up to date information of clubs and events

Public Benefit

The trustees have complied with their duty to have due regard to guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Providing non-selective education, and through its links with DASP and the local community, the school has provided considerable public benefit. It liaises with a number of external agencies e.g. YISP (Youth Inclusion Support Panel), CAMHS (Child and Adolescent Mental Health Service) Behavioural Support, YOT (Youth Offending Team), Social Services, Dorset Early Intervention Team, DFM (Dorset Family Matters). It supports notable national and international charities (Cancer Research and Action Aid). Pupils and staff actively participate within public worship at local churches.

The school's active membership of DASP enables strong curriculum links between it and the First Schools in the area.

Regular meetings with the First School Heads in the Mini Pyramid has allowed collaborative work on tracking key groups throughout First and Middle school. Regular joint moderation meetings during the year between First and Middle School core subject teachers have become extended to include joint observations and work scrutiny. Student voice groups from all three phases have participated within key events this year (25 year Anniversary of the UNICEF Convention on the Rights of the Child). Similarly, the links between the school and Thomas Hardy School, ensure smooth transition and pupils prepared for their education to continue at their Upper School.

The 'One School' vision across DASP has led to the development of projects to share good practice and monitor impact jointly across all phases. This is demonstrated in particular through the work of the Literacy Development Group which plan and promote joint activities across DASP schools. Gifted and talented groups across all schools meet regularly for targeted workshops and activities. These joint ventures promote the 'one school' ideal and help all students see their education as continuous and consistent.

Strategic Report

Achievements and Performance

As a Middle School, St. Osmund's administers SATs to pupils in year 6, at which time they have been in the school for only 4 terms. The overall % of pupils attaining Level 4+ at the end of Key Stage 2 was pleasing in Reading, comparing favourably to the previous year's results and with all children nationally. In Writing the % of pupils attaining Level 4+ again compared favourably with all children nationally. The % of pupils attaining Level 4+ in Mathematics was similar to the previous two years and was below the national figure. The need to increase the % of pupils achieving age-expected outcomes in Mathematics has been identified as a priority. There was an increase in the % of pupils achieving Level 5 in both Mathematics and Writing when compared with the previous academic year.

Key Performance Indicators

KEY STAGE 2 SATS Results – School and (National)

Subject	% Level 4+	% Level 5+
Reading	95 (89)	46 (48)
Writing	92 (87)	36 (36)
Maths	85 (87)	45 (42)

At the end of Key Stage 2 80% of children attained level 4 or above in Reading, Writing and Maths combined (80% National). The % of pupils making expected progress from their Key Stage 1 assessments to the end of Year 6 within Reading, Writing and Mathematics continues to present a challenge to both our KS2 staff and our colleagues working in KS2 in our First Schools. All schools working within a 3-Tier Systems face similar challenges. We continue to work collaboratively within DASP to address this issue.

Subject	2 levels Progress
Reading	86%
Writing	90%
Maths	84%

The school strives to ensure that all children achieve their potential and the present focus is narrowing the gap between Pupil Premium children and Non Pupil Premium children in reading

The Government no longer requires pupils to undertake SATs at the end of Key Stage 3, which is year 9. (When they were required, the schools in DASP applied them at the end of year 8, so that transfer to the upper school could be better managed.) However, the schools in DASP continue to find it helpful to have a formal assessment of progress at the end of year 8 and so use a format very similar to the previous Key Stage 3 SATs.

Subject	% Level 5+	% Level 6+
Reading	83	44
Writing	76	48
Maths	90	79

In the course of the four years that the children were at St Osmund's Middle School, they made significant progress (Year 5 to 8)

Subject	2 Levels Progress
Reading	62%
Writing	79%
Maths	95%

Accelerating the progress of Pupils within English at KS3 has been identified as an area of development.

The school continues with its programme of subject review. Governors, linked with specific curriculum areas, are part of those reviews with the subject leaders and members of the Senior Leadership Team. The outcome of those reviews feed into the process of developing the School Improvement Plan.

Academic achievement and progress do not represent in its entirety the achievement of the school. During the period in question, there was considerable sporting success and music success. Among such achievements were:

Musical achievements:

- Over 150 pupils took part in our school concert; "Music Meets Art" - a collaboration between the Music and Art Departments
- Around 160 pupils took up the opportunity to learn a musical instrument at school with DASP
- One pupil played led the cello section of the National Children's Orchestra, another pupil represented the school as a solo guitarist at the DASP Summer Prom
- Pupils were given a wonderful range of opportunities to experience professional musicians and older students who can inspire younger pupils
- Year 5 went to the Lighthouse in Poole to listen to the Bournemouth Symphony Orchestra
- Over 100 Year 6 pupils took up the opportunity to see the musical "Matilda" at the Cambridge Theatre, London
- Year 7 took part in an African Drumming workshop with Magic Drum
- Year 8 went to the Thomas Hardy School to see their performance of We Will Rock You
- Year 8 organised and presented their own Celebration Evening

Sports Achievements from 2014/15:

- Year 7 Basketball Team : Area Champions
- Year 8 Netball Team : County Finalists
- Year 5/6 Tag rugby – Area Champions and County Finalists
- Year 8 Girls Football – County Finalists

Indoor rowing

- Year 8 boys - gold county finals
- Year 7 boys - gold county finals
- Year 7 girls - silver county finals

Gig rowing

- 16 students represented school 2 crews, came 3rd/4th county.

Cricket

- Year 5-6 won the area came 4th in county
- Year 7 - county semis
- Year 8 - county semis

Indoor cricket year 8 - 2nd in area

2 swimmers won their races at County Finals Swim Gala so are County Champions

Maddy Johnson County and Regional Champion for Cross country

Attendance during the period in question was 96.33% overall. This is 1.1% lower than the previous year.

Going Concern

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

Financial Review

The majority of the Academy's funding is obtained from the Education Funding Agency (EFA) in the form of recurrent grants. This funding is recognised as restricted due to its specific purposes. Any EFA funding received for fixed assets is shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

The Academy also receives grants from Dorset County Council for Individually Assigned Resources to support pupils who are eligible for SEN funding. These grants are treated as restricted income.

During the year ended 31 August 2015 the academy trust received total income of £2,678,892 including revenue grants from the DfE/EFA of £2,414,796 and further grant funding of £8,537 from local authority. There was total expenditure and transfers against this income of £2,400,964 leaving a carried forward in general restricted funds of £48,271 at the year end.

The school generated £241,530 of unrestricted income through activities such as donations and education trips. Attributable expenditure amounted to £238,452 leaving a surplus for the year of £3,108. The balance of unrestricted reserves at 31 August 2015 was £93,062.

Reserves Policy

The trustees review the reserve levels of the academy annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments, and the nature of the reserves. As a result of this review the trustees have identified the requirement to hold an amount which is the equivalent to one month's operating cost, which currently amounts to circa £200,000.

The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £93,062. Additionally within restricted funds the academy holds £48,271 of reserves (including the General Annual Grant) that are considered freely available for general purposes.

The trustees intend that this should be retained to offset financial uncertainties arising from the current climate of economic austerity.

Investment Policy

The academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. The School does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

Principal Risks and Uncertainties

Over 87% of the school's revenue funding is provided by the Education Funding Agency in the form of recurrent grants, the use of which is restricted to specific purposes.

The school's approach to strategic planning takes account of potential changes to funding levels being brought about by the application of revised local and national formulae for the allocation of funds between institutions. This aims to ensure that planned levels of expenditure can be accommodated through anticipated levels of funding and reserves.

In the current economic climate, it is difficult to forecast accurately the impact of restrictions on public sector expenditure on the future funding of individual schools.

Because levels of funding are closely tied to the number of pupils on the school roll, decisions relating to house building in the area may affect the size of the school and its future financial position. The trustees are aware of this uncertainty. There is no sign of a significant drop in pupil numbers in the observable future and, through DASP, all the middle schools will continue to resist admissions from the catchment areas of other middle schools in the area, thus minimising the risks of falling rolls.

Plans for Future Periods

The Academy is reviewing standards in light of the changing curriculum and in response to last year's attainment and progress of its pupils. This has informed the creation of the School Improvement Plan.

We are looking to increase the schools capacity to provide hot lunches for its pupils, whilst also appreciating the predicted increase in pupil numbers across all of the Dorchester middle schools in 2017.

Funds held as Custodian Trustee on Behalf of Others

The academy and its trustees do not act as the Custodian Trustee of any other charity.

Auditor

Insofar as the trustees are aware:

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

The auditor, Albert Goodman LLP, will be proposed for re-appointment at the Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, onand signed on the board's behalf by:

.....
Canon T Woodhouse
Chair of Trustees

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Osmund's CE Middle School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L Bainbridge	2	4
Mr D Bowen (resigned 31 August 2015)	4	4
Mr P Browne	4	4
Mrs J Denham	4	4
Mr R M Fitzgerald (appointed 1 April 2015)	1	1
Mr A J Gannon (appointed 26 November 2014)	2	4
Commander J A Holt (appointed 1 October 2014)	4	4
Mr L D House (appointed 20 April 2015)	1	1
Mrs J Jeffrey (resigned 31 July 2015)	1	4
Mrs J Lang	2	4
Mr N Power (resigned 26 November 2014)	1	4
Mrs C Pugh	4	4
Mr M Scott (resigned 31 December 2014)	1	4
Mrs J White (resigned 31 December 2014)	2	4
Mr J Williams	4	4
Mrs S Wilson	3	4
Rev T Woodhouse	3	4

This year has seen the appointment of a new Business Manager.

During the year the academy carried out an audit of the areas of expertise held by the trustees. As a result of this review trustees have been recommended appropriate courses, attendance at which has addressed gaps in knowledge and understanding of matters surrounding effective governance.

Current examples of professional roles held either currently or previously by our trustees include; Early Years Ofsted Inspector/Safeguarding/Child Protection Lead, Education Advisor, Strategic Planner, Public Finance Officer, Lawyer, Teacher, Manager, Master Mariner.

The academy will undertake its next governance review in the Spring term 2016.

The finance and premises committee is a sub-committee of the main board of trustees. Its purpose is to ensure compliance with relevant statutory and internal regulations, to submit annual revenue and capital budgets to the board of trustees for approval, to monitor actual expenditure against these budgets; to review annually the school's internal financial policies and procedures, including the policy for fees and charges and to be responsible for:

- The appointment of external auditors
- Receiving quotations, tenders and contracts for all services
- Risk management and insurance arrangements
- The maintenance, refurbishment and safety of all buildings and land

Attendance at the meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L Bainbridge	3	3
Mr D Bowen (resigned 31 August 2015)	2	3
Mr R M Fitzgerald (appointed 1 April 2015)	2	2
Commander J A Holt (appointed 1 October 2014)	2	3
Mr L D House (appointed 20 April 2015)	2	2
Mrs J Lang	2	3
Mr J Williams	3	3
Mrs S Wilson	1	3

Review of Value for Money

As accounting officer the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- The Business Manager attends termly meetings with other Business Managers to exchange supplier prices and contacts to achieve value for money.
- The academy has reviewed our curriculum resources supplier to achieve better value for money.
- The academy is part of the DASP Group (Dorchester Area Schools Partnership) and shares some specialist teaching provision for areas such as PE. It also works collegially to support the schools in the group.
- The academy purchased HCSS Budget Planner to improve the budget planning cycle for the school.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Osmund's CE Middle School for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and premises 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 and capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint South West Audit Partnership as internal auditor from 1 September 2015. During the 2014-15 year the academy appointed Rothmans to act as reviewer to perform additional checks.

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

- Review of financial controls
- Review of income systems

The auditor reports to the board of trustees, through the finance and premises committee, 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 Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

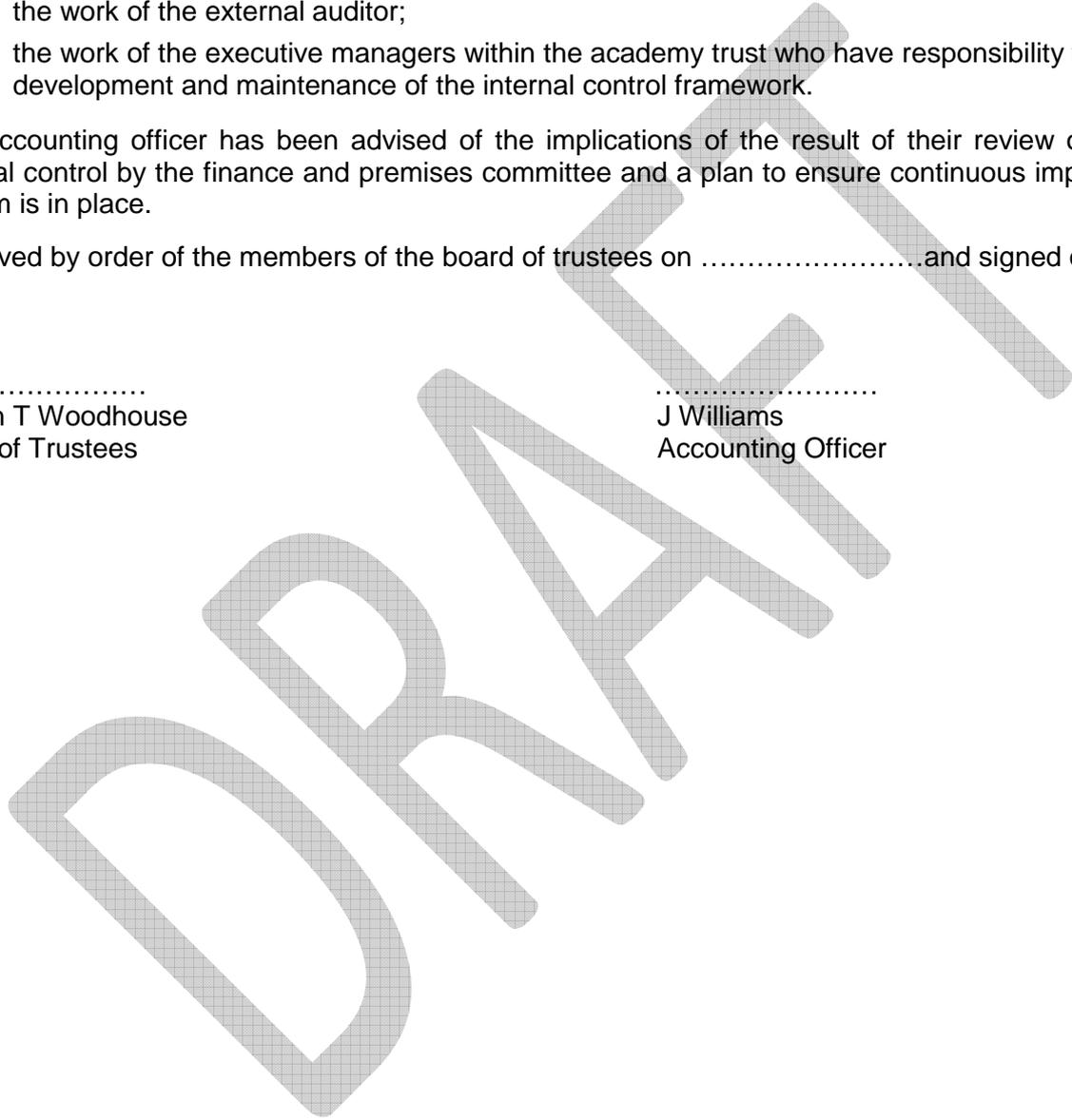
- the work of the internal auditor/reviewer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees onand signed on its behalf by:

.....
Canon T Woodhouse
Chair of Trustees

.....
J Williams
Accounting Officer



Statement on Regularity, Propriety and Compliance

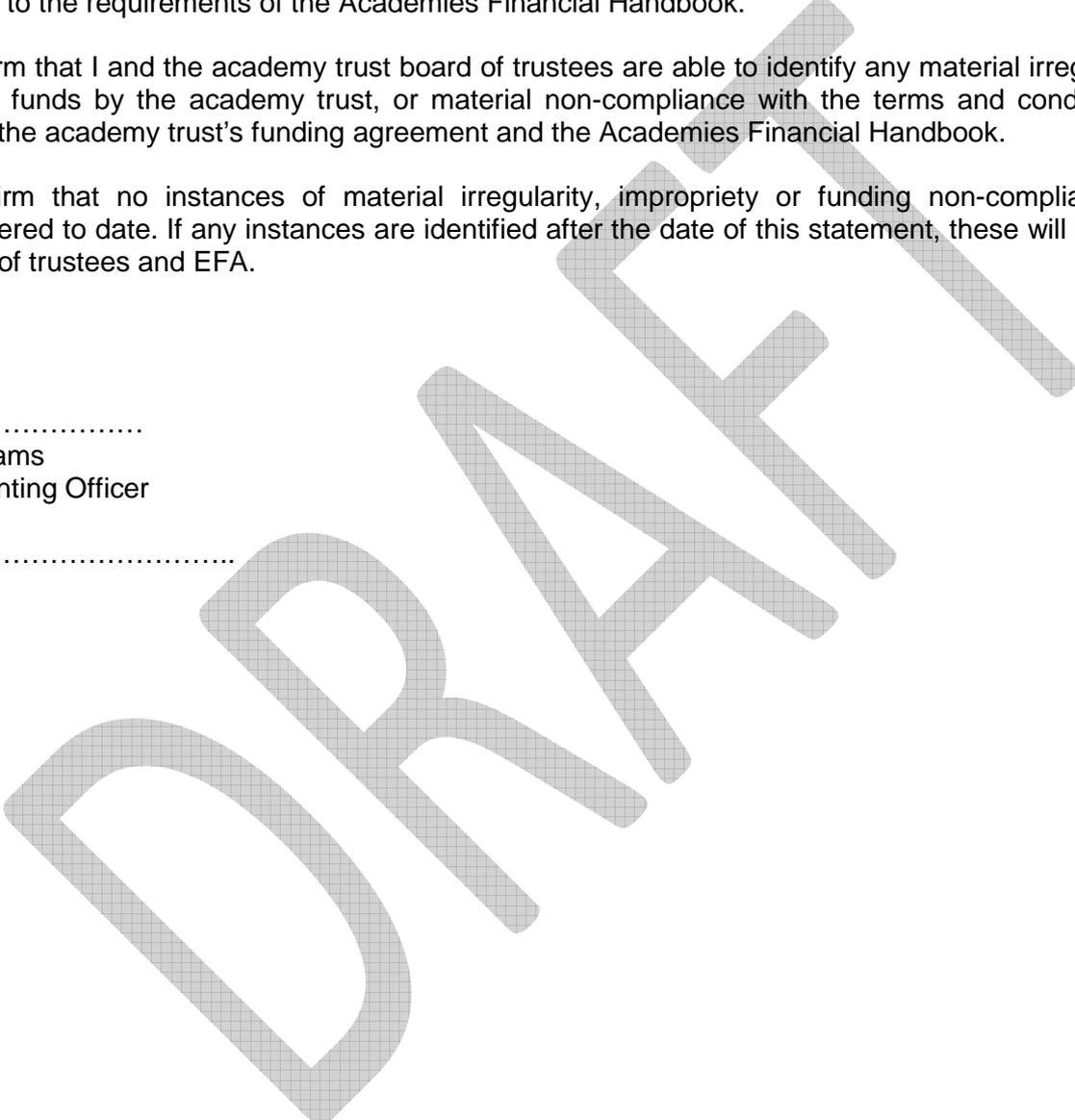
As accounting officer of St Osmund's CE Middle School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

.....
J Williams
Accounting Officer

Date:



St Osmund's CE Middle School
Statement of Trustees' Responsibilities
For the Year Ended 31 August 2015

The trustees (who act as governors of St Osmund's CE Middle School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2005
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 and signed on its behalf by:

.....
Canon T Woodhouse
Chair of Trustees

St Osmund's CE Middle School

Independent Auditor's Report on the Financial Statements to the Board of Trustees of St Osmund's CE Middle School

For the Year Ended 31 August 2015

We have audited the financial statements of St Osmund's CE Middle School for the year ended 31 August 2015, which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on page 17 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.

Scope of the audit of the financial statements.

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

Matters on which we are required to report by exception

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

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

St Osmund's CE Middle School

Independent Auditor's Report on the Financial Statements to the Board of Trustees of St Osmund's CE Middle School

For the Year Ended 31 August 2015

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

.....
Paul Hake FCCA
Senior Statutory Auditor
for and on behalf of
Albert Goodman LLP
Chartered Accountants
Statutory Auditor

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

Date:

St Osmund's CE Middle School

Independent Reporting Accountant's Assurance Report on Regularity to St Osmund's CE Middle School and the Education Funding Agency
For the Year Ended 31 August 2015

In accordance with the terms of our engagement letter dated October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Osmund's CE Middle School during the year to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of St Osmund's CE Middle School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Osmund's CE Middle School's funding agreement with the Secretary of State for Education dated 1 October 2012 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

St Osmund's CE Middle School

Independent Reporting Accountant's Assurance Report on Regularity to St Osmund's CE Middle School and the Education Funding Agency
For the Year Ended 31 August 2015

The work undertaken to draw our conclusion includes:

- Reviewing compliance against the requirements of the Academies Financial Handbook (September 2014);
- A review of the governance policies and procedures with specific consideration for financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by EFA have been adhered to;
- A review of all meeting minutes of the board of trustees;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

Conclusion

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

.....
Reporting Accountant

Albert Goodman LLP
Chartered Accountants

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

Date:

St Osmund's CE Middle School

Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

For the Year Ended 31 August 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	146,449	-	9,995	156,444	140,406
Activities for generating funds	3	94,809	-	4,034	98,843	78,425
Investment income	4	272	-	-	272	300
		<u>241,530</u>	<u>-</u>	<u>14,029</u>	<u>255,559</u>	<u>219,131</u>
Incoming resources from charitable activities:						
Funding for the academy trust's educational operations	5	-	2,423,333	-	2,423,333	2,460,823
		<u>-</u>	<u>2,423,333</u>	<u>-</u>	<u>2,423,333</u>	<u>2,460,823</u>
Total incoming resources		<u>241,530</u>	<u>2,423,333</u>	<u>14,029</u>	<u>2,678,892</u>	<u>2,679,954</u>
Resources expended						
Charitable activities:						
academy trust educational operations	7	238,452	2,464,332	86,723	2,789,507	2,736,360
Governance costs	8	-	13,410	-	13,410	16,733
		<u>238,452</u>	<u>2,477,742</u>	<u>86,723</u>	<u>2,802,917</u>	<u>2,753,093</u>
Total resources expended		<u>238,452</u>	<u>2,477,742</u>	<u>86,723</u>	<u>2,802,917</u>	<u>2,753,093</u>
Net incoming/(outgoing) resources before transfers		3,078	(54,409)	(72,694)	(124,025)	(73,139)
Gross transfers between funds	15	-	778	(778)	-	-
		<u>-</u>	<u>778</u>	<u>(778)</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for year		3,078	(53,631)	(73,472)	(124,025)	(73,139)
Other recognised gains and losses						
Actuarial gains / (losses) on defined benefit pension schemes		-	(4,000)	-	(4,000)	(63,000)
		<u>-</u>	<u>(4,000)</u>	<u>-</u>	<u>(4,000)</u>	<u>(63,000)</u>
Net movement in funds	15	3,078	(57,631)	(73,472)	(128,025)	(136,139)
Reconciliation of funds	15					
Fund balances at 1 September 2014		89,984	(740,098)	1,212,975	562,861	699,000
		<u>89,984</u>	<u>(740,098)</u>	<u>1,212,975</u>	<u>562,861</u>	<u>699,000</u>
Fund balances at 31 August 2015		<u>93,062</u>	<u>(797,729)</u>	<u>1,139,503</u>	<u>434,836</u>	<u>562,861</u>

All of the academy's activities derive from continuing operations during the above two financial periods.

St Osmund's CE Middle School - Company Registration Number: 08066279

Balance Sheet

As at 31 August 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible fixed assets	12	1,139,503	1,199,788
Current assets			
Debtors	13	88,658	81,215
Cash at bank and in hand		146,336	169,746
		<u>234,994</u>	<u>250,961</u>
Liabilities			
Creditors :amounts falling due within one year	14	(93,661)	(121,888)
		<u>141,333</u>	<u>129,073</u>
Net current assets			
		<u>1,280,836</u>	<u>1,328,861</u>
Net assets excluding pension liability			
Pension scheme liability	19	(846,000)	(766,000)
		<u>434,836</u>	<u>562,861</u>
Net assets including pension liability			
Funds of the academy trust			
Unrestricted funds			
General funds	15	93,062	89,984
Restricted funds			
Pension reserve	15	(846,000)	(766,000)
General funds	15	48,271	25,902
		<u>(797,729)</u>	<u>(740,098)</u>
Restricted fixed asset funds	15	1,139,503	1,212,975
Total funds		<u><u>434,836</u></u>	<u><u>562,861</u></u>

The financial statements on pages 22 to 40 were approved by the trustees, and authorised for issue on and are signed on their behalf by:

.....
Canon T Woodhouse
Chair of Trustees

St Osmund's CE Middle School
Cash Flow Statement
For the Year Ended 31 August 2015

	Note	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	1	(9,822)	44,845
Return on investments and servicing of finance	2	272	300
Capital expenditure and financial investment	3	(13,860)	(75,022)
Increase)/(decrease) in cash in the year	4	<u>(23,410)</u>	<u>(29,877)</u>
Net funds at 1 September 2014		<u>169,746</u>	<u>199,623</u>
Net funds at 31 August 2015		<u><u>146,336</u></u>	<u><u>169,746</u></u>

DRAFT

St Osmund's CE Middle School
Notes to Cash Flow Statement
For the Year Ended 31 August 2015

1 Reconciliation of net income to net cash inflow from operating activities

	2015	2014
	£	£
Net income	(124,025)	(73,139)
Interest receivable	(272)	(300)
Depreciation	86,723	99,922
FRS 17 pension cost less contributions payable (note 20)	54,000	20,000
FRS 17 pension finance income (note 20)	22,000	28,000
Capital grants from DfE and other capital income	(12,578)	(14,311)
Decrease)/ (increase) in debtors	(7,443)	85,785
Increase/ (decrease) in creditors	(28,227)	(101,112)
	<u> </u>	<u> </u>
Net cash *used in)/provided by operating activities	(9,822)	44,845
	<u> </u>	<u> </u>

2 Returns on Investment and Servicing of Finance

	2015	2014
	£	£
Interest received	272	300
	<u> </u>	<u> </u>
Net cash inflow from returns on investment and servicing of finance	272	300
	<u> </u>	<u> </u>

3 Capital expenditure and financial investment

	2015	2014
	£	£
Purchase of tangible fixed assets	(26,438)	(89,333)
Capital grants received from DfE/EFA	12,578	14,311
	<u> </u>	<u> </u>
Net cash inflow/(outflow) from capital expenditure and financial investment	(13,860)	(75,022)
	<u> </u>	<u> </u>

4 Analysis of changes in net funds

	At 1 September	Cash flows	At 31 August
	2014	£	2015
	£		£
Cash at bank and in hand	169,746	(23,410)	146,336
	<u> </u>	<u> </u>	<u> </u>

1 Statement of Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005, revised 2008'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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

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

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

1.4 Resources expended

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

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

- **Charitable activities**

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

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	0.8% on cost
Furniture and equipment	25% reducing balance
Computer equipment	33% straight line
Motor vehicle	25% reducing balance

1.6 Leased assets

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

1.7 Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.8 Fund Accounting

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

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

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

1.9 Taxation

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

1.10 Comparative figures

An adjustment of £69,676 has been made to the comparative income to reallocate donations and contributions income between trip income, income from schools/academies and other income. There is no effect on the total income or surplus recognised in the prior year.

2 Voluntary Income

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
Donations and contributions	9,963	-	9,995	19,958	15,312
Trip income	136,486	-	-	136,486	125,094
	146,449	-	9,995	156,444	140,406
	146,449	-	9,995	156,444	140,406

St Osmund's CE Middle School
Notes to the Financial Statements
For the Year Ended 31 August 2015

3 Activities for Generating Funds

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
Facilities and services income	23,439	-	-	23,439	19,246
Income from schools/academies	32,863	-	-	32,863	6,919
Other income	38,507	-	4,034	42,541	52,260
	<u>94,809</u>	<u>-</u>	<u>4,034</u>	<u>98,843</u>	<u>78,425</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
Bank interest	272	-	-	272	300
	<u>272</u>	<u>-</u>	<u>-</u>	<u>272</u>	<u>300</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £	2014 Total £
DfE/EFA revenue grants					
General Annual Grant (GAG)	-	2,307,100	-	2,307,100	2,325,458
Other DfE/EFA Grants	-	95,118	-	95,118	111,551
DfE/EFA Capital Grants	-	12,578	-	12,578	14,311
Other Government grants					
Individually assigned resources	-	8,537	-	8,537	9,503
	<u>-</u>	<u>2,423,333</u>	<u>-</u>	<u>2,423,333</u>	<u>2,460,823</u>

6 Resources expended

	Staff costs £	Non pay Premises £	expenditure Other £	2015 Total £	2014 Total £
Academy's educational operations					
Direct costs	1,860,687	-	144,637	2,005,324	1,905,470
Allocated support costs	297,310	80,124	406,749	784,183	830,890
	<u>2,157,997</u>	<u>80,124</u>	<u>551,386</u>	<u>2,789,507</u>	<u>2,736,360</u>
Governance costs including allocated support costs	-	-	13,410	13,410	16,733
	<u>2,157,997</u>	<u>80,124</u>	<u>564,796</u>	<u>2,802,917</u>	<u>2,753,093</u>

St Osmund's CE Middle School
Notes to the Financial Statements
For the Year Ended 31 August 2015

Net income/(expenditure) for the year includes:		2015	2014
		Total	Total
		£	£
Depreciation		-	99,922
Fees payable to auditor - audit		5,450	10,900
- other services		1,745	-
		<hr/>	<hr/>
7	Charitable activities	2015	2014
		Total	Total
		£	£
	Direct costs – educational operations		
	Teaching and educational support staff costs	1,860,687	1,789,379
	Technology costs	14,135	8,497
	Educational supplies	71,246	62,146
	Staff development	4,811	5,951
	Educational consultancy	35,959	22,258
	Other direct costs	18,486	17,239
	Support costs – educational operations		
	Support staff costs	297,310	255,716
	Staff recruitment and support	629	41,092
	Rent and rates	19,190	20,535
	Energy costs	52,420	42,054
	Insurance	47,235	46,748
	Catering	4,116	8,007
	Maintenance of premises and equipment	49,618	74,108
	Cleaning	3,082	3,874
	Security and transport	4,996	6,430
	Depreciation	86,723	99,922
	Other support costs	218,864	232,404
		<hr/>	<hr/>
	Total direct and support costs	2,789,507	2,736,360
		<hr/>	<hr/>
8	Governance costs	2015	2014
		Total	Total
		£	£
	Auditor's remuneration		
	Audit of financial statements	5,450	10,900
	Other audit costs	1,745	1,435
	Legal & professional	6,215	4,398
		<hr/>	<hr/>
		13,410	16,733
		<hr/>	<hr/>

9 Staff

a. Staff costs

Staff costs during the year were:

	2015	2014
	£	£
Wages and salaries	1,701,348	1,658,169
Social security costs	111,210	108,554
Pension costs	331,954	254,370
	<u>2,144,512</u>	<u>2,021,093</u>
Supply teacher costs	13,485	24,002
	<u>2,157,997</u>	<u>2,045,095</u>

b. Staff numbers

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

	2015	2014
Charitable activities:		
Teachers	27	27
Administration and support	31	32
Management	6	6
	<u>64</u>	<u>65</u>

c. Higher paid staff

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

	2015	2014
	No	No
£60,001 - £70,000	<u>1</u>	<u>-</u>

The employee participated in the Teachers' Pension Scheme.

10 Related party transactions – trustees' remuneration and expenses

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

J Williams, Headteacher and trustee	<i>(appointed 1 January 2014)</i>
Remuneration	£60,000 - £65,000 (2014: £40,000-£45,000)
Employer's pension contributions	£5,000 - £10,000 (2014: £5,000 - £10,000)
L Bainbridge, staff trustee	
Remuneration	£nil- £5,000 (2014: £5,000-£10,000)
Employer's pension contributions	£nil - £5,000 (2014: £ nil - £5,000)
R Fitzgerald, staff trustee	<i>(appointed 1 April 2015)</i>
Remuneration	£10,000 - £15,000
Employer's pension contributions	£nil - £5,000
C Pugh, staff trustee	
Remuneration	£40,000 - £45,000 (2014: £40,000 - £45,000)
Employer's pension contributions	£5,000 - £10,000 (2014: £5,000 - £10,000)
J White, staff trustee	<i>(resigned 31 December 2014)</i>
Remuneration	£5,000 - £10,000 (2014: £15,000 - £20,000)
Employer's pension contributions	£nil - £5,000 (2014: £nil - £5,000)

11 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2015 is included in the total insurance cost.

12 Tangible fixed assets

	Land and Buildings	Furniture and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2014	1,064,255	188,196	173,000	-	1,425,451
Additions	-	13,254	3,189	9,995	26,438
At 31 August 2015	1,064,255	201,450	176,189	9,995	1,451,889
Depreciation					
At 1 September 2014	17,946	86,464	121,253	-	225,663
Charge for the year	8,514	25,914	50,529	1,766	86,723
At 31 August 2015	26,460	112,378	171,782	1,766	312,386
Net book value					
At 31 August 2015	1,037,795	89,072	4,407	8,229	1,139,503
At 31 August 2014	1,046,309	101,732	51,747	-	1,199,788

13 Debtors

	2015	2014
	£	£
Trade debtors	13,459	-
VAT recoverable	16,267	17,565
Prepayments and accrued income	58,932	63,650
	<u>88,658</u>	<u>81,215</u>

14 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	7,066	42,099
PAYE & NIC creditor	32,932	30,397
Other creditors	34,482	32,911
Accruals and deferred income	19,181	16,481
	<u>93,661</u>	<u>121,888</u>

15 Funds

	Opening Balance £	Incoming Resources £	Outgoing Resources £	Transfers, Gains and Losses £	Closing Balance £
Unrestricted funds					
General	89,984	241,530	(238,452)	-	93,062
Restricted funds					
General Annual Grant	25,902	2,307,100	(2,304,912)	(3,189)	24,901
Local Authority grants	-	8,537	(8,537)	-	-
Other DfE/EFA grants	-	95,118	(80,899)	-	14,219
Devolved Formula Capital grant	-	12,578	(7,394)	3,967	9,151
Pension Reserve	(766,000)	-	(76,000)	(4,000)	(846,000)
	(740,098)	2,423,333	(2,477,742)	(3,222)	(797,729)
Restricted fixed asset funds					
Inherited fixed assets	1,021,081	-	(51,347)	-	969,734
Capital expenditure from GAG	59,411	-	(32,106)	3,189	30,494
Other capital funding	13,187	14,029	(2,308)	(3,967)	20,941
DfE/EFA capital grants	119,296	-	(962)	-	118,334
	1,212,975	14,029	(86,723)	(778)	1,139,503
Total restricted funds	472,877	2,437,362	(2,564,465)	(4,000)	341,774
Total funds	562,861	2,678,892	(2,802,917)	(4,000)	434,836

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

General Annual Grant (GAG) – Funding from the Education Funding Agency to support the education and running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Local authority grants – This is funding from Dorset County Council to support various educational activities.

Other DfE/EFA grants – A grant from the Education Funding Agency to support non-staff insurance costs, provide bursaries and support pupils from low income families.

Devolved Formula Capital Grant – A grant provided by the Education Funding Agency to maintain and improve buildings and facilities.

Pension Reserve – This fund represents the pension deficit for the Local Government Pension Scheme and its associated costs for the year.

Inherited fixed assets - Represents the land and equipment donated to the school from the County Council on conversion to an academy.

DfE/EFA capital grants – This is a capital grant from the Education Funding Agency towards the development of the new sports hall.

Capital expenditure from GAG – This represents the amount of the General Annual Grant allocated towards capital expenditure during the year and its associated depreciation.

Other capital funding – This received funding towards supporting fixed asset expenditure

16 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset funds £	Total funds £
Tangible fixed assets	-	-	1,139,503	1,139,503
Current assets	93,062	141,932	-	234,994
Current liabilities	-	(93,661)	-	(93,661)
Pension scheme liability	-	(846,000)	-	(846,000)
Total net assets	<u>93,062</u>	<u>(797,729)</u>	<u>1,139,503</u>	<u>434,836</u>

17 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they cease to be a member.

18 Pensions and similar obligations

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

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from maintained school and new employees who were eligible to, and did, join the scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013. Contributions amounting to £24,563 were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019. The pension costs paid to TPS in the year amounted to £162,000 (2014: £185,000). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £107,000 (2014: £110,000), of which employer's contributions totalled £81,000 (2014: £84,000) and employees' contributions totalled £26,000 (2014: £26,000). The agreed contribution rates for future years are 18.1% for employers and 6.5% for employees.

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

Principal Actuarial Assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.20%	4.20%
Rate of increase for pensions in payment / inflation	2.70%	2.70%
Discount rate for scheme liabilities	4.00%	4.00%
Inflation assumption (CPI)	2.70%	2.70%

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

Disclosure item	£000's +0.1%	£000's 0.0%	£000's -0.1%
Adjustment to discount rate			
Present value of total obligation	1,548	1,585	1,623
Projected service cost	135	138	141
Adjustment to long term salary increase			
Present value of total obligation	1,592	1,585	1,578
Projected service cost	138	138	138
Adjustment to pension increases and deferred revaluation			
Present value of total obligation	1,616	1,585	1,555
Projected service cost	141	138	135
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	1,626	1,585	1,545
Projected service cost	142	138	135

St Osmund's CE Middle School
Notes to the Financial Statements
For the Year Ended 31 August 2015

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.8	22.7
Females	25.2	25.1
<i>Retiring in 20 years</i>		
Males	25.1	24.9
Females	27.6	27.4

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

	Expected return as at 31 August 2015*	Fair value as at 31 August 2015	Fair value as at 31 August 2014
Equities		407,000	339,000
Gilts		88,000	124,000
Bonds		94,000	-
Property		75,000	57,000
Cash		29,000	57,000
Other		46,000	44,000
Total market value of assets		739,000	621,000
Present value of scheme liabilities			
Funded		(1,585,000)	(1,387,000)
(Deficit) in the scheme		(846,000)	(766,000)

* For the year to 31 August 2015, the expected return was 5.6% per annum, which has been used to determine the profit and loss charge for the year ended 31 August 2015.

The expected return on gilts and other bonds are assumed to be at the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilts.

The actual return on scheme assets was £32,000 (2014: £50,000).

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost (net of employee contributions)	(135,000)	(104,000)
Past service cost	-	-
Total operating charge	(135,000)	(104,000)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	37,000	22,000
Interest on pension liabilities	(59,000)	(50,000)
Pension finance income / (costs)	(22,000)	(28,000)

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £232,000 loss (2014: £228,000 loss).

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

	2015 £	2014 £
At 1 September	(1,387,000)	(1,015,000)
Current service cost	(135,000)	(104,000)
Interest cost	(59,000)	(50,000)
Employee contributions	(26,000)	(26,000)
Actuarial gains/ (losses)	1,000	(192,000)
Benefits paid	21,000	-
	<u> </u>	<u> </u>
At 31 August	<u>(1,585,000)</u>	<u>(1,387,000)</u>

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

	2015 £	2014 £
At 1 September	621,000	360,000
Expected return on assets	37,000	22,000
Employer contributions	81,000	84,000
Employee contributions	26,000	26,000
Actuarial (losses) /gains	(5,000)	129,000
Benefits paid	(21,000)	-
	<u> </u>	<u> </u>
At 31 August	<u>739,000</u>	<u>621,000</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £85,000.

The history of experience adjustments is as follows:

	2015 £	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(1,585,000)	(1,387,000)	(1,015,000)	(662,000)
Fair value of share of scheme assets	739,000	621,000	360,000	189,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
(Deficit) in the scheme	<u>(846,000)</u>	<u>(766,000)</u>	<u>(655,000)</u>	<u>(473,000)</u>
Experience adjustments on share of scheme assets:	(5,000)	129,000	29,000	-
Experience adjustments on scheme liabilities:	-	(91,000)	-	-

19 Related party transactions

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

No related party transactions took place in the period of account.

DRAFT